



MAR 2022

PUERTO RICO **TAX EXPENDITURE REPORT FOR TAX YEAR 2023**

Including Tax Expenditure costs for years 2017-2023



OFFICE OF ECONOMIC
AND FINANCIAL AFFAIRS

Table of Contents

INTRODUCTION3

PUERTO RICO TAX EXPENDITURE REPORT.....5

 I. DEFINITION OF TAX EXPENDITURES.....5

 II. TAX EXPENDITURES AS PART OF THE BUDGET5

 III. MEASUREMENT OF THE COST OF TAX EXPENDITURES6

 III-A Measurement and Behavior6

 III-B The Special Case of Foreign-Owned Incentive Corporations8

 III-C The Non-Additive Nature Of Tax Expenditures9

 III-D Data Sources and Measurement Techniques.....9

 Table III-1: Data Sources For Tax Expenditures Estimates in PRTER23 By Tax Regime and Taxable Year..... 10

 III-D.(a) Individual Income Taxes 11

 III-D.(b) Business Income Taxes 11

 III-D.(c) Sale and Use Taxes..... 12

 III-D.(d) Excise Taxes 12

 IV. IDENTIFICATION OF TAX EXPENDITURES AND BENCHMARKING12

 IV-A Income Taxes In General13

 IV-B Individual Income Taxes13

 IV-C Business Income Taxes.....14

 IV-C Sale and Use Taxes16

 IV-D Excise Taxes16

 V. FUTURE EDITIONS OF THE PRTER17

 VI. THE TAX EXPENDITURE BUDGET17

 Table 1- Tax Expenditure by Tax Regime and by Type of Expenditure 20

 Table 2- Tax Expenditure by Tax Regime and by Budget Category 21

 Table 3- Tax Expenditure by Tax Regime and by Type of Expenditure With Incentive Act Detail..... 22

 Table 4- Revenue Foregone by Tax Expenditure, by Tax Regime, by Type of Tax Expenditure and by Budget Category 24

 Table 4A Tax Expenditures by Budget Category 82

 Table 5 Legal Citation for the Law Creating Each Tax Expenditure and Data Source For The Tax Expenditure Estimate By Tax Regime 151

INTRODUCTION

This Report, “The Puerto Rico Tax Expenditure Report For Tax Year 2023” (PRTER23,) is the third tax expenditure report issued by the Puerto Rico Treasury Department. The first report, “The Puerto Rico Tax Expenditure Report For Tax Year 2017” (PRTER17) was published in June 2019. The second report, “The Puerto Rico Tax Expenditure Report for 2018” was published in May 2021.

This report provides a definition for “tax expenditures”, describes the method used to identify tax expenditures, and provides a list of tax expenditures with estimates of their cost. New estimates are provided for the cost of tax expenditures for the tax years 2019 through 2023 and revised estimates for the tax years 2017 and 2018 for the major tax regimes in Puerto Rico; including personal income tax, business income tax, sales and use tax and excise tax. Tax expenditures attributable to Act No. 135 of December 2, 1997, as amended, (the “Tax Incentives Act of 1998”), to Act No. 73 of May 28, 2008, as amended, (the “Economic Incentives Act for the Development of Puerto Rico”) and to Act No. 60 of July 1, 2019, as amended, (The Puerto Rico Tax Incentives Code Act); appear in the corporate regime in this Report. However, they are inherently different from other corporate income tax expenditures in some very important ways; as a result, a separate discussion of these tax expenditures is included in Section III, Measurement of The Cost of Tax Expenditures.

PRTER23 includes new tax expenditures created by Act 257-2018, The 2018 Tax Reform Act and Act 60-2019, The Puerto Rico Incentives Code Act. Those same Acts repealed earlier legislation that created tax expenditures. Repealed tax expenditures are also identified in this Report. A table identifying these new and repealed tax expenditures is included in Section VI of this Report.

There are 438 tax expenditures that will exist under 2023 tax law for the tax regimes covered in this Report. An additional 25 tax expenditures have been repealed. Section VI of this Report includes the entire list of 463 tax expenditures and their costs.

The PRTER is an important tool to be used in conjunction with the annual budget of Puerto Rico. As discussed in more detail in Section II below, tax expenditures are an alternative to regular expenditures for pursuing policy objectives. However, unlike regular expenditures, tax expenditures are not presented in the annual budget of Puerto Rico. The PRTER complements the budget in that it completes the list of policies pursued and amounts expended. The goal has been to update the PRTER annually at approximately the time that the budget is being developed with estimates of the cost of tax expenditures though that budget year. With PRTER23 we accomplish that goal as it provides cost estimates of tax expenditures for tax year 2023 in early April of 2022 just as work on the fiscal year 2023 budget by the Puerto Rico government is commencing.

Our convention for naming tax expenditure reports is to name the report after the latest year of tax expenditures that are included in the Report. This Report is referred to as PRTER23 because the latest year for which tax expenditures is included is tax year 2023. The latest year for which tax expenditures is included for future reports will always coincide with the year for which the budget is being prepared at the time of the report's publication. PRTER23 is the first Puerto Rico Tax Expenditure Report to include forecasts of the cost of tax expenditures. At the time of completion of this Report, tax data and National Accounts data were only available through 2021, making it necessary to use forecasts of GNP to extrapolate tax data through 2023. A description of the methods used to forecast the cost estimates appears in Section III-D.

With this Report Treasury has modified the Tax Expenditure Budget (TEB) numbering system. A description of the new numbering system appears in Section VI. This Report includes tax expenditures and their cost estimates for all of the tax expenditures extant from 2017 through 2023 making it unnecessary to refer to the earlier Reports in order to obtain either a complete list of tax expenditures or a complete time series of their costs.

This Report is divided into six major sections: (i) Section I, The Definition of Tax Expenditures, describes how a tax expenditure is defined for purposes of the PRTER; (ii) Section II, The Tax Expenditures as Part of the Budget, explains the importance of this Report as part of the government budget process; (iii) Section III, The Measurement of the Cost of Tax Expenditures, explains how the cost of tax expenditures is estimated and includes a discussion of taxpayer behavior; (iv) Section IV, The Identification of Tax Expenditures and Benchmarking, describes the benchmarking process for each of the tax regimes included in this Report; (v) Section V, Future Editions of the PRTER, describes plans for future editions of the PRTER; (vi) Section VI, The Tax Expenditures Budget, includes the list of the tax expenditures and their costs in tabular form classified by tax regime, type of tax expenditure and budget category.

There are 437 tax expenditures that will exist under 2023 tax law for the tax regimes covered in this Report. An additional 26 tax expenditures have been repealed. Section VI of this Report includes the entire list of 463 tax expenditures and their costs.

The Office of Economic and Financial Affairs, or in Spanish, La Oficina de Asuntos Económicos y Financieros ("OAEF"), of the Treasury Department of Puerto Rico developed the tools and methods used to measure tax expenditures and prepared this report. This Report was prepared under the direction of Aixa Cruz, the Assistant Secretary of Treasury for OAEF. Major contributions were made by the staff of OAEF including Waheed Murad, Yecenia Collazo, Nelson López, Blanca Cintrón and Janny Robles. The staff of OAEF produced the estimates of the cost of tax expenditures that appear in this Report and developed the models that underlie those estimates. Significant contributions concerning legal citations, identification of tax expenditures and interpretation of the tax law were provided by Blanca Alvarez and Sandra Torres of the Internal Revenue Service. Comments were provided by other components of the Government of Puerto Rico. Gerald Silverstein, consultant to Treasury, provided both guidance and technical advice.

PUERTO RICO TAX EXPENDITURE REPORT

I. DEFINITION OF TAX EXPENDITURES

Tax expenditures as measured in Puerto Rico are revenue losses attributable to provisions of Act No. 1 of January 31, 2011, as amended, the Internal Revenue Code for a New Puerto Rico (the "PRIRC") that deviate from the tax structure's benchmark law. The revenue loss could be due to a special exclusion, deduction, exemption, credit, a preferential rate of tax, or a deferral of tax liability.

For purposes of the PRTER, the benchmark law is characterized only by the most fundamental aspects of a tax; the application of a general tax rate to a broadly defined tax base. Any departure from this benchmark that reduces tax revenues is considered a tax expenditure. This broad approach provides greater transparency by ensuring that information is being disclosed on a wide range of tax measures.

The Treasury staff uses its judgment to distinguish those income tax provisions that should be considered part of the benchmark tax law as opposed to those special provisions that result in tax expenditures.

II. TAX EXPENDITURES AS PART OF THE BUDGET

A tax expenditure is the result of the government's use of the tax system to pursue certain policy goals such as encouraging savings, stimulating employment, stimulating economic activity, encouraging foreign investment and protecting national industries. In such circumstances, the tax system fulfills a role like that of a spending program; however, unlike a spending program in which taxes are collected and spent by the government, a tax expenditure reduces revenues when the taxpayer engages in activities that further the policy goal. These revenue losses or tax expenditures may be viewed as alternatives to other policy instruments such as spending or regulatory programs.

The budget of Puerto Rico is an accounting tool that shows revenues on the receipts side of the budget and spending on the expenditures side of the budget. In the budget, a spending program created to achieve a policy goal appears on the expenditures side of the budget while revenues that are used to support the policy appear on the receipts side of the budget. A tax expenditure, on the contrary, does not appear in the budget at all. As a result, there is no spending program on the expenditures side of the budget and the amount of foregone revenues due to the tax expenditure is not accounted for on the receipts side of the budget. Therefore, a budget without a list of tax expenditures neither includes the entire set of programs that the government is engaged in nor the total amount of dollars spent on government programs.

For example, the deduction for medical expenditures is an exception to the benchmark income tax structure that reduces taxes. It is a tax expenditure that is a substitute for a spending program. Thus, when a policy goal, such as subsidizing individuals with medical expenses, is achieved through a tax expenditure, such initiative reduces taxes by an amount unspecified in the budget. Had there been no deduction for medical expenditures, that same policy could have been pursued through a spending program and there would have been additional revenues on the receipts side of the budget and a spending program showing the subsidies to individuals for medical expenses on the expenditure side of the budget.

The list of tax expenditures and their costs that appears in Section VI below is referred to as the Tax Expenditure Budget ("TEB"). As mentioned above, it is important that the TEB be considered along with the regular budget in order to have a complete list of government programs and expenditures. There are other reasons to produce a TEB. While spending programs are reviewed every year by both the legislature and the administration in order to prepare the regular budget, tax expenditures are embedded in the PRIRC, and since they are outside the budget, they are not considered when the budget is prepared. However, like all other governmental programs, tax expenditures should be continually subject to evaluation. The TEB provides a tool for that evaluation.

The public should be aware of the policies that their government is involved in and the TEB allows the public to better understand these policies. Tax expenditure analysis can help both policymakers and the public to understand the actual size of government, the uses to which government resources are put and the tax and economic policy consequences that follow from the implicit or explicit choices made in legislation.

Inclusion of a provision within the TEB is not an evaluation of the appropriateness of the policy but only a recognition that a program exists to pursue a policy goal even though it doesn't appear in the budget. **Treasury emphasizes that in the process of listing tax expenditures, no judgment is made, nor any implication intended, about the desirability of any special tax provision as a matter of public policy.**

III. MEASUREMENT OF THE COST OF TAX EXPENDITURES

III-A Measurement and Behavior

In this Report, the cost of tax expenditures is measured as "foregone revenue". Foregone revenue is the method used to measure the cost of tax expenditures by most states in the United States and foreign governments, including Latin American governments. Foregone revenue is the loss of revenue that occurs after a tax expenditure has been introduced. Each tax expenditure is measured as the difference between tax liability under present law and the tax liability that would result if the tax expenditure provision were eliminated.

Foregone revenue does not include the impact on tax revenues of behavioral response by the taxpayer to the loss of his tax preference. The foregone revenue method was specifically chosen by Treasury in order to avoid the considerable difficulty of measuring behavioral response to the elimination of the many tax expenditures presented in this Report. However, the omission of behavioural responses generates cost estimates and projections that may reduce the revenue gains that would result if a particular provision were eliminated since in many instances the removal of a tax expenditure would cause taxpayers to change their behaviour to minimize the amount of tax they would have to pay. Treasury understands that for most tax expenditures the impact of behavior is marginal and that it would not generally affect the ordinal ranking of the tax expenditures. Thus, this Report provides valuable information, even without including behavior in the cost of tax expenditures, by identifying tax expenditures and providing consistent measures of their cost.

The effects of behavior can be illustrated by considering the taxation of capital gains. If the lower tax rate for capital gains under current income tax law were increased, it is likely that taxpayers would react by postponing certain transactions on capital assets in order to reduce the burden of the resulting tax increase. This behavior would reduce the expected revenue gains for the government, an effect that is not taken into account when estimating the cost of this tax expenditure. It should be noted that a revenue estimate of legislation that would eliminate the lower capital gains tax rates would always take into consideration behavior. Thus, the value of the tax expenditure can be different from the estimated revenue gain that the government would project if it were to pass legislation to eliminate the preferential rate. Unlike the measures of tax expenditures presented in this report, all revenue estimates produced by Treasury take into consideration the impact of taxpayers' behavior on revenues.

Although behavior is not included in the measurement of tax expenditures in this Report, certain kinds of changes in a taxpayer's position as a result of the elimination of a tax expenditure is included in the measurement of tax expenditures. For example, as a result of the elimination of the deduction for medical expenditures, a taxpayer may move into a higher tax bracket. The methods used to measure the cost of a tax expenditure take this into consideration so that the additional revenues from moving to a higher tax bracket (or similar changes in a taxpayer's position) are included in the cost of a tax expenditure.

The estimates of the cost of tax expenditures presented in this report do not take into account their impact on the overall level of economic activity and the potential resulting impact on aggregate tax revenues. These kinds of impacts are frequently referred to as macroeconomic feedback or dynamic effects. Many tax expenditures are policies designed to increase economic activities that are expected to have significant positive effects on economic growth. The elimination of such tax expenditures may have a negative impact on economic growth fostering a decrease in aggregate tax revenues that may offset a part (or all) of the increase in revenues resulting from elimination of the tax expenditure. For example, eliminating a tax expenditure that encourages investment may decrease the amount of investment that, in turn, may decrease the amount of capital and its productivity and GDP ultimately decreasing tax revenues. Eliminating a tax expenditure would also mean that the government would have more funds

available to increase spending, reduce taxes or pay down debt—actions that could have additional dynamic effects on the economy and on tax revenues. These possible dynamic effects from the elimination of tax expenditures are not considered when determining the cost of tax expenditures appearing in this Report.

III-B The Special Case of Foreign-Owned Incentive Corporations

The Incentive Acts, like any other tax law, are the result of legislation passed by the Legislative Assembly of Puerto Rico and signed by the Governor. The Incentive Acts generally lower the tax rate applicable to businesses whose operations qualify thereunder and sign an agreement thereof with the Government of Puerto Rico. The Incentive Acts are designed to encourage economic activity in Puerto Rico and the tax benefits provided clearly qualify as tax expenditures. The lower tax rates, accelerated deductions and the tax credits granted create a revenue loss in order to achieve the policies of encouraging foreign investment in Puerto Rico and stimulating economic growth. The count of tax expenditures created under the Incentive Acts can be found below in in Table 3 of Section VI, The Tax Expenditure Budget, while details about the foregone revenue attributable to the Incentive Acts and the legislation that created them can be found in Tables 4 and 5 of Section VI.

Approximately ninety-eight percent (98%) of the income taxed under the Incentive Acts is income generated by foreign-owned incentive corporations. Foreign-owned incentive corporations are corporations engaged in a trade or business in Puerto Rico pursuant to the provisions of one of the Incentive Acts and owned by foreign individuals or entities. The Incentive Acts provide a myriad of tax incentives for foreign-owned corporations to either locate or expand their businesses in Puerto Rico. For example, in return for increasing their economic activity in Puerto Rico, the tax rate applicable to foreign-owned corporations for income taxes significantly reduced. The tax rates appearing in the agreement are negotiated and must fall within a range of possible rates specified in the Incentive Acts. The qualifying corporation must file an incentive corporation income tax return which looks much like a regular corporate tax return. Incentive corporations are taxed much like regular corporations but at lower tax rates.

There is a significant difference between the measures of the tax expenditures attributable to the Incentive Acts and all other tax expenditures appearing in this Report. The difference is in the potential behavior of taxpayers in response to the elimination of the tax expenditure. As mentioned above, for most tax expenditures the behavior has a marginal effect on the cost of the tax expenditure. In the case of Incentive Act corporations, however, the potential behavior in response to elimination of the tax benefits thereof could have an impact that eliminates any potential gain in revenues resulting from elimination of the tax expenditure and may create significant dynamic reductions in the economy.

This behavior may be expected since most incentive corporations have a presence in many countries but choose to locate their operations in Puerto Rico mostly because of the very low tax rates and other tax benefits offered through the Incentive Acts. Were these preferences to be eliminated, the operations currently in Puerto Rico could be moved to other jurisdictions that

also offer low tax rates and in which the parent corporations already have a presence; these jurisdictions are already competing with Puerto Rico for those operations. If the qualifying corporations were to move their operations from Puerto Rico, there would be significant dynamic effects felt throughout the economy.

Treasury has decided to include estimates of the cost of tax expenditures for the Incentive Acts in the TEB measured without behavior in the same way as any other tax expenditure. However, the elimination of the Incentive Acts would likely not increase tax revenues, but instead significantly decrease revenues because of the foreign-owned corporations' ability to relocate operations outside of Puerto Rico and the resulting significant dynamic reductions in the economy.

III-C The Non-Additive Nature Of Tax Expenditures

There are no totals shown for tax expenditures in this Report. The cost of a tax expenditure shown in this Report is measured assuming that every other tax expenditure remains unchanged. For example, the cost of the deduction for medical expenses is measured assuming that the charitable donations deduction remains intact. Consider a taxpayer that would remain in the same tax bracket if either the medical deduction or the charitable donations deduction was eliminated but would move into a higher income tax bracket if both were eliminated. In that case, the addition of the two independent estimates would be different (smaller) than an estimate if the tax expenditures were eliminated as a group. In general, the cost of a group of tax expenditures may not correspond to the sum of the cost of each independently measured tax expenditure in that group. This is true because tax measures interact with one another. For this reason, totals of tax expenditures are generally inaccurate and are not shown in this report.

III-D Data Sources and Measurement Techniques

In this Report there are three major sources of data used to estimate the cost of tax expenditures including: tax returns, national accounts data and GNP forecasts. Tax returns are the best source of information about tax expenditures. However, tax returns are not available for all years included in this report. When tax returns are not available national accounts data is generally used to extrapolate the latest available year of tax returns. National accounts data include measures of GNP and the various components of national product and national income compiled by the Puerto Rico Planning Board from actual measures of economic activity and published in the appendix to the Governor's Budget Publication.

PRTER23 is the first Puerto Rico Tax Expenditure Report to include forecasts of the cost of tax expenditures beyond the most recently published national accounts data. At the time of completion of this Report in March of 2022, national accounts data were available only through fiscal year 2021. Therefore, forecasts of nominal GNP produced by the Financial Oversight Management Board (FOMB) of Puerto Rico were used to extrapolate tax return data for tax years 2022 and 2023. These FOMB forecasts of nominal GNP will underlie the estimates of tax receipts and government expenditures in the 2023 Budget of Puerto Rico. Therefore, the same

assumptions about the growth in nominal GNP through 2023 will underlie both the Budget of Puerto Rico and PRTER23.

It should be noted that tax receipts in the budget are on a fiscal year basis (eg: fiscal year 2023 includes July 2022 through June 2023) while the cost of tax expenditures in this Report are shown on a tax year basis. The tax year is very close to a calendar year basis because the tax liabilities that appear on the tax returns filed by most taxpayers in Puerto Rico coincide with the calendar year. We hope that we will be able to show the cost of tax expenditures on a fiscal year receipts basis in future PRTERs as more information becomes available from the new tax return reporting system, SURI.

Table III-1 below shows a summary of the sources of data used to estimate the cost of tax expenditures by tax regime and by tax year.

Table III-1: Data Sources For Tax Expenditures Estimates in PRTER23 By Tax Regime and Taxable Year

Tax Regime	2017	2018	2019	2020	2021	2022	2023
Individual Income Taxes	Tax Returns	Tax Returns	Tax Returns	PB National Accounts Extrapolation of 2019 Tax Returns	PB National Accounts Extrapolation of 2019 Tax Returns	FOMB GNP Extrapolation of 2019 Tax Returns	FOMB GNP Extrapolation of 2019 Tax Returns
Business Income Taxes							
Incentive Corporations	Tax Returns	PB National Accounts Extrapolation of 2017 Tax Returns	PB National Accounts Extrapolation of 2017 Tax Returns	PB National Accounts Extrapolation of 2017 Tax Returns	PB National Accounts Extrapolation of 2017 Tax Returns	FOMB GNP Extrapolation of 2017 Tax Returns	FOMB GNP Extrapolation of 2017 Tax Returns
Regular Corporations	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	FOMB GNP Extrapolation of 2016 Tax Returns	FOMB GNP Extrapolation of 2016 Tax Returns
Partnerships	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	PB National Accounts Extrapolation of 2016 Tax Returns	FOMB GNP Extrapolation of 2016 Tax Returns	FOMB GNP Extrapolation of 2016 Tax Returns
Sales and Use Tax	Tax Returns	FOMB GNP Extrapolation of 2021 Tax Returns	FOMB GNP Extrapolation of 2021 Tax Returns				
Excise Taxes	Tax Returns	FOMB GNP Extrapolation of 2021 Tax Returns	FOMB GNP Extrapolation of 2021 Tax Returns				
PB = national accounts data from The Puerto Rico Planning Board FOMB = forecasts of nominal dollar GNP from the Financial Oversight and Management Board for Puerto Rico							

All estimates of the cost of tax expenditures based on tax returns are final estimates. When national accounts data is used as an extrapolator, the cost estimates will be revised as tax returns become available. National accounts data itself is on a revision cycle so that it is possible that the national accounts will be revised between the publication of two PRTERs while tax returns are still not available; these national accounts revisions may give rise to revisions of the cost of tax expenditures appearing in this Report. Finally, the cost of tax expenditures extrapolated by FOMB forecasts will be revised as Planning Board measures of the national accounts become available to replace FOMB forecasts of GNP.

Listed immediately below are the types of tax returns and the techniques used to estimate the cost of tax expenditures for each of the tax regimes include in this Report.

III-D.(a) Individual Income Taxes

Data – Individual income tax returns.

Technique – A microsimulation model run against the population of individual tax returns.

III-D.(b) Business Income Taxes

Data – Business income tax returns and informative returns.

Technique –

For corporations, a large-scale microsimulation model is run against the population of regular corporation tax returns. A separate microsimulation model is run against incentive corporation tax returns.

For non-corporate business including partnerships and special partnerships information on the various tax expenditures were obtained from informative returns. Estimates of the portion of those deductions, exemptions, etc. that were taxed on the returns of the owners of the non-corporate businesses (regular corporations, incentive corporations and individuals) were made in order to calculate the revenue cost of each tax expenditure.

Technique for Depreciation –

A perpetual inventory model employing investment from the National Accounts of Puerto Rico allows the calculation of both economic depreciation and tax depreciation.

For this Report economic depreciation is defined as depreciation measured using the depreciation patterns used by the Bureau of Economic Analysis of the United States Department of Commerce to obtain the depreciation shown in the United States National Accounts. These depreciation patterns rely on a geometric rate of decline in the value of the fixed asset that most closely resembles the change in the market value of the fixed asset. Forty classes of fixed assets in Puerto Rico were depreciated over 40 geometric depreciation patterns to obtain economic

depreciation. These same forty classes of assets were depreciated using the depreciation patterns allowed under the tax law to obtain tax depreciation.

The difference in these two measures of depreciation, economic and tax, is distributed to their business owners by tax regime (regular corporate, incentive corporate or pass-through entities) in order to determine the cost of the tax expenditure for depreciation in each tax regime.

III-D.(c) Sale and Use Taxes

Data – Sales and Use tax returns, importation tax returns.

Technique – Based on the tax return data repository (sales and imports) and statistics from the Department of Labor (Expenditure Basket), Puerto Rico Planning Board (GASTCON), among others.

III-D.(d) Excise Taxes

Data - Excise tax return data.

Technique – The dollar amount of the exempt good is multiplied by the appropriate excise tax rate.

IV. IDENTIFICATION OF TAX EXPENDITURES AND BENCHMARKING

Tax expenditures are identified by reference to benchmark tax law. The benchmark law is characterized by four fundamental aspects of the tax system including: the tax base, the tax rate, the unit of taxation and the period of taxation. Any departure from this benchmark that reduces taxes is considered a “tax expenditure”. This broad approach provides greater transparency by ensuring that information is being disclosed on a wide range of tax measures.

Note that this Report does not include tax expenditures under Act 154. This is because there is no underlying economic or tax concept as to the type of economic activity that is taxed under Act 154. Act 154 was designed simply to raise a certain amount of revenues and the base of the tax as well as the credits were chosen to achieve that revenue target. Therefore, there is no benchmark concept from which departures can be identified and there are no tax expenditures.

Appearing below is a description of the benchmark for each of the four tax regimes for which tax expenditures estimates are presented in this Report.

IV-A Income Taxes In General

The tax base for both the individual and business income taxes are patterned on a comprehensive income tax, which defines “income” as the sum of: (i) consumption and, (ii) the change in net wealth in a given period of time. However, there is an exception to this definition of income in order to arrive at the normative baseline from which departures are measured as tax expenditures.

The normative income tax baseline only includes income when it is realized. The unrealized capital gains on both assets and debt are not included in the normative income tax baseline. Thus, the deferral of tax on unrealized capital gains is not regarded as a tax expenditure. Departures from this normative income tax baseline are tax expenditures for both individual and business income. An example of such a departure is the deductibility of charitable contributions for individuals (See TEB-4 in the tables appearing in Section VI. The Tax Expenditure Budget). The normative individual income tax baseline would not allow a deduction for any personal expenditures, including charitable contributions. In contrast the PRIRC Section 1033.15(a)(3)(A) allows a deduction in the amount of contributions or gifts made during the tax year to, or for use by, non-profit organizations. This generates a tax expenditure.

IV-B Individual Income Taxes

Tax Base - The normative individual income tax baseline allows personal exemptions, a standard deduction, and deduction of expenses incurred in earning income.

Rate – The tax rate is the progressive rate structure in existence for each tax year at the time of the Report. This means that the progressive tax rate structure (including brackets, standard deduction and personal exemptions) is not a tax expenditure. Treasury has determined that the credit (calculated as a percentage reduction in tax liabilities) introduced in Act 257-2018 and revised in Act 60-2019 is an adjustment to the progressive rate structure as is the revision to the Basic Alternate Tax Rates and therefore do not themselves give rise to tax expenditures.

Unit of Taxation – The individual.

Period of Taxation – The calendar year.

Notes on Individual Income Taxes –

Schedule B Credits – Schedule B credits are tax credits available to businesses. A subset of the Schedule B credits are those tax credits generated by businesses that have no tax liabilities and which may transfer such tax credits to third parties. Business entities in a loss position and no tax liabilities but entitled to such tax credits can raise cash by selling the same (at a discount) to other businesses or individuals who may use them to reduce their income tax liabilities. In

these cases, the benefit of the tax credit is shared between the business that generated the tax credit and the business or individual purchaser of the credit. In this Report there is no attempt to share out the benefit of the credit between the seller and the acquirer of the tax credit. Instead the Schedule B credits are shown as a tax expenditure in the tax regime (individual or business) where the credit was claimed.

IV-C Business Income Taxes

Tax Base – The normative business income tax baseline allows expenses incurred in earning income. Expenses incurred in earning income include wages, depreciation deductions and certain other expenses that are incurred in earning income. The separate corporate tax system is considered part of the normative business income tax baseline and does not by itself generate a tax expenditure.

Rate – The tax rate is the progressive rate structure in existence for each tax year at the time of the Report. This means that the progressive tax rate structure is not a tax expenditure. Treasury has determined that the optional tax computation for self-employed individuals and corporations that was introduced in the Act 257- 2018 is an adjustment to the tax rate structure and does not itself give rise to tax expenditures. Similarly, the reduction in the normal tax rate for corporations introduced in Act 257- 2018 does not give rise to tax expenditures.

Unit of Taxation – The legal business entity.

Period of Taxation – The fiscal year of the taxpayer.

Notes on Business Income Taxes -

Non-Corporate Business –

The income of non-corporate businesses (frequently referred to as pass-through entities) is attributed to the owner and is taxed on his tax return at the appropriate tax rate. This Report includes the cost of tax expenditures for non-corporate businesses in the form of partnerships and special partnerships. In the PRTER business entities are divided by legal form between: (i) corporations including regular corporations, incentive corporations and corporations of individuals and (ii) non-corporate businesses including partnerships, special partnerships and sole proprietorships reporting their income on Schedules K (Industry or Business Income), L (Farming Income), M (Professions and Commissions Income) and N (Rental Income) of the individual tax return. This report does not include tax expenditures for corporations of individuals or sole proprietorships because no recent data is available for these entities. It is expected that a future PRTER will contain such estimates.

Non-Corporate business income tax expenditures include tax expenditures such as deductions, exemptions, etc. that are taken on the non-corporate business tax return. Other than credits, these tax expenditures will lower the income that is passed through to the owner and is taxed on his return. For example, a partnership may deduct a charitable contribution on his

partnership return that may lower the income passed to its owner who may be an individual. The individual owner may also take a charitable contribution on his individual tax return that will also lower his taxable income. For purposes of classifying these tax expenditures by tax regime in this Report, the charitable contribution the partnership deducts appears in this Report as a non-corporate business tax expenditure while the charitable contribution that the owner takes on his individual tax return appears in this Report as an individual income tax expenditure. Credits generated by the partnerships are considered non corporate business tax expenditures even though the generally will be passed on to the owners to be used on their tax returns.

Depreciation –

The comprehensive income tax base forming the benchmark allows a deduction for economic depreciation. Economic depreciation is defined as the change in the market value of the fixed asset over the course of the year. This definition of economic depreciation is consistent with the notion of a comprehensive income tax that includes the change in net wealth since the change in the market value of fixed assets is part of the change in net wealth. For this report, economic depreciation in Puerto Rico is assumed to have the same pattern of depreciation as the Bureau of Economic Analysis of the United States Department of Commerce uses to determine economic depreciation in the United States. These depreciation patterns rely on a geometric rate of decline in the value of the fixed asset that most closely resembles the change in the market value of the fixed asset. However, the tax law allows various methods of depreciation some of which accelerate that depreciation deduction. The higher depreciation deduction taken in the earlier years of an assets life under accelerated depreciation rules in the tax law creates a deferral of taxes which is a tax expenditure given to encourage investment in Puerto Rico.

Most of investment in Puerto Rico is depreciated for tax purposes using patterns of depreciation provided under either Section 1033.07 of the PRIRC or Section 1040.12 of the PRIRC or the Incentive Acts. Section 1033.07, referred to as “Current Depreciation” generally provides depreciation patterns that follow a straight-line depreciation formula. Generally, this depreciation pattern is similar to that provided by economic depreciation. Therefore, for this Report, we do not consider depreciation deductions under Section 1033.07 a departure from the normative business income tax baseline and thus it does not create a tax expenditure. Section 1040.12 referred to as the “Accelerated Cost Recovery Depreciation Method” generally provides depreciation patterns that follow a declining balance formula. As the term implies accelerated depreciation deductions allow higher depreciation deductions in the early years of an assets life than does economic depreciation and thus create a deferral of taxes which is a tax expenditure included in this Report.

The Incentive Acts (e.g.: Act 73, Section 4(b)) allow a special form of accelerated depreciation for incentive businesses that allows the entire investment to be deducted in the year of purchase. This also creates a tax expenditure included in this Report.

Note that expensing under Act 83-2010, "The Green Energy Incentives Act of Puerto Rico" creates a tax expenditure that is not included in this Report. We hope to include this tax expenditure in a future report.

IV-C Sale and Use Taxes

Tax Base - The normative tax base for sales and use taxes is total personal consumption occurring in Puerto Rico. Any departure from this normative tax base is considered a tax expenditure. For example, the Exemption for Prescription Drugs (See TEB-251 in the tables appearing in Section V. The Tax Expenditure Budget) is a tax expenditure. The sales and use tax normative baseline is personal consumption expenditures which includes the purchase by individuals of prescription drugs. In contrast, the PRIRC Section 4030.12 exempts medicines for human consumption that may be acquired solely or exclusively under a medical prescription (Rx products) including the jars and lids security tags and bags inherent to the office of prescription drugs from the sales and use tax. This departure from the normative tax base generates a tax expenditure.

Rate – The benchmark tax rate is 10 percent.

Unit of Taxation – The seller or importer pays the tax (although the burden of the tax falls on the consumer).

Period of Taxation – Taxes are due either when the good or service is imported or when it is sold to the consumer.

Notes on Sales and Use Taxes –

Since the benchmark tax base for the Sales and Use Tax is personal consumption, the taxation of business to business transactions, such as the tax on services sold from one business to another, is not part of the benchmark tax base. Such sales and use taxes are an addition to the benchmark tax base that yield additional tax revenues. Thus, the general exemption of business to business sales from the tax base is not a tax expenditure. This contrasts with, for example, an exemption for food items, whose consumption is part of the benchmark tax base; making their exemption a tax expenditure.

IV-D Excise Taxes

Tax Base - The normative tax base is the total production and importation of the goods being taxed.

Rate – The benchmark tax rate differs by product and is the standard rate under the law for that product.

Unit of Taxation – The producer or seller pays the tax (although) the burden of the tax falls on the consumer.)

Period of Taxation – Taxes are due at the time that the goods enter inventory.

V. FUTURE EDITIONS OF THE PRTER

PRTER23 provides cost estimates of tax expenditures for tax year 2023 in early April of 2022 just as work on the fiscal year 2023 budget, is commencing. It is the intention of Treasury to publish all future PRTERs in the period between January and March in time for their use with the June budget exercise.

Each edition of the PRTER will include cost estimates for tax expenditures for additional taxable years as well as revisions to prior taxable year estimates. Each edition of the PRTER will also include new or repealed tax expenditures that were effective for the tax years included in the PRTER. For example, if legislation were passed in 2023 that created new tax expenditures with an effective date of January 1, 2024, PRTER24 would include those newly created tax expenditures.

Finally, in future editions of the PRTER Treasury hopes to be able to provide estimates of foregone revenues for tax expenditures that for a variety of reasons were not included in this Report. An example is tax expenditures for non-corporate business reported on Schedules K, L, M and N of the individual tax return. Treasury will also continue to examine the feasibility of producing cost estimates of tax expenditures on a fiscal year receipts basis.

VI. THE TAX EXPENDITURE BUDGET

The Tax Expenditure Budget ("TEB") is a list of tax expenditures along with the revenue foregone due to each tax expenditure. The TEB also includes a description of each tax expenditure and a legal citation for the statutory provision that created the tax expenditure.

In the TEB each tax expenditure is identified by a TEB number that uniquely identifies that tax expenditure. For example, the mortgage interest deduction available to individuals for income tax purposes is TEB-1. There are 463 tax expenditures included in this Report each uniquely identified by its TEB number.

The TEB numbering system has been modified for this Report. In the 2018 Report the TEB numbers shown in the 2017 Report were revised in order to be able to include new tax expenditures and yet retain the consecutive numbering of tax expenditures in each tax regime. Starting with PRTER23 permanent numbers are assigned to each tax expenditure. As new tax expenditures are added due to tax legislation, the next available TEB number will be assigned to the new tax expenditures. Repealed tax expenditures retain their number so that they

continue to be uniquely identified by TEB number. As a result, the TEB numbers appearing in a tax regime will not be consecutive. However, the permanent nature of the TEB numbers will allow readers to identify a tax expenditure by its number in the 2023 Report and all future tax expenditure reports and thus more easily construct time series of tax expenditure costs. This Report includes tax expenditures and their cost estimates for all the tax expenditures extant from 2017 through 2023 making it unnecessary to refer to the earlier Reports in order to obtain a complete list of tax expenditures or a complete time series of their costs.

Act 257-2018 and Act 60-2019 both created new tax expenditures and repealed tax expenditures. The table below lists the count of newly created and repealed tax expenditures as well as the TEB numbers of those tax expenditures cross classified by tax regime and Act. Further details about the tax expenditures can be obtained by cross-referencing the TEB numbers in this table with the information appearing in Tables 4, 4A and 5 below.

Act 60-2019 consolidated prior law pertaining to incentive acts into a single code. The TEB numbers specifying tax expenditures created by the incentive code did not change as a result of that consolidation. However, the legal citations in Table 5 now include references to Act 60-2019 as well as the original Acts creating the tax expenditure.

Tax Expenditures Created and Repealed by Act 257-2018 and Act 60-2019 by Tax Regime

Tax Regime	Act 257-2018 Tax Reform (2019)			Act 60-2019 Incentive Code of Puerto Rico (2020)				
	Count of New Tax Expenditures	TEB Numbers	Count of Repealed Tax Expenditures	TEB Numbers	Count of New Tax Expenditures	TEB Numbers	Count of Repealed Tax Expenditures	TEB Numbers
Individual Income Taxes	2	29 120	2	6 8	3	19 20 119	3	
Business Income Taxes								
Regular Corporations	3	159 164 211	0		3	141 142 145	7	183 191 192 197 199 201 209
Incentive Corporations	3	231 266 267	2	227 229			4	238 241 245 269
Partnerships	1	386	2	311 372	4	316 317 318 319	6	368 369 370 371 379 389
Sales and Use Tax	0		0		1	430	0	
Excise Taxes	0		0		0		0	
Total	9		6		11		20	

Each tax expenditure is classified into three major categories including the tax regime, the type of tax expenditure and the budget category.

The tax regime classification is one of the four tax regimes described in Section V above, they include:

- Individual Income Tax;
- Business Income Tax (including sub-regimes regular corporate, incentive corporate and non-corporate);

Sales and Use Tax;
Excise Taxes.

The type of tax expenditure refers to the accounting form that the tax expenditure takes. Six types of tax expenditures are included in this Report including:

- Credit
- Deduction
- Exclusion
- Exemption
- Preferential Rate
- Deferral of Taxes

The budget category refers to a policy grouping that is similar to the groupings shown in the Budget of Puerto Rico on a more detailed basis. The budget categories include:

- | | |
|---------------------------------------|---|
| 1.Art, culture, sport & recreation | 2-Business farming and fishing |
| 3.Business research and development | 4.Business - small business |
| 5.Business - other | 6.Donation, gifts, charities and non-profit organizations |
| 7.Economic development | 8.Education |
| 9.Employment | 10. Environment |
| 11.Families and households | 12. Health |
| 13.Housing | 14. Income support |
| 15.Intergovernmental tax arrangements | 16.International |
| 17.Others | 18.Retirement |
| 19.Savings and Investment | 20.Social |

Six tables appear in the Tax Expenditure Budget. Tables 1, 2 and 3 are summary tables that show the count of tax expenditures cross-classified among the three major classification categories. Table 1 cross-classifies the count of tax expenditures into tax regime and type of expenditure. Table 2 cross-classifies the count of tax expenditures into tax regime and budget category. Table 3 cross-classifies the count of tax expenditures into tax regime (with incentive act and excise tax detail) and type of tax expenditure. Table 4, 4A and 5 list each tax expenditure separately. Table 4 shows the foregone revenue for each of the tax expenditures for tax year 2017 through 2023 organized by tax regime, and within tax regime organized by type of tax expenditure. A column in Table 4 shows the budget category of the tax expenditure. Table 4A presents the same information as Table 4 but organizes the information by budget category. Table 5 repeats the ordering of Table 4 but shows both the legal citation of the law creating the tax expenditure and a short description of the law and the data source for the estimate of foregone revenue. The TEB identification number shown on both Tables 4 and 5 can be used to cross-reference the foregone revenue with the law citation and description. The descriptions of tax measures contained in Table 5 are intended to provide only a general understanding of how each of the tax measures operates. These descriptions do not replace the relevant

legislation or regulations and should not be relied upon by taxpayers in arranging their tax affairs.

Tables 1, 2 and 3 exclude repealed tax expenditures from the body of the Table. A separate row indicating the count of repealed tax expenditures appears in the next to last row of Tables 1 and 2 and a grand total of repealed and available tax expenditures appears at the bottom of those Tables. While Tables 4, 4A and 5 include all the tax expenditures that were available in any of the tax years 2017 through 2023, whether or not they were repealed. In Table 4, tax expenditures that were repealed in the period covered by this Report are indicated by an "rpl" entry in the tax years for which they were repealed. New tax expenditures that were created during the period covered by this Report are indicated by a blank cell in the tax years prior to their existence.

Table 1- Tax Expenditure by Tax Regime and by Type of Expenditure

This table classifies the count of tax expenditures in each regime into its type of tax expenditure for tax year 2023. For example, reading across the second line of Table 1, businesses can claim 261 different tax expenditures, 86 of which are the credit type of tax expenditure.

Table 1
Excludes Repealed Tax Expenditures

Regime and Type of Expenditure

Tax Expenditure for Tax Year 2023

Counts in units

Tax Regime Type of Expenditures	Deductions	Exclusions	Exemptions	Preferential Tax Rate	Credits	Deferrals	Grand Total
Individual	9	12	54	14	27	-	116
Business Tax	18	16	76	44	86	21	261
Regular Corporate	4	7	39	5	21	10	86
Incentive Acts	5	-	-	21	34	1	61
Non Corporate Business	9	9	37	18	31	10	114
SUT	-	4	27	-	-	-	31
Excise Tax	-	16	12	-	1	-	29
Total	27	48	169	58	114	21	437
Repealed Tax Expenditure	1	-	1	3	21	-	26
Total, Active and Repealed	28	48	170	61	135	21	463

¹ An additional TEB is added for each tax regime in the deferral of tax expenditures. This line is obtained from the depreciation model.

Table 2- Tax Expenditure by Tax Regime and by Budget Category

Table 2 classifies the count of tax expenditures in each budget category into its tax regime for 2023. For example, reading across the first line of Table 2, there are 20 tax expenditures in the budget category of "Art, culture, sport & recreation", 12 of which can be claimed by business.

Table 2 Excludes Repealed Tax Expenditures

Tax Expenditure by Tax Regime and Budget Category

Tax Expenditure for Tax Year 2023

Counts in units

	Individual	Business Tax	SUT	Excise Tax	Grand Total
1 Art, Culture, Sport & Recreation	7	12	1	-	20
2 Business farming and fishing	2	8	1	-	11
3 Business research and development	2	11	-	1	14
4 Business- small business	1	2	3	-	6
5 Business-other	20	76	4	2	102
6 Donation, gifts, charities and non-profit organizations	3	5	-	2	10
7 Economic development	11	57	1	2	71
8 Education	2	-	3	1	6
9 Employment	4	16	-	-	20
10 Environment	2	8	1	1	12
11 Families and households	2	-	4	-	6
12 Health	6	4	4	2	16
13 Housing	6	11	-	-	17
14 Income support	6	-	1	-	7
15 Intergovernmental tax arrangements	1	-	-	10	11
16 International	2	7	-	3	12
17 Others	9	3	1	4	17
18 Retirement	6	-	-	-	6
19 Savings and investment	18	37	1	-	56
20 Social	6	4	6	1	17
Total	116	261	31	29	437
Repealed Tax Expenditure	5	21	0	0	26
Total, Active and Repealed	121	282	31	29	463

Table 3- Tax Expenditure by Tax Regime and by Type of Expenditure With Incentive Act Detail

Table 3 is similar to Table 1 in that it classifies the count of tax expenditures in each regime into its type of tax expenditure, but Table 3 also provides detail below the tax regime level showing the cross-classification by type of tax expenditure for each of the incentive acts, for non-corporate business and for detailed excise taxes for 2023. For example, reading across the fifth line of Table 3, there are 3 tax expenditures that can be claimed by businesses under the incentive acts for the "Film and Creative Industry, 2 of which are the preferential tax rate type of expenditures.

Table 3
Excludes Repealed Tax Expenditures

Tax Expenditure by Type Tax Regime (Detail) and Type of Expenditures
Excludes Repealed Tax Expenditures
Tax Expenditure for Tax Year 2023

Counts in units

Sub Tax Regime Incentive Acts Category	Deductions	Exclusions	Exemptions	Preferential Tax Rate	Credits	Deferrals	Grand Total
Individual	9	12	54	14	27	-	116
Business Tax	18	16	76	44	86	21	261
Regular Corporate	4	7	39	5	21	10	86
Incentive Acts	5	-	-	21	34	1	61
Film and Creative Industry	-	-	-	2	1	-	3
Finance/Investment	1	-	-	2	2	-	5
Green Energy	-	-	-	1	-	-	1
Industrial Development	2	-	-	1	9	-	12
Tourism Development	-	-	-	2	1	-	3
Hospital Facilities	-	-	-	1	-	-	1
Community Rehabilitation	-	-	-	6	5	-	11
Farm Incentives	-	-	-	2	-	-	2
Encourage Employment	1	-	-	-	2	-	3
Others	1	-	-	4	12	1	18
Environment	-	-	-	-	2	-	2
Non Corporate Business	9	9	37	18	31	10	114
SUT	-	4	27	-	-	-	31
Excise Tax	-	16	12	-	1	-	29
CIGARRETES	-	-	2	-	-	-	2
Crude oil and petroleum products	-	9	-	-	-	-	9
Distilled Spirits and Alcoholic Beverages	-	3	-	-	-	-	3
Fuel	-	4	-	-	-	-	4
VEHICLES	-	-	10	-	1	-	11
Total	27	48	169	58	114	21	437

¹ An additional TEB is added for each tax regime in the deferral of tax expenditures. This line is obtained from the depreciation model.

Table 4- Revenue Foregone by Tax Expenditure, by Tax Regime, by Type of Tax Expenditure and by Budget Category

This table can be considered the main table in this Report. It shows the foregone revenue for each of the 463 tax expenditures ordered by TEB number and organized by tax regime, and within tax regime organized by type of tax expenditure for tax years 2017 through 2023. The Tables also shows the budget category of the tax expenditure. For example, the first line of this Table shows that the revenue foregone from tax expenditure TEB-1, the home mortgage interest deduction for individuals, is included in the housing budget category and is \$199.3 million dollars in 2017 and \$207.1 million dollars in 2018 and so on through 2023.

Table 4 - Revenue Foregone by Tax Expenditure, by Tax Regime, by Type of Tax Expenditure and by Budget Category

Tax Regime

INDIVIDUAL INCOME TAX

Millions of dollars, Each Tax Expenditure is Independently Estimated. Due to Interactions, Tax Expenditures Can Not be Added To a Meaningful Total

TEB ID	Tax expenditures	Revenue Foregone 2017	Revenue Foregone 2018	Revenue Foregone 2019	Revenue Foregone 2020	Revenue Foregone 2021	Revenue Foregone 2022	Revenue Foregone 2023
INDIVIDUAL								
<i>Deductions</i>								
TEB - 1	Home mortgage interest	199.3	207.1	203.8	192.6	208.5	218.2	224.1
TEB - 2	Casualty loss on your principal residence	17.2	5.1	15.8	15.1	16.1	16.7	17.0
TEB - 3	Medical Expenses	13.1	18.1	21.9	20.5	22.4	23.6	24.3
TEB - 4	Charitable contributions	29.0	33.6	37.5	35.5	38.4	40.2	41.2
TEB - 5	Loss of personal property as a result of certain casualties	4.9	1.7	0.2	0.2	0.2	0.2	0.3
TEB - 6	Contributions to governmental pension or retirement systems	51.9	49.9	rpl	rpl	rpl	rpl	rpl
TEB - 7	Contributions to individual retirement accounts	19.4	20.1	17.0	16.2	17.3	18.0	18.4
TEB - 8	Contribution to health savings accounts with a high annual deductible medical plan	n.c.	n.c.	rpl	rpl	rpl	rpl	rpl

TEB - 9	Educational Contribution and My Future Accounts	0.7	0.6	0.5	0.5	0.5	0.6	0.6
TEB - 10	Interest paid on student's loans at university level	9.1	10.7	11.0	10.5	11.3	11.8	12.1
<i>Exclusions</i>								
TEB - 11	Life insurance	2.4	6.2	3.2	3.0	3.2	3.4	3.4
TEB - 12	Donations, legacies and inheritances	9.9	7.5	12.8	12.3	13.0	13.4	13.6
TEB - 13	Compensation for injuries or sickness	4.3	3.4	2.2	2.1	2.2	2.3	2.4
TEB - 14	Benefits from federal social security for old-age and survivors	124.5	141.3	154.7	145.2	158.7	167.2	172.3
TEB - 15	Income derived from discharge of debts	4.6	6.8	10.0	9.6	10.2	10.5	10.7
TEB - 16	Child support payments	1.5	1.4	1.4	1.3	1.4	1.5	1.5
TEB - 17	Compensation, payments or distributions due to a disaster declared by the Governor of Puerto Rico - Reported in a withholding statement or informative return				53.1	55.7	57.3	58.2
TEB - 18	Qualified payments and transactions due to hurricane María Compensation, payments or distributions due to a disaster declared by the Governor of Puerto Rico - Not reported in a withholding statement or informative return	14.3	54.0	0.2	4.2	4.4	4.6	4.6

TEB - 19	Amount received from any subsidy or stimulus paid by the Government of Puerto Rico as a result of COVID-19				14.6	15.3	15.8	16.0
TEB - 20	Interests upon mortgages over residential property located in Puerto Rico granted after January 1, 2014				0.6	0.6	0.6	0.6
TEB - 21	Amounts paid by an employer as reimbursement of expenses related to trips, meals, lodging, entertainment and others	38.2	41.1	47.3	44.7	48.4	50.6	52.0
TEB - 22	Other exclusions	2.4	3.3	3.0	2.9	3.1	3.2	3.3
<i>Exemptions</i>								
TEB - 23	Additional Personal Exemption for Veterans	3.6	3.7	3.5	3.3	3.6	3.8	3.9
TEB - 24	Fringe benefits paid by the employer in relation to a cafeteria plan	0.1	0.1	0.4	0.4	0.4	0.5	0.5
TEB - 25	Interest upon--Obligations from the United States Government, any of its states, territories or political subdivisions	4.9	4.7	6.4	6.1	6.5	6.7	6.8
TEB - 26	Interest upon--Obligations from the Government of Puerto Rico	22.9	8.0	3.4	3.3	3.5	3.6	3.7
TEB - 27	Interest upon--Certain Mortgages	3.0	2.3	3.5	3.3	3.5	3.7	3.7
TEB - 28	Interest upon- Deposits in Puerto Rico interest bearing accounts up to \$100 (\$200 for married filing jointly)	4.0	4.3	0.6	0.6	0.6	0.7	0.7

TEB - 29	Bonds, notes or other obligations under section 6070.56(h) of Act 60-2019				n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 30	Interest upon--Other interest subject to alternate basic tax reported in a Form 480.6D	n.c.	r.	n.c.	0.1	0.1	0.1	0.1	0.1
TEB - 31	Interest upon--Other interest not subject to alternate basic tax reported in a Form 480.6D	1.0	r.	1.6	3.0	2.9	3.0	3.1	3.2
TEB - 32	Interest upon--Other interest subject to alternate basic tax not reported in a Form 480.6D	0.2	r.	0.1	0.2	0.1	0.2	0.2	0.2
TEB - 33	Interest upon--Other interest not subject to alternate basic tax not reported in a Form 480.6D	0.5	r.	2.0	1.8	1.8	1.9	1.9	2.0
TEB - 34	Dividends of--Subject to alternate basic tax reported in a Form 480.6D	1.6	r.	1.7	2.7	2.6	2.7	2.8	2.9
TEB - 35	Dividends of--Not subject to alternate basic tax reported in a Form 480.6D	157.1	r.	207.3	233.9	219.8	240.0	252.6	260.3
TEB - 36	Dividends of--Subject to alternate basic tax not reported in a Form 480.6D	(*)	r.	(*)	0.1	0.1	0.1	0.1	0.1
TEB - 37	Dividends of--Not subject to alternate basic tax not reported in a Form 480.6D	6.6	r.	7.9	16.9	16.3	17.1	17.6	17.9
TEB - 38	Expenses of priests or ministers	0.2	r.	0.3	0.1	0.1	0.1	0.2	0.2
TEB - 39	Recapture of bad debts, pror taxes, surcharges and other items	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 40	Stipends received by certain physicians during the internship period	2.3	r.	2.4	2.6	2.5	2.7	2.8	2.9

TEB - 41	Prize from the Lottery of Puerto Rico and the Additional Lottery	2.3	r.	3.2	5.3	5.1	5.4	5.6	5.7
TEB - 42	Income from pensions or annuities, up to the applicable limitation	86.3	r.	88.6	91.1	85.1	93.7	99.1	102.4
TEB - 43	Christmas Bonus, Summer Bonus and Medicine Bonus	(*)	r.	7.3	0.0	0.0	0.0	0.0	0.0
TEB - 44	Gain from the sale or exchange of principal residence by certain individuals and qualified property	4.4	r.	6.5	9.7	9.3	9.8	10.2	10.4
TEB - 45	Certain income related to the operation of an employee-owned special corporation	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 46	Cost of living allowance (COLA)	7.4	r.	7.4	6.7	6.4	6.9	7.2	7.4
TEB - 47	Unemployment compensation	0.1	r.	0.1	0.4	0.4	0.4	0.5	0.5
TEB - 48	Compensation received from active military service in a combat zone	0.4	r.	0.3	1.1	1.0	1.1	1.1	1.2
TEB - 49	Compensation received by an eligible researcher or scientist	0.4	r.	0.3	0.4	0.4	0.4	0.4	0.4
TEB - 50	Rents from the Historic Zone	0.6	r.	0.7	0.7	0.6	0.7	0.7	0.7
TEB - 51	Compensation to citizens and alien's nonresidents of Puerto Rico for the production of film projects	(*)	r.	(*)	0.0	0.0	0.0	0.0	0.0
TEB - 52	Income from overtime worked by a Puerto Rico Police member	6.0	r.	9.1	34.6	32.2	35.7	37.8	39.1

TEB - 53	Income from sources outside of Puerto Rico	83.9	r.	147.0	130.1	125.2	132.2	136.5	139.0
TEB - 54	Remuneration received by employees of foreign governments or international organizations	1.0	r.	0.6	0.1	0.1	0.1	0.1	0.1
TEB - 55	Income from buildings rented to the Government of Puerto Rico for public hospitals, health or convalescent homes, public schools (Contracts in force at November 22, 2010)	13.1	r.	13.2	19.0	7.4	7.8	8.0	8.2
TEB - 56	Income from residential rent under Act 132-2010					22.2	23.3	23.9	24.3
TEB - 57	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the Internal Revenue Code of 1994	(*)	r.	(*)	0.3	0.2	0.3	0.3	0.3
TEB - 58	Accumulated Gain in Nonqualified Options	2.6	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 59	Distributions of Amounts Previously Notified as Deemed Eligible Distributions	33.4	r.	39.4	27.8	26.8	28.2	29.1	29.6
TEB - 60	Distributions from Non-Deductible Individual Retirement Accounts	2.3	r.	4.8	3.2	3.1	3.3	3.4	3.4
TEB - 61	Compensation or indemnification Paid to an Employee Due to Dismissal	21.2	r.	26.9	22.6	21.7	23.0	23.9	24.4
TEB - 62	Salaries from Overtime during Emergency Situations	10.2	r.	4.0	0.3	0.3	0.4	0.4	0.4

TEB - 63	Income from copyrights up to \$10,000 under Act 516-2004	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 64	Income received by designers and translators up to \$6,000 under Act 516-2004	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 65	Distributable share on exempt income from pass-through entities	56.3	r.	53.9	56.9	54.9	57.7	59.4	60.5
TEB - 66	Income derived by young people from wages, services rendered, self-employment or new business with special agreement (Act 135-2014)	42.3	r.	46.7	53.6	49.6	55.3	58.8	61.1
TEB - 67	Exempt salaries of a professional in a hard-to-fill position (Form 499R-2/W-2PR)					2.6	2.7	2.8	2.8
TEB - 68	Other payments subject to alternate basic tax reported in a Form 480.6D	0.3	r.	0.1	0.2	0.2	0.2	0.2	0.2
TEB - 69	Other payments not subject to alternate basic tax reported in a Form 480.6D	5.8	r.	24.1	25.9	24.9	26.3	27.1	27.6
TEB - 70	Other exemptions subject to alternate basic tax not reported in a Form 480.6D	0.2	r.	0.1	0.1	0.1	0.1	0.1	0.1
TEB - 71	Other exemptions not subject to alternate basic tax not reported in a Form 480.6D	406.9	r.	308.9	461.4	445.5	468.1	481.8	490.0
TEB - 72	Exempt amount from manufacturing income (Schedule J Individual)					n.c.	n.c.	n.c.	n.c.
TEB - 73	Exempt amount on income from the sale of goods (Schedule K Individual)					0.5	0.5	0.5	0.5
TEB - 74	Exempt amount from farming income (Schedule L Individual)					2.9	3.0	3.1	3.1

TEB - 75	Exempt amount on income from services rendered (Schedule M Individual)					0.2	0.2	0.3	0.3
TEB - 76	Exempt amount from rental income (Schedule N Individual)					10.2	10.7	11.0	11.2
<i>Preferential Tax Rates</i>									
TEB - 77	Net long-term capital gain (or loss) under Act	32.8	r.	31.4	31.7	30.4	32.2	33.3	33.9
TEB - 78	Interest from IRA on deposits in accounts from certain financial institutions	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 79	Interest on deposits in accounts from certain financial institutions	1.4	r.	1.9	1.1	1.1	1.2	1.2	1.3
TEB - 80	Interest from distributions of IRA to Governmental Pensioners	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 81	Non-exempt eligible interest paid or credited on bonds, notes, other obligations or mortgage loans	1.1	r.	0.9	1.1	1.0	1.1	1.1	1.2
TEB - 82	Eligible distribution of dividends	8.8	r.	15.3	15.5	14.7	15.8	16.4	16.8
TEB - 83	Income paid by sport teams of international associations or federations	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 84	Total distributions from qualified retirement plans	2.5	r.	4.2	2.2	2.1	2.3	2.4	2.4
TEB - 85	Gain taxable at rate under an Incentives Act 14-2017 (K, L, M, or N) and/or wages (Qualified Physicians)	127.8	r.	161.4	233.4	224.2	237.3	245.2	250.0
TEB - 86	Distributable share pass-through entities			61.2	121.7	117.4	123.6	127.3	129.6

TEB - 87	Any other income subject to a preferential rates	38.5	r.	6.3	12.5	12.0	12.7	13.1	13.3
TEB - 88	Distributions for reasons of a disaster declared by the Governor of Puerto Rico	0.3	r.	5.2	(*)	(*)	(*)	(*)	(*)
TEB - 89	Act 185 - 2014, Private Equity Fund	1.7	c.	6.0	7.7	7.4	7.8	7.9	8.1
TEB - 90	Act 22-2012, Transfer of Investors to Puerto Rico	264.4	r., c.	310.7	324.8	315.1	328.9	337.3	342.4
<i>Credits</i>									
Subject to Moratorium									
TEB - 91	Credit attributable to losses or for investment in the Capital Investment Fund, Act -46 -2000, including purchases.	n.c.	r.	n.c.	(*)	(*)	(*)	(*)	(*)
TEB - 92	Credit for construction investment in urban centers (Act 212-2002, as amended)	1.4	r.	8.1	(*)	(*)	(*)	(*)	(*)
TEB - 93	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended) including purchases.	(*)	r.	0.7	0.7	0.7	0.7	0.8	0.8
TEB - 94	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products.	(*)	r.	0.5	(*)	(*)	(*)	(*)	(*)
TEB - 95	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	1.4	r.	1.1	0.5	0.5	0.5	0.6	0.6
TEB - 96	Other credits subject to moratorium not included on the preceding lines	0.1	r.	n.d.a.	(*)	(*)	(*)	(*)	(*)

TEB - 97	Credits carried from previous years	1.5	r.	n.d.a.	0.6	0.5	0.6	0.6	0.6
TEB - 98	Purchases: Solid Waste Disposal (Act 159-2011)	n.c.	r.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
TEB - 99	Purchases: Capital Investment Fund (Act 46-2000)	n.c.	r.	0.1	n.c.	n.c.	n.c.	n.c.	n.c.
TEB - 100	Purchases: : Theatrical District of Santurce (Act 178-2000)	n.c.	r.	n.c.	n.c.	rpl	rpl	rpl	rpl
TEB - 101	Purchases: Credit for investment in housing infrastructure (Act 98-2001, as amended)	1.4	r.	0.4	0.6	0.6	0.6	0.6	0.6
TEB - 102	Purchases: Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001)	2.4	r.	4.5	(*)	(*)	(*)	(*)	(*)
TEB - 103	Purchases: Others	0.8	r.		0.2	0.1	0.2	0.2	0.2
Not subject to Moratorium									
TEB - 104	Credit for investment in Tourism Development (Act 78-1993) or Farming (Act 225-1995), , including purchases.	16.1	r.	7.7	8.5	8.2	8.6	8.8	9.0
TEB - 105	Credit for: (23) Section 4(a) of Act 8 of 1987 and/or (24) Section 3(b) of Act 135-1997	1.9	r.	1.0	0.8	0.8	0.8	0.8	0.8
TEB - 106	Credit for investment in film industry development Act 27-2011 & Act 60-2019, including purchases.	8.0	r.	41.5	31.1	30.0	31.5	32.4	32.9

TEB - 107	Credit for the purchase or transmission of television programming made in Puerto Rico (Section 1051.14)	n.c.	r.	0.1	(*)	(*)	(*)	(*)	(*)
TEB - 108	Credit for contribution to former governors' foundations	(*)	r.	0.1	0.1	0.1	0.1	0.1	0.1
TEB - 109	Credit for payment of Memebership Certificates by Ordinary and Extraordinary Member of Employees-Owned Special Corporations	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 110	Credit to investors who acquire an exempt business that is in the process of closing its operations in Puerto Rico (Act 109-2001), including purchases.	n.c.	r.	(*)	(*)	rpl	rpl	rpl	rpl
TEB - 111	Credit for contributions to: (33) Santa Catalina's Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly	n.c.	r.	n.c.	(*)	(*)	(*)	(*)	(*)
TEB - 112	Other credits not included on the preceding lines	0.3	r.	5.0	2.6	2.5	2.6	2.7	2.7
TEB - 113	Credits carried from previous years	7.6	r.	16.8	2.2	2.2	2.3	2.3	2.4
TEB - 114	Credit for investment Act 73-2008, including purchases.	3.5	r.	6.4	11.7	11.3	11.9	12.2	12.4
TEB - 115	Credit for investment Act 83-2010 (Green Energy), including purchases.	(*)	r.	0.9	0.3	0.3	0.3	0.3	0.3
TEB - 116	Purchase: Economic Incentives (Research and Development) (Act 73-2008)	26.1	r.	47.4	19.3	18.7	19.6	20.2	20.5

TEB - 117	Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)	1.7	r.	2.1	0.1	rpl	rpl	rpl	rpl
TEB - 118	Purchase: Other	21.4	r.	13.0	12.2	11.8	12.4	12.7	13.0
TEB - 119	Purchases: Credit for investment in research and development				0.2	0.2	0.2	0.2	0.2
TEB - 120	Credit for Investment in Opportunity Zones, including Purchases				n.d.a	n.d.a	n.d.a	n.d.a	n.d.a

Tax Regime

BUSINESS INCOME TAX

Millions of dollars, Each Tax Expenditure is Independently Estimated. Due to Interactions, Tax Expenditures Can Not be Added To a Meaningful Total

TEB ID	Tax expenditures	Revenue Forgone 2017	Revenue Forgone 2018	Revenue Forgone 2019	Revenue Forgone 2020	Revenue Forgone 2021	Revenue Forgone 2022	Revenue Forgone 2023
REGULAR CORPORATE								
<i>Deductions</i>								
TEB - 121	Exempt amount under Act 135-2014 (Young Entrepreneurs Act)	0.8	r.	0.8	0.9	0.8	0.9	0.9
TEB - 122	Special Agreement for the Creation of Employments and constitutes a New Business under the provisions of Act 1-2013	0.1	r.	0.1	0.1	0.1	0.1	0.1

TEB - 123	Charitable contributions	4.5	r. 4.4	r. 4.6	3.9	4.1	4.2	4.3
TEB - 124	Deduction under Act 185-2014 ("Private Equity Funds Act")	0.1	r. 0.1	r. 0.1	0.1	0.1	0.1	0.1
<i>Deferrals</i>								
TEB - 125	Regular Corporacion Depreciation	106.3	115.5	139.2	150.2	152.2	155.3	160.6
TEB - 126	Current Depreciation	nem	nem	nem	nem	nem	nem	nem
TEB - 127	Flexible Depreciation	nem	nem	nem	nem	nem	nem	nem
TEB - 128	Accelerated Depreciation	nem	nem	nem	nem	nem	nem	nem
TEB - 129	Amortization (i.e. Goodwill)	nem	nem	nem	nem	nem	nem	nem
TEB - 130	Computer Systems	nem	nem	nem	nem	nem	nem	nem
TEB - 131	Ground transportation equipment, except automobiles	nem	nem	nem	nem	nem	nem	nem
TEB - 132	Machinery and equipment, furniture and fixtures, and any other fixed asset to be used in the industry or business	nem	nem	nem	nem	nem	nem	nem
TEB - 133	Automobiles	nem	nem	nem	nem	nem	nem	nem

TEB - 134	Vehicles under financial lease	nem	nem	nem	nem	nem	nem	nem
<i>Preferential Tax Rates</i>								
TEB - 135	Net long-term capital gain	26.1	31.3	r. 15.8	15.3	16.0	16.5	16.8
TEB - 136	Interest subject to preferential rates	0.2	r. 0.2	r. (*)	(*)	(*)	(*)	(*)
TEB - 137	Distributable share on net income subject to preferential rates from partnerships and special partnerships	(*)	r. n.d.a.	r. 10.6	10.3	10.8	11.1	11.3
TEB - 138	Net income subject to the 4% tax rate from the operations of an international financial entity that operates as a banking unit	n.d.a.	r. 0.3	r. 0.3	0.4	0.3	0.3	0.4
TEB - 139	Other income subject to preferential rates	(*)	r. n.d.a.	r. 0.5	0.4	0.5	0.5	0.5
<i>Exclusions</i>								
TEB - 140	Plantation insurance	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 141	Amount received through any grant or stimulus paid by the Federal Government as a result of COVID-19				n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 142	Amount received through any grant or stimulus paid by the Government of Puerto Rico as a result of COVID-19				n.d.a.	n.d.a.	n.d.a.	n.d.a.

TEB - 143	Income derived from discharge of debts	0.5	r.	0.5	r.	0.5	0.5	0.5	0.5	0.5
TEB - 144	Net income (or loss) from sources outside Puerto Rico not related to the operation carried out in Puerto Rico by a foreign corporation	12.4		11.9		12.6	12.2	12.8	13.1	13.4
TEB - 145	Interest on mortgages on residential property located in Puerto Rico granted after January 1, 2014					n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 146	Other exclusions	2.6	r.	2.5	r.	2.6	2.5	2.6	2.7	2.8
<i>Exemptions</i>										
TEB - 147	Obligations from the United States Government, any of its states, territories or political subdivisions	32.5	r.	31.2	r.	33.0	31.9	33.5	34.4	35.0
TEB - 148	Obligations from the Commonwealth of Puerto Rico	n.d.a.	r.	n.d.a.	r.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 149	Securities under Agricultural Loans Act	0.5		0.5		0.5	0.5	0.5	0.5	0.5
TEB - 150	Certain Mortgages	1.8	r.	1.7	r.	1.8	1.8	1.8	1.9	1.9
TEB - 151	Obligations secured or guaranteed under the Servicemen's Readjustment Act of 1944	0.3	r.	0.3	r.	0.3	0.3	0.3	0.3	0.3

TEB - 152	Securities issued by cooperative associations up to \$5,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 153	Obligations issued by the Conservation, Housing and Human Development Trust, the San Juan Monument' s Patronage and SER of Puerto Rico	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 154	Loans granted by a commercial bank to an employee owned special corporation for certain purposes	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 155	Loans granted by a commercial bank in Puerto Rico for acquisition and payment of membership certificates in an employee owned special corporation	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 156	Loans granted by a commercial bank in Puerto Rico for the purchase or investment in preferred stocks of an employees owned special corporation	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 157	Loans for the establishment or expansion of small and medium businesses up to \$250,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 158	Loans for the capitalization of small and medium businesses up to \$250,000	(*)	(*)	(*)	(*)	(*)	(*)	(*)

TEB - 159	Bonds, notes, or other obligations under Section 6070.56(h) of Act 60-2019			n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 160	Other interest reported in Form 480.6D	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 161	Other interest not reported in Form 480.6D	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TEB - 162	Industrial development income derived from certain interests	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 163	Cooperative associations	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 164	Exempt business under Act 60-2019 (Section 6070.56(e))			n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 165	International Insurer or Holding Company of the International Insurer	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 166	Other dividends reported in a Form 480.6D	0.9	0.9	0.9	0.9	0.9	1.0	1.0
TEB - 167	Other dividends not reported in a Form 480.6D	0.2	0.2	0.2	0.2	0.3	0.3	0.3
TEB - 168	Recapture of bad debts, prior taxes, surcharges and other items	2.0	1.9	2.0	1.9	2.0	2.1	2.1
TEB - 169	Income from news agencies or unions	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 170	Certain income related to the operation of an employees owned special corporation	(*)	(*)	(*)	(*)	(*)	(*)	(*)

TEB - 171	Income received or earned in relation to the celebration of sports games organized by international associations or federations	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 172	Income derived by the International Insurer or Holding Company of the International Insurer	(*)	r. (*)	(*)	(*)	(*)	(*)	(*)
TEB - 173	Rents from the Historic Zone	1.2	r. 1.1	r. 1.2	1.1	1.2	1.2	1.3
TEB - 174	Income from vessels owner's associations and mutual protection and indemnity	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 175	Income from buildings rented to the Commonwealth of Puerto Rico for public hospitals or schools, or health homes (Contracts in force as of November 22, 2010)	0.2	r. 0.2	r. 0.2	0.2	0.2	0.2	0.2
TEB - 176	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the Internal Revenue Code of 1994	(*)	(*)	(*)	(*)	(*)	(*)	(*)

TEB - 177	Distributions of Amounts Previously Notified as Deemed Eligible Distributions under Sections 1023.06(j) and 1023.25(b)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 178	Distributions of Dividends or Benefits from Industrial Development Income of Exempt Businesses and in Liquidation under Act 73-2008 and Act 135-1997	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 179	Rent of residential property under Act 132-2010	1.1	r. 1.1	r. 1.2	1.1	1.2	1.2	1.2
TEB - 180	Income produced by a new business that operates under a special Act for the incentive and financing of young entrepreneurs (Act 135-2014)	0.8	r. 0.8	r. 0.8	0.8	0.8	0.8	0.9
TEB - 181	Distributable share in the exempt income from pass-through entities (Forms 480.6 EC, 480.6 SE and 480.6 S)	0.9	r. 0.8	r. 0.9	0.8	0.9	0.9	0.9
TEB - 182	Exempt income from rent under Act 165-1996		n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

TEB - 183	Exempt income of bonafide farmer Act 225-1995		4.1	r. 4.3	rpl	rpl	rpl	rpl
TEB - 184	Other payments reported in a Form 480.6 D	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 185	Other payments not reported in a Form 480.6 D	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 186	Other exemptions	47.0	r. 45.1	r. 47.7	46.0	48.3	49.7	50.6
<i>Credits</i>								
Subject to Moratorium								
TEB - 187	Credit attributable to losses or for investment in the Capital Investment Fund, Act -46 , including purchases.	(*)	r. (*)	r. (*)	(*)	(*)	(*)	(*)
TEB - 188	Credit for investment in housing infrastructure (Act 98-2001, as amended) , including purchases.	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 189	Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001) , including purchases.	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 190	Credit for construction investment in urban centers (Act 212-2012, as amended), including purchases.	(*)	r. (*)	r. (*)	(*)	(*)	(*)	(*)

TEB - 191	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	1.8	r.	1.7	r.	1.8	rpl	rpl	rpl	rpl
TEB - 192	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products	0.1		0.1		0.1	rpl	rpl	rpl	rpl
TEB - 193	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	1.2	r.	1.2	r.	1.2	1.2	1.3	1.3	1.3
TEB - 194	Credits carried from previous years	2.5	r.	2.4	r.	2.6	2.5	2.6	2.7	2.7
TEB - 195	Other credits not included on the preceding lines	(*)	r.	(*)		(*)	(*)	(*)	(*)	(*)
TEB - 196	Purchase: Solid Waste Disposal (Act 159-2011)	(*)		(*)		(*)	(*)	(*)	(*)	(*)
TEB - 197	Purchase: Santurce Theatrical District (Act 178-2000)	(*)		(*)		(*)	rpl	rpl	rpl	rpl
TEB - 198	Purchase: Other Credits	(*)		(*)		(*)	(*)	(*)	(*)	(*)
Not subject to Moratorium										
TEB - 199	Credit for increase in investments	(*)		(*)		(*)	rpl	rpl	rpl	rpl

TEB - 200	Credit for investment in film industry development (Act 27-2011), including purchases.	10.5	r.	10.1	10.6	10.3	10.8	11.1	11.3
TEB - 201	Credit to investors who acquire an exempt business that is in the process of closing its operations in Puerto Rico (Act 109-2001), including purchases.	0.2		0.2	0.2	rpl	rpl	rpl	rpl
TEB - 202	Credit for contributions to: (33) Santa Catalina's Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 203	Credit for investment Act 73-2008, including purchases.	5.0	r.	4.8	5.0	4.9	5.1	5.3	5.3
TEB - 204	Credit for investment Act 83-2010 (Green Energy Incentives)	(*)	r.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 205	Credits carried from previous years	10.1	r.	9.7	10.2	9.9	10.4	10.7	10.8
TEB - 206	Other credits not included on the preceding lines	1.1	r.	1.1	1.1	1.1	1.1	1.2	1.2
TEB - 207	Purchase:Tourism Development (Act 78-1993)	2.5	r.	2.9	3.0	2.9	3.0	3.1	3.2

TEB - 208	Purchase: Economic Incentives (Research and Development) (Act 73-2008)	3.8	3.6	3.8	3.7	3.9	4.0	4.1
TEB - 209	Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)	(*)	(*)	(*)	rpl	rpl	rpl	rpl
TEB - 210	Purchase: Other Credits	26.6	r. 25.5	r. 26.9	26.0	27.3	28.1	28.6
TEB - 211	Credit for Investment in Opportunity Zones, including Purchases			n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 212	Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14)			n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 213	Purchases: Credit for investment in research and development			n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
Incentives Acts								
<i>Preferential Tax Rates</i>								
TEB - 214	Act 135 - 1997, Tax Incentives Law of 1998, Act 73 - 2008, Economic Incentives for the Development of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 6	15,691	o.a.d 13,809	o.a.d 13,965	o.a.d 13,497	o.a.d 14,164	o.a.d 14,568	o.a.d 14,811

TEB - 215	Act 20 - 2012, Export Services & - Act 60 - 2019 Subtitle B Chapter 3	111.3	226.1	228.7	220.8	232.0	238.7	242.8
TEB - 216	Act 52 - 1983, Tourist Incentives Law of Puerto Rico Act 78 - 1993, Tourism Development Law of Puerto Rico Act 74 - 2010,	0.2	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 217	Act 118 - 2010 & Act 107 - 2020, Law of Incentives for Municipal Economic Development and Tourism	n.d.a						
TEB - 218	Act 83 - 2010, Puerto Rico Green Energy Incentives Law	2.6	0.1	0.1	0.1	0.1	0.1	0.1
TEB - 219	Act 362 - 1999, Law for the Development of the Film Industry	n.d.a						
TEB - 220	Act 27 -2011, Law of Economic Incentives for the Film Industry of Puerto Rico / Creative Activities - Act 60 - 2019 Subtitle B Chapter 9	0.1	0.1	0.2	0.2	0.2	0.2	0.3
TEB - 221	Act 168 - 1968, Tax Incentives Law for Hospital Facilities	0.2	0.1	0.1	0.0	0.1	0.1	0.1
TEB - 222	Act 148 - 1988, Special Law for the Rehabilitation and Development of Santurce	n.c.						

TEB - 223	Act 75 - 1995, Special Law for the Rehabilitation and Development of Río Piedras	n.c.						
TEB - 224	Act 225 - 1995, Law on Agricultural Contributive Incentives of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 8	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 225	Act 14 - 1996, Special Law for the Development of Castañer	n.c.						
TEB - 226	Act 178 - 2000, Special Law for the Creation of the Theater District of Santurce	n.c.						
TEB - 227	Act 1 - 2013, Employment Now Law	n.c.	n.c.	rpl	rpl	rpl	rpl	rpl
TEB - 228	Act 72 - 1962, The Dairy Industry Corporation of Puerto Rico	n.d.a						
TEB - 229	Act 52 - 1989 - International Bank Center	n.d.a	n.d.a	rpl	rpl	rpl	rpl	rpl
TEB - 230	International Financial Center	n.d.a						
TEB - 231	Opportunity Zones			n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 232	International Insurer	n.d.a						
TEB - 233	Ocean Freight Carriers - Act 60 - 2019 Subtitle B Chapter 11	n.d.a						

TEB - 234	Public Carriers Air Transportation- Act 60 - 2019 Subtitle B Chapter 11	n.d.a						
TEB - 235	Rents from the Historic Zone	n.d.a						
TEB - 236	Tourism Industry - Act 60 - 2019 Subtitle B Chapter 5	n.d.a						
<i>Credits</i>								
Subject to Moratorium								
TEB - 237	Credit attributable to losses or for investment in the Capital Investment Fund, including purchases.	n.c.						
TEB - 238	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products	n.c.	n.c.	n.c.	rpl	rpl	rpl	rpl
TEB - 239	Credit for donation of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	n.c.						

TEB - 240	Credit for construction investment in urban centers (Act 212-2002, as amended), including purchases.	n.c.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 241	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	n.c.	n.c.	n.c.	rpl	rpl	rpl	rpl
TEB - 242	Other credits not included on the preceding lines	n.c.						
TEB - 243	Credits carried from previous years	n.c.	0.3	0.3	0.3	0.3	0.3	0.3
TEB - 244	Purchase: Solid Waste Disposal (Act 159-2011)	n.c.	0.2	0.2	0.2	0.2	0.2	0.2
TEB - 245	Purchase: Act 178 - 2000, Special Law for the Creation of the Theater District of Santurce	n.c.	(*)	(*)	rpl	rpl	rpl	rpl
TEB - 246	Purchase: Credit for investment in housing infrastructure (Act 98-2001, as amended)	n.c.	(*)	(*)	(*)	(*)	(*)	(*)

TEB - 247	Purchase: Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001)	n.c.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 248	Purchase: : Other	n.c.						
Not subject to Moratorium								
TEB - 249	Credit for contributions to: (33) Santa Catalina's Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly	n.c.						
TEB - 250	Credit for hospital units over payroll expenses	15.0	2.1	2.1	2.1	2.2	2.2	2.3
TEB - 251	Credit for purchases of products manufactured in Puerto Rico	33.3	30.4	30.7	29.7	31.2	32.1	32.6
TEB - 252	Credit for investment in research and development, including purchases.	9.1	8.3	8.4	8.1	8.5	8.8	8.9

TEB - 253	Credit for investment in machinery and equipment	n.c.						
TEB - 254	Credit to reduce the cost of electric power	8.3	6.5	6.6	6.4	6.7	6.9	7.0
TEB - 255	Credit for investment in strategic projects, including purchases.	n.c.						
TEB - 256	Credit for industrial investment, including purchases.	n.c.						
TEB - 257	Other credits not included on the preceding lines	(*)	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 258	Credits carried from previous years	4.0	2.1	2.1	2.1	2.2	2.2	2.3
TEB - 259	Purchase: Tourism Development (Act 78-1993)	n.c.						
TEB - 260	Purchase: Film Industry Development (Act 27-2011)	n.c.	0.3	0.3	0.3	0.3	0.3	0.3
TEB - 261	Purchase: Acquisition of an Exempt Business that is in the Process of Closing its Operations in Puerto Rico (Act 109-2001)	n.c.						

TEB - 262	Purchase: Economic Incentives (Research and Development) (Act 73-2008)	(TEB 262 - TEB 265) 9.7	o.a.d	(TEB 262 - TEB 265) 9.1	o.a.d	(TEB 262 - TEB 265) 9.2	o.a.d	(TEB 262 - TEB 265) 8.9	o.a.d	(TEB 262 - TEB 265) 9.3	o.a.d	(TEB 262 - TEB 265) 9.6	o.a.d	(TEB 262- TEB 265) 9.8	o.a.d
TEB - 263	Purchase: Economic Incentives (Industrial Development) Act 73-2008	(TEB 262 - TEB 265) 9.7	o.a.d	(TEB 262 - TEB 265) 9.1	o.a.d	(TEB 262 - TEB 265) 9.2	o.a.d	(TEB 262 - TEB 265) 8.9	o.a.d	(TEB 262 - TEB 265) 9.3	o.a.d	(TEB 262 - TEB 265) 9.6	o.a.d	(TEB 262 - TEB 265) 9.8	o.a.d
TEB - 264	Purchase: Green Energy Incentives (Research and Development) (Act 83-2010)	(TEB 262 - TEB 265) 9.7	o.a.d	(TEB 262 - TEB 265) 9.1	o.a.d	(TEB 262 - TEB 265) 9.2	o.a.d	(TEB 262 - TEB 265) 8.9	o.a.d	(TEB 262 - TEB 265) 9.3	o.a.d	(TEB 262 - TEB 265) 9.6	o.a.d	(TEB 262 - TEB 265) 9.8	o.a.d
TEB - 265	Purchase: Other	(TEB 262 - TEB 265) 9.7	o.a.d	(TEB 262 - TEB 265) 9.1	o.a.d	(TEB 262 - TEB 265) 9.2	o.a.d	(TEB 262 - TEB 265) 8.9	o.a.d	(TEB 262 - TEB 265) 9.3	o.a.d	(TEB 262 - TEB 265) 9.6	o.a.d	(TEB 262 - TEB 265) 9.8	o.a.d
TEB - 266	Credit for Investment in Opportunity Zones					n.d.a									
TEB - 267	Purchase: Credit for Investment in Opportunity Zones					n.d.a									
TEB - 268	Credit for products manufactured in Puerto Rico	n.c.		0.2		0.2		0.2		0.2		0.2		0.2	
TEB - 269	Credit for increase in investments	n.c.		n.c.		n.c.		rpl		rpl		rpl		rpl	

Credits - Other Incentives Acts								
TEB - 270	Credit for taxes withheld on royalty payments	0.8	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
TEB - 271	Special credits granted	n.c.						
TEB - 272	Credit for losses of United States parent company	1.7	2.6	2.6	2.5	2.7	2.7	2.8
TEB - 273	Credit for intellectual property transfer	5.0	1.2	1.2	1.2	1.2	1.3	1.3
TEB - 274	Credit for job creation	n.c.	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 275	Other applicable credits	(*)	2.4	2.4	2.3	2.5	2.5	2.6
<i>Deductions</i>								
TEB - 276	Special deductions, Payroll deduction	(TEB 276 - TEB 280) 6.8 o.a.d	(TEB 276 - TEB 280) 6.2 o.a.d	(TEB 276 - TEB 280) 6.2 o.a.d	(TEB 276 - TEB 280) 6.1 o.a.d	(TEB 276 - TEB 280) 6.4 o.a.d	(TEB 276 - TEB 280) 6.5 o.a.d	(TEB 276 - TEB 280) 6.6 o.a.d

TEB - 277	Special deductions, Human resources training and improvement expenses deduction	(TEB 276 - TEB 280) 6.8	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.1	o.a.d	(TEB 276 - TEB 280) 6.4	o.a.d	(TEB 276 - TEB 280) 6.5	o.a.d	(TEB 276 - TEB 280) 6.6	o.a.d
TEB - 278	Special deductions, Research and development expense deduction	(TEB 276 - TEB 280) 6.8	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.1	o.a.d	(TEB 276 - TEB 280) 6.4	o.a.d	(TEB 276 - TEB 280) 6.5	o.a.d	(TEB 276 - TEB 280) 6.6	o.a.d
TEB - 279	Special deductions, Investment on buildings, structures, machinery and equipment deduction	(TEB 276 - TEB 280) 6.8	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.1	o.a.d	(TEB 276 - TEB 280) 6.4	o.a.d	(TEB 276 - TEB 280) 6.5	o.a.d	(TEB 276 - TEB 280) 6.6	o.a.d
TEB - 280	Special deductions, Deduction for purchases of products manufactured in Puerto Rico	(TEB 276 - TEB 280) 6.8	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.2	o.a.d	(TEB 276 - TEB 280) 6.1	o.a.d	(TEB 276 - TEB 280) 6.4	o.a.d	(TEB 276 - TEB 280) 6.5	o.a.d	(TEB 276 - TEB 280) 6.6	o.a.d
<i>Deferrals</i>															
TEB - 281	Incentives corporations - Deferrals	2.4		7.3		12.2		11.6		10.5		10.2		9.9	

Tax Regime

BUSINESS TAX*Business Tax Expenditure*

Millions of dollars, Each Tax Expenditure is Independently Estimated. Due to Interactions, Tax Expenditures Can Not be Added To a Meaningful Total

TEB ID	Tax expenditures	Revenue Forgone 2017	Revenue Forgone 2018	Revenue Forgone 2019	Revenue Forgone 2020	Revenue Forgone 2021	Revenue Forgone 2022	Revenue Forgone 2023
NON CORPORATE BUSINESS								
<i>Deductions</i>								
TEB - 282	Exempt amount under Act 135-2014 (Young Entrepreneurs Act)	n.d.a	0.3	0.3	0.3	0.3	0.3	0.3
TEB - 283	Deduction under Act 185-2014 ("Private Equity Funds Act")	n.d.a	5.4	5.4	5.3	5.5	5.7	5.8
TEB - 284	Charitable contributions	n.d.a	2.0	2.0	1.9	2.0	2.1	2.1
TEB - 285	Special deductions, Payroll deduction	n.d.a	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 286	Special deductions, Human resources training and improvement expense deduction	n.d.a						
TEB - 287	Special deductions, Research and development expense deduction	n.d.a						

TEB - 288	Special deductions, Investment on buildings, structures, machinery and equipment deduction	n.d.a	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 289	Special deductions, Deduction for purchases of products manufactured in Puerto Rico	n.d.a						
TEB - 290	Special deductions, Investment on buildings, structures, machinery and equipment deduction	n.d.a						
<i>Deferrals</i>								
TEB - 291	Non Corporate Business-Deferrals	66.0	71.8	86.5	93.3	94.5	96.5	99.8
TEB - 292	Current Depreciation	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 293	Flexible Depreciation	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 294	Accelerated Depreciation	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 295	Amortization (i.e. Goodwill)	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 296	Automobiles	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 297	Computer Systems	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 298	Ground transportation equipment, except automobiles	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
TEB - 299	Machinery and equipment, furniture and fixtures, and any other fixed asset to be used in the industry or business	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a

TEB - 300	Vehicles under financial lease	nem	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
<i>Preferential Tax Rates</i>								
TEB - 301	Net short-term capital gain (or loss)	n.d.a						
TEB - 302	Net long-term capital gain	n.d.a						
TEB - 303	Long-Term Capital Assets Gains and Losses Realized under Special Legislation	n.d.a						
TEB - 304	Gain (or Loss) from Property Used in the Business Other than Capital Asset	n.d.a						
TEB - 305	Gains (or Losses) from Property Used in the Business and Taxable as Long-term Capital Gain	n.d.a						
TEB - 306	Net Gain (or Loss) on Sale or Exchange of Substantially all Assets Dedicated to an Activity under Act 78-1993, Including purchases.	n.d.a						
TEB - 307	Act 135 - 1997, Tax Incentives Law of 1998	n.d.a	0.2	0.2	0.2	0.3	0.3	0.3
TEB - 308	Act 27 -2011, Law of Economic Incentives for the Film Industry of Puerto Rico	n.d.a	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 309	Act 83 - 2010, Puerto Rico Green Energy Incentives Law	n.d.a	1.4	1.4	1.3	1.4	1.5	1.5

TEB - 310	Act 118 - 2010, Law of Incentives for Municipal Economic Development and Tourism	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a				
TEB - 311	Act 14 - 1996, Special Law for the Development of Castañer	n.d.a	n.d.a	n.d.a	rpl	rpl	rpl	rpl				
TEB - 312	Act 120 -2014, "SMBs Job Creation and Retention Incentives Act"	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a				
TEB - 313	Act 73 - 2008, Economic Incentives for the Development of Puerto Rico	n.d.a	71.9	72.7	70.3	73.8	75.9	77.1				
TEB - 314	Act 20 - 2012, Export Services	n.d.a	42.7	43.2	41.8	43.8	45.1	45.8				
TEB - 315	Act 185 - 2014, Private Equity Fund	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a				
TEB - 316	Act 14 - 2017 /Act 60 - 2019, Professional Physicians				n.d.a	n.d.a	n.d.a	n.d.a				
TEB - 317	Aplicable Credits				n.d.a	n.d.a	n.d.a	n.d.a				
TEB - 318	Tourism Industry - Act 60 - 2019 Subtitle B Chapter 5				n.d.a	n.d.a	n.d.a	n.d.a				
TEB - 319	Infrastructure - Act 60-2019 Subtitle B Chapter 7				n.d.a	n.d.a	n.d.a	n.d.a				
<i>Exclusions</i>												
TEB - 320	Life insurance	n.d.a	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 - TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.9	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.

TEB - 321	Donations, bequest and inheritances	n.d.a	(TEB 320 – TEB 324) 0.8	o.a.d	(TEB 320 - TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.
TEB - 322	Plantation insurance	n.d.a	(TEB 320 – TEB 324) 0.8	o.a.d	(TEB 320 - TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.
TEB - 323	Other exclusions	n.d.a	(TEB 320 – TEB 324) 0.8	o.a.d	(TEB 320 - TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.
TEB - 324	Income derived from discharge of debts	n.d.a	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 - TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 – TEB 324) 0.8	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.	(TEB 320 - TEB 324) 0.9	o.a.d.
TEB - 325	Act 74 - 2010 / Act 78 - 1993 / Act 52 - 1983, Tourism Development	n.d.a	64.4		65.1		63.0		66.1		68.0		69.1	
TEB - 326	Act 225 - 1995, Law on Agricultural Contributive Incentives of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 8	n.d.a	6.2		6.3		6.1		6.4		6.6		6.7	
TEB - 327	Act 132-2010- "Law of Stimulus to the Real Estate Market" Exemption	n.d.a	(*)		(*)		(*)		(*)		(*)		(*)	

TEB - 328	Act 47-1987 - "Law of Coparticipation of the Public and Private Sector for the New Housing Operation"	n.d.a	(*)	(*)	(*)	(*)	(*)	(*)						
<i>Exemptions</i>														
TEB - 329	Obligations from the United States Government, any of its states, territories or political subdivisions	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 330	Obligations from the Commonwealth of Puerto Rico	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 331	Securities under Agricultural Loans Act	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 332	Certain Mortgages	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 333	Loans granted by a commercial bank to an employee owned special corporation for certain purposes	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.

TEB - 334	Loans granted by a commercial bank in Puerto Rico for acquisition and payment of membership certificates in an employee owned special corporation	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 335	Loans granted by a commercial bank in Puerto Rico for the purchase or investment in preferred stocks of an employees owned special corporation	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 336	Loans for the establishment or expansion of small and medium businesses up to \$250,000	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 337	Loans for the capitalization of small and medium businesses up to \$250,000	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 338	Other interest reported in Form 480.6D	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 339	Other interest not subject to alternate basic tax reported in a Form 480.6D	n.d.a	(TEB 329 – TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 – TEB 365) 89.8	o.a.d.	(TEB 329 – TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.

TEB - 340	Obligations issued by the Conservation, Housing and Human Development Trust, the San Juan Monument' s Patronage and SER of Puerto Rico	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 341	Other Interest subject to alternate basis tax not reported on a Form 480.6D	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 342	Other interests not subject to alternate basic tax not reported on a Form 480.6D	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 343	Industrial development income derived from certain interests	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 344	International Insurer or Holding Company of the International Insurer	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	((TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 345	Other dividends reported in a Form 480.6D	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 346	Other dividends not reported in a Form 480.6D	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.

TEB - 347	Recapture of bad debts, prior taxes, surcharges and other items	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 348	Income from news agencies or unions	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 349	Certain income related to the operation of an employees owned special corporation	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 350	Income received or earned in relation to the celebration of sports games organized by international associations or federations	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 351	Income derived by the International Insurer or Holding Company of the International Insurer	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 352	Rents from the Historic Zone	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 353	Income from vessels owner's associations and mutual protection and indemnity	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.

TEB - 354	Income from buildings rented to the Commonwealth of Puerto Rico for public hospitals or schools, or health homes (Contracts in force as of November 22, 2010)	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 355	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the Internal Revenue Code of 1994	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 356	Distributions of Amounts Previously Notified as Deemed Eligible Distributions under Sections 1023.06(j) and 1023.25(b)	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 357	Distributions of Dividends or Benefits from Industrial Development Income of Exempt Businesses and in Liquidation under Act 73-2008 and Act 135-1997	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 358	Rent of residential property under Act 132-2010	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 359	Income received by designers and translators up to \$6,000 under Act 516-2004	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.

TEB - 360	Income produced by a new business that operates under a special Act for the incentive and financing of young entrepreneurs (Act 135-2014)	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 361	Distributable share in the exempt income from pass-through entities (Forms 480.6 EC, 480.6 SE and 480.6 S)	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 362	Other payments reported in a Form 480.6 D	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 363	Other payments not subject to alternate basic tax reported on a Form 480.6D	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 364	Other exemptions subject to alternate basic tax not reported on a Form 480.6D	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.
TEB - 365	Other exemptions	n.d.a	(TEB 329 - TEB 365) 91.9	o.a.d.	(TEB 329 - TEB 365) 92.9	o.a.d.	(TEB 329 - TEB 365) 89.8	o.a.d.	(TEB 329 - TEB 365) 94.2	o.a.d.	(TEB 329 - TEB 365) 96.9	o.a.d.	(TEB 329 - TEB 365) 98.6	o.a.d.

<i>Credits</i>								
Subject to Moratorium								
TEB - 366	Credit attributable to losses or for investment in the Capital Investment Fund, Act -46 , including purchases.	n.d.a	17.9	18.1	17.5	18.3	18.8	19.1
TEB - 367	Credit for construction investment in urban centers (Act 212-2012, as amended), including purchases.	n.d.a	1.5	1.5	1.5	1.5	1.6	1.6
TEB - 368	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	n.d.a	4.6	4.6	rpl	rpl	rpl	rpl
TEB - 369	Credits carried from previous years, Total of Credits for Agricultural Products	n.d.a	n.d.a.	n.d.a.	rpl	rpl	rpl	rpl
TEB - 370	Credit for Increase in Purchases of Puerto Rican Agricultural Products (Section 1051.07), Total credit for purchases of Puerto Rican agricultural products	n.d.a	1.4	1.5	rpl	rpl	rpl	rpl
TEB - 371	Credit for Purchase of Products Manufactured in Puerto Rico and Tuna Processing (Section 1051.09)	n.d.a	n.d.a.	n.d.a.	rpl	rpl	rpl	rpl

TEB - 372	Credits carried from previous years of Products Manufactured in Puerto Rico and Tuna Processing	n.d.a	n.d.a.	rpl	rpl	rpl	rpl	rpl
TEB - 373	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 374	Credit for investment in housing infrastructure (Act 98-2001, as amended) , including purchases.	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 375	Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001) , including purchases.	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 376	Purchase: Solid Waste Disposal (Act 159-2011)	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 377	Santurce Theatrical District	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

Not Subject to Moratorium								
TEB - 378	Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987)	n.d.a	0.3	0.4	0.3	0.4	0.4	0.4
TEB - 379	Credit for increase in investments	n.d.a	n.d.a.	rpl	rpl	rpl	rpl	rpl
TEB - 380	Credit for investment in film industry development Act 27-2011/ Act 60 - 2019, including purchases.	n.d.a	1.9	1.9	1.9	1.9	2.0	2.0
TEB - 381	Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14)	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 382	Credit for contributions to former governors' foundations	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 383	Credit for contributions to Santa Catalina's Palace Patronage and/or Patronage of the State Capitol of the Legislative Assembly	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 384	Industrial investment Credit (Act 73-2008), including purchases	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 385	Research and Development Credit Green Energy, including purchases	n.d.a	0.2	0.2	0.2	0.2	0.2	0.2
TEB - 386	Credit for Investment in Opportunity Zones, including purchases			n.d.a.	n.d.a	n.d.a	n.d.a.	n.d.a.

Not subject to Moratorium								
TEB - 387	Tourism Investment Credit	n.d.a	(*)	(*)	(*)	(*)	(*)	(*)
TEB - 388	Research and Development Tax Credit (Act 73-2008)	n.d.a	0.9	1.0	0.9	1.0	1.0	1.0
TEB - 389	Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 390	Purchase: Other Credits	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 391	Other Credits, including Purchases	n.d.a	5.9	5.9	5.7	6.0	6.2	6.3
TEB - 392	Credits used against Optiona Tax to Partnerships and Corporation of Individuals Section 1071.10 and 1115.11	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
Credits - Other Incentives Acts								
TEB - 393	Special credits granted	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 394	Credit for losses of United States parent company	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 395	Credit for taxes withheld on royalty payments	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

TEB - 396	Credit for purchases of products manufactured in Puerto Rico	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 397	Credit to reduce the cost of electric power	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 398	Credit for job creation	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 399	Research and Development Tax Credit (Act 73-2008)	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 400	Credit for investment in Machinery and Equipment for the generation and efficient use of energy	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 401	Credit for intellectual property transfer	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 402	Credit for investment in strategic projects	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 403	Industrial investment Credit (Act 73-2008), including purchases	n.d.a	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

Tax Regime

SALE AND USE TAX [Millions of dollars]

Millions of dollars, Each Tax Expenditure is Independently Estimated. Due to Interactions, Tax Expenditures Can Not be Added To a Meaningful Total

TEB ID	Tax expenditures	Revenue Forgone 2017	Revenue Forgone 2018	Revenue Forgone 2019	Revenue Forgone 2020	Revenue Forgone 2021	Revenue Forgone 2022	Revenue Forgone 2023
SUT								
<i>Exemptions</i>								
TEB - 404	Exemption for Promotional Material	0.8	1.2	1.2	0.9	0.5	0.5	0.6
TEB - 405	Exemption on Taxable Items from a Transfer of Residence	n.d.a.						
TEB - 406	Exemption on Rights of Admission	0.1	0.1	0.6	0.1	0.0	0.0	0.0
TEB - 407	Exemption on Food Items	906.8	706.3	717.2	747.3	784.2	806.6	820.1
TEB - 408	Exemption for Prescription Drugs	439.5	204.1	206.2	229.4	275.7	283.5	288.3
TEB - 409	Exemption on Articles and Equipment to Supplement Physical or Physiological Deficiencies for Disabled Persons	4.4	r. 4.8	5.6	7.4	7.7	7.9	8.0
TEB - 410	Exemption on Lease of Real Property	91.0	r. 116.7	105.8	94.8	96.5	99.2	100.9
TEB - 411	Exemption for Care Services Rendered by Child Care Centers	0.2	r. 0.1	0.1	0.1	0.1	0.1	0.1
TEB - 412	Exemption for Funeral Services	4.8	r. 5.8	5.7	5.6	6.6	6.8	6.9
TEB - 413	Exemption for Solar- Electric Equipment	17.2	r. 17.2	14.2	27.8	41.3	42.5	43.2

TEB - 414	Exemption for Care Services Rendered by Elderly Care Centers	1.2	27.1	29.6	30.6	32.0	33.0	33.5
TEB - 415	Exemptions on Articles for Manufacturing Machinery, Medical-Surgical Material, Supplies, Articles, Equipment and Technology Used in the Performance of Health Services	19.6	19.6	165.9	21.6	38.1	39.1	39.8
TEB - 416	Exemption for Textbooks	3.3	3.3	2.5	2.6	2.0	2.1	2.1
TEB - 417	Exemption for Uniforms and Materials	10.1	10.1	13.1	13.8	13.5	13.9	14.1
TEB - 418	Exemption for Sales Made by Churches.	0.4	30.4	1.3	1.0	1.3	1.3	1.3
TEB - 419	Exemption for Bona Fide Farmers.	4.3	r. 6.0	5.6	4.6	8.9	9.2	9.3
TEB - 420	Exemption from Payment of the Sales and Use Tax for Concession Holders under the Puerto Rico Tourism Development Laws	3.3	r. 9.5	8.7	6.5	9.5	9.8	10.0
TEB - 421	Exemption on taxable items sold in military stores operated by the Puerto Rico National Guard Institutional Trust	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 422	Exemption for feminine personal hygiene products to absorb menstrual discharge	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 423	Exemption for artisans.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
TEB - 424	Designated professional services	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

TEB - 425	Educational services, including tuition costs	277.0	r. 256.1	195.0	802.6	142.8	705.4	717.1
TEB - 426	Interest and other charges for the use of money and charges for services provided by financial institutions.	185.2	184.5	184.5	212.9	167.5	172.2	175.1
TEB - 427	Insurance services and commissions	91.8	121.7	124.7	130.7	138.8	142.8	145.2
TEB - 428	Health or medical hospital services	727.2	735.8	735.8	782.4	750.2	771.6	784.5
TEB - 429	Services rendered by persons whose annual business volume does not exceed fifty thousand (50,000) dollars	270.1	323.6	180.9	237.1	294.9	303.3	308.4
TEB - 430	Exemption on Certain Items Sold by Restaurants				87.7	148.8	153.0	155.6
<i>Exclusions</i>								
TEB - 431	Vehicles	205.5	r. 208.6	r. 285.3	211.1	221.5	227.9	231.7
TEB - 432	Gasoline	195.8	221.6	199.1	156.8	164.5	169.2	169.2
TEB - 433	Electricity	125.7	107.2	129.5	119.2	125.1	128.6	128.6
TEB - 434	Water	64.6	61.5	71.5	71.5	75.0	77.2	77.2

Tax Regime

EXCISE TAX

Millions of dollars, Each Tax Expenditure is Independently Estimated. Due to Interactions, Tax Expenditures Can Not be Added To a Meaningful Total

TEB ID	Tax expenditures	Revenue Forgone 2017	Revenue Forgone 2018	Revenue Forgone 2019	Revenue Forgone 2020	Revenue Forgone 2021	Revenue Forgone 2022	Revenue Forgone 2023
VEHICLES								
<i>Credits</i>								
TEB - 435	Refund of Excise Taxes on Vehicles Powered by Alternative or Combined Energy	7.6 r.	14.4	14.5	14.4	14.5	14.7	14.8
<i>Exemptions</i>								
TEB - 436	Exemption Public Carriers for the First Vehicle Including School Transportation and Heavy Vehicles	1.3	1.0	1.0	1.0	1.0	1.0	1.0
TEB - 437	Consular Officers and Employees Exemptions	n.c						
TEB - 438	Exemptions for Handicapped Persons	0.2	0.2	0.2	0.2	0.2	0.2	0.2
TEB - 439	Church Exemptions Vehicles which hold twelve (12) or more passengers	n.c						
TEB - 440	Exemptions for Donations to the Puerto Rico Police and the Police of the Municipal Governments	n.c						
TEB - 441	Exemptions on Articles for Manufacturing	0.2	0.4	0.4	0.4	0.4	0.4	0.4

TEB - 442	Exemption on the first five thousand (5,000) dollars of the excise tax on any non-luxury automobile for Nonprofit Charitable Institutions	0.4	0.1	0.1	0.1	0.1	0.1	0.1
TEB - 443	Exemption over Articles Acquired by Government Agencies	9.0	7.5	7.6	7.5	7.6	7.7	7.7
TEB - 444	Exemption on Articles Belonging to Persons in Government Service	1.9	2.5	2.5	2.5	2.5	2.6	2.6
TEB - 445	Category III ambulances	0.2	0.4	0.4	0.4	0.4	0.4	0.4
CIGARETTES								
<i>Exemptions</i>								
TEB - 446	Tourists and Residents of Puerto Rico Traveling Abroad	n.d.a.						
TEB - 447	Exemption on Tobacco Products sold or transferred to military stores, canteens or other facilities operated by the trust-building of the Puerto Rico National Guard or your dealer.	n.d.a.						
Fuel								
<i>Exclusions</i>								
TEB - 448	Excludes natural gas of "Other Fuel"	26.2	24.3	29.8	19.8	20.0	20.2	20.4
TEB - 449	Residual Fuel number 6, when it is acquired by the Puerto Rico Electric Power Authority	28.7	27.7	21.4	36.0	36.4	36.7	37.1
TEB - 450	Residual Fuel number 6, when it is acquired by industries and businesses	0.9	0.9	0.9	0.9	0.9	1.0	1.0

	when it is used for their management of production							
TEB - 451	Aviation gasoline and any combustible product in the case it was for use and consumption in propelling air transportation vehicles, destined to be consumed in air trips between Puerto Rico and other places or in air trips within the territorial. (2 cent)	0.3	0.5	0.5	0.3	0.3	0.3	0.3
Crude oil and petroleum products								
<i>Exclusions</i>								
TEB - 452	Generation of the Electric Power Authority or Other entity	250.2	262.2	r. 297.9	301.0	301.0	304.1	307.2
TEB - 453	Natural gas used to generate electricity sold to the Electric Power Authority or any successor entity	55.1	25.2	25.4	25.2	25.4	25.7	26.0
TEB - 454	The Maritime Transportation Authority, any successor entity or any entity that operates the maritime transport system serving the Municipality of Vieques and Culebra islands.	0.4	0.4	0.4	0.4	0.4	0.4	0.4
TEB - 455	Businesses holding a decree granted under Act 73-2008, with respect to the provisions of subparagraphs (6) and (8) of Section 9 of	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

	said Act, or equivalent sections of previous or superseding industrial incentive laws.							
TEB - 456	Crude oil, partly unfinished products, the end products derived from oil, or any other hydrocarbon mixture used as lubricants or fuel for generating steam for cooking, canning and sterilization of raw material obtained from industrial fishing.	n.d.a.						
TEB - 457	Crude oil, partly unfinished products, end products derived from oil, or any other hydrocarbon mixture used for vessels which render wharf services or using fuel for cargo ships, cruise ships or any other vessel requiring these services, whether in territorial waters or beyond them.	n.d.a.						
TEB - 458	Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture, subject to the excise tax on "diesel oil" established in subsection (a)(3) of Section 3020.06	37.3	32.5	34.5	44.5	45.0	45.4	45.9
TEB - 459	Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture, subject to the excise tax on "diesel oil" established in subsection (a)(3) of Section 3020.06	n.d.a.	0.3	r. 0.1	0.2	0.2	0.2	0.2

TEB - 460	Crude oil, partly unfinished products, end products derived from oil or any other hydrocarbon mixture locally imported or sold to agencies and instrumentalities of the Federal Government.	2.5	1.5	1.1	1.2	1.2	1.3	1.3
Distilled Spirits and Alcoholic Beverages								
<i>Exclusions</i>								
TEB - 461	Distilled spirits and alcoholic beverages when they are sold or transferred to the armed forces of the United States, including the National Guard of Puerto Rico	41.0	42.3	42.7	41.9	42.3	42.7	43.2
TEB - 462	Distilled Spirits and Alcoholic Beverages Used in the Process of Manufacture, Research, Development or Experimentation in Laboratories or for Medicinal Purposes	n.a.						
TEB - 463	Special Exemption to Beer, Malt Extract and others. Progressive Tax in substitution of refer by 5021.01	10.5	10.7	10.8	10.6	10.7	10.8	10.9

Legend / Footnotes:

NEM = No estimates were made for these lines of depreciation.

(*) Between zero and +/- \$100,000.

n.c. No Claim

n.d.a. No data available to support a meaningful estimate or projection

D Suppressed to avoid disclosure of individual companies.

o.a.d. Only Aggregated data available

r. Data was revised.

n. New tax expenditure

c. The TEB's tax regime was corrected. Erratum. TEB of B [B]

o. TEB was omitted in the PRTEB 2017.

rpl Tax Expenditure was repeal.

Notes:

1. The tax return, Schedule B (Credits) was reorganized in 2018 respect to provides to indicate if any of the credits is subject to moratorium.

2.. For more information on new tax expenditures or repeals, refer to the Table "Tax Expenditures Created and Repealed by Act 257-2018 and Act 60-2019 by Tax Regime".

Table 4A Tax Expenditures by Budget Category

Table 4A rearranges the information in Table 4 into budget category. This table allow the user to identify and group TEBs in ways that are more informative to policy objective delibera

4-A

Tax Expenditure by Budget Category

Millions of dollars, Each Tax Expenditure is Independently Estimated. Due to Interactions, Tax Expenditures Can Not be Added To a Meaningful Total

BC TEB ID	Tax expenditures	Tax Regime	Revenue Forgone 2017	Revenue Forgone 2018	Revenue Forgone 2019	Revenue Forgone 2020	Revenue Forgone 2021	Revenue Forgone 2022	Revenue Forgone 2023	
1. ART, CULTURE, SPORT & RECREATION										
BC- 1	TEB - 50	Rents from the Historic Zone	Individual	0.6	0.7	0.7	0.6	0.7	0.7	0.7
BC- 2	TEB - 63	Income from copyrights up to \$10,000 under Act 516-2004	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 3	TEB - 64	Income received by designers and translators up to \$6,000 under Act 516-2004	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 4	TEB - 83	Income paid by sport teams of international associations or federations	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)

BC- 5	TEB - 100	Purchases: : Theatrical District of Santurce (Act 178- 2000)	Individual	n.c.	n.c.	n.c.	rpl	rpl	rpl	rpl
BC- 6	TEB - 107	Credit for the purchase or transmission of television programming made in Puerto Rico (Section 1051.14)	Individual	n.c.	0.1	(*)	(*)	(*)	(*)	(*)
BC- 7	TEB - 108	Credit for contribution to former governors' foundations	Individual	(*)	0.1	0.1	0.1	0.1	0.1	0.1
BC- 8	TEB - 111	Credit for contributions to: (33) Santa Catalina's Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly	Individual	n.c.	n.c.	(*)	(*)	(*)	(*)	(*)
BC- 9	TEB - 171	Income received or earned in relation to the celebration of sports games organized by international associations or federations	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 10	TEB - 173	Rents from the Historic Zone	Business Tax	1.2	1.1	1.2	1.1	1.2	1.2	1.3
BC- 11	TEB - 197	Purchase: Santurce Theatrical District (Act 178-2000)	Business Tax	(*)	(*)	(*)	rpl	rpl	rpl	rpl

BC- 12	TEB - 202	Credit for contributions to: (33) Santa Catalina’s Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 13	TEB - 226	Act 178 - 2000, Special Law for the Creation of the Theater District of Santurce	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 14	TEB - 245	Purchase: Act 178 - 2000, Special Law for the Creation of the Theater District of Santurce	Business Tax	n.c.	(*)	(*)	rpl	rpl	rpl	rpl
BC- 15	TEB - 249	Credit for contributions to: (33) Santa Catalina’s Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 16	TEB - 308	Act 27 -2011, Law of Economic Incentives for the Film Industry of Puerto Rico	Business Tax	-	(*)	(*)	(*)	(*)	(*)	(*)
BC- 17	TEB - 311	Act 14 - 1996, Special Law for the Development of Castañer	Business Tax	-	n.d.a	n.d.a	-	-	-	-
BC- 18	TEB - 350	Income received or earned in relation to the celebration of sports games	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6

		organized by international associations or federations								
BC- 19	TEB - 352	Rents from the Historic Zone	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 20	TEB - 377	Santurce Theatrical District	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 21	TEB - 381	Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14)	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 22	TEB - 382	Credit for contributions to former governors' foundations	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 23	TEB - 383	Credit for contributions to Santa Catalina's Palace Patronage and/or Patronage of the State Capitol of the Legislative Assembly	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 24	TEB - 406	Exemption on Rights of Admission	Business Tax	0.1	0.1	0.6	0.1	0.0	0.0	0.0

2. BUSINESS FARMING AND FISHING

BC- 25	TEB - 76	Exempt amount from farming income (Schedule L Individual)	Individual	-	-	-	10.2	10.7	11.0	11.2
BC- 26	TEB - 94	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products.	Individual	(*)	0.5	(*)	(*)	(*)	(*)	(*)
BC- 27	TEB - 140	Plantation insurance	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 28	TEB - 145	Interest on mortgages on residential property located in Puerto Rico granted after January 1, 2014	Business Tax	-	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 29	TEB - 149	Securities under Agricultural Loans Act	Business Tax	0.5	0.5	0.5	0.5	0.5	0.5	0.5
BC- 30	TEB - 183	Exempt income of bonafide farmer Act 225-1995	Business Tax	-	4.1	4.3	rpl	rpl	rpl	rpl
BC- 31	TEB - 192	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products	Business Tax	0.1	0.1	0.1	rpl	rpl	rpl	rpl
BC- 32	TEB - 224	Act 225 - 1995, Law on Agricultural Contributive Incentives of Puerto	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

		Rico & Act 60 - 2019 Subtitle B Chapter 8									
BC- 33	TEB - 228	Act 72 - 1962, The Dairy Industry Corporation of Puerto Rico	Business Tax	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 34	TEB - 238	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products	Business Tax	n.c.	n.c.	n.c.	rpl	rpl	rpl	rpl	rpl
BC- 35	TEB - 322	Plantation insurance	Business Tax	-	(TEB 320 - TEB 324) 0.8	(TEB 320 - TEB 324) 0.9	(TEB 320 - TEB 324) 0.9	(TEB 320 - TEB 324) 0.9			
BC- 36	TEB - 326	Act 225 - 1995, Law on Agricultural Contributive Incentives of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 8	Business Tax	-	6.2	6.3	6.1	6.4	6.6	6.7	6.7
BC- 37	TEB - 331	Securities under Agricultural Loans Act	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6	(TEB 329 - TEB 365) 98.6
BC- 38	TEB - 369	Credits carried from previous years, Total of Credits for Agricultural Products	Business Tax	-	n.d.a.	n.d.a.	-	-	-	-	-
BC- 39	TEB - 370	Credit for Increase in Purchases of Puerto Rican Agricultural Products (Section 1051.07), Total credit for purchases of Puerto Rican agricultural products	Business Tax	-	1.4	1.5	-	-	-	-	-

BC- 40	TEB - 371	Credit for Purchase of Products Manufactured in Puerto Rico and Tuna Processing (Section 1051.09)	Business Tax	-	n.d.a.	n.d.a.	-	-	-	-
BC- 41	TEB - 372	Credits carried from previous years of Products Manufactured in Puerto Rico and Tuna Processing	Business Tax	-	n.d.a.	-	-	-	-	-
BC- 42	TEB - 419	Exemption for Bona Fide Farmers.	SUT	4.3	6.0	5.6	4.6	8.9	9.2	9.3
3. BUSINESS RESEARCH AND DEVELOPMENT										
BC- 43	TEB - 49	Compensation received by an eligible researcher or scientist	Individual	0.4	0.3	0.4	0.4	0.4	0.4	0.4
BC- 44	TEB - 116	Purchase: Economic Incentives (Research and Development) (Act 73-2008)	Individual	26.1	47.4	19.3	18.7	19.6	20.2	20.5
BC- 45	TEB - 208	Purchase: Economic Incentives (Research and Development) (Act 73-2008)	Business Tax	3.8	3.6	3.8	3.7	3.9	4.0	4.1
BC- 46	TEB - 252	Credit for investment in research and development, including purchases.	Business Tax	9.1	8.3	8.4	8.1	8.5	8.8	8.9

BC- 47	TEB - 262	Purchase: Economic Incentives (Research and Development) (Act 73-2008)	Business Tax	(TEB 262-TEB 265) 9.7	(TEB 262-TEB 265)9.1	(TEB 262-TEB 265) 9.2	(TEB 262-TEB 265) 8.9	(TEB 262-TEB 265) 9.3	(TEB 262-TEB 265)9.6	(TEB 262-TEB 265) 9.8
BC- 48	TEB - 264	Purchase: Green Energy Incentives (Research and Development) (Act 83-2010)	Business Tax	(TEB 262-TEB 265) 9.7	(TEB 262-TEB 265)9.1	(TEB 262-TEB 265) 9.2	(TEB 262-TEB 265) 8.9	(TEB 262-TEB 265) 9.3	(TEB 262-TEB 265)9.6	(TEB 262-TEB 265) 9.8
BC- 49	TEB - 273	Credit for intellectual property transfer	Business Tax	5.0	1.2	1.2	1.2	1.2	1.3	1.3
BC- 50	TEB - 278	Special deductions, Research and development expense deduction	Business Tax	(TEB 277 -TEB 281) 6.8	(TEB 277 -TEB 281) 6.2	(TEB 277 -TEB 281) 6.2	(TEB 277 -TEB 281) 6.1	(TEB 277 -TEB 281) 6.4	(TEB 277 -TEB 281) 6.5	(TEB 277 -TEB 281) 6.6
BC- 51	TEB - 281	Incentives corporatios - Deferrals	Business Tax	2.4	7.3	12.2	11.6	10.5	10.2	9.9
BC- 52	TEB - 287	Special deductions, Research and development expense deduction	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 53	TEB - 388	Research and Development Tax Credit (Act 73-2008)	Business Tax	-	0.9	1.0	0.9	1.0	1.0	1.0
BC- 54	TEB - 399	Research and Development Tax Credit (Act 73-2008)	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

BC- 55	TEB - 401	Credit for intellectual property transfer	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 56	TEB - 462	Distilled Spirits and Alcoholic Beverages Used in the Process of Manufacture, Research, Development or Experimentation in Laboratories or for Medicinal Purposes	Excise Tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4. BUSINESS- SMALL BUSINESS										
BC- 57	TEB - 66	Income derived by young people from wages, services rendered, self-employment or new business with special agreement (Act 135-2014)	Individual	42.3	46.7	53.6	49.6	55.3	58.8	61.1
BC- 58	TEB - 158	Loans for the establishment or expansion of small and medium businesses up to \$250,000	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 59	TEB - 159	Loans for the capitalization of small and medium businesses up to \$250,000	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

BC- 60	TEB - 425	Exemption for artisans.	SUT	n.d.a.						
BC- 61	TEB - 431	Services rendered by persons whose annual business volume does not exceed fifty thousand (50,000) dollars	SUT	270.1	323.6	180.9	237.1	294.9	303.3	308.4
BC- 62	TEB - 432	Exemption on Certain Items Sold by Restaurants	SUT	-	-	-	87.7	148.8	153.0	155.6
5. BUSINESS-OTHER										
BC- 63	TEB - 21	Amounts paid by an employer as reimbursement of expenses related to trips, meals, lodging, entertainment and others	Individual	38.2	41.1	47.3	44.7	48.4	50.6	52.0
BC- 64	TEB - 34	Dividends of-- Subject to alternate basic tax reported in a Form 480.6D 7	Individual	1.6	1.7	2.7	2.6	2.7	2.8	2.9
BC- 65	TEB - 35	Dividends of--Not subject to alternate basic tax reported in a Form 480.6D	Individual	157.1	207.3	233.9	219.8	240.0	252.6	260.3

BC- 66	TEB - 36	Dividends of-- Subject to alternate basic tax not reported in a Form 480.6D	Individual	(*)	(*)	0.1	0.1	0.1	0.1	0.1
BC- 67	TEB - 37	Dividends of--Not subject to alternate basic tax not reported in a Form 480.6D	Individual	6.6	7.9	16.9	16.3	17.1	17.6	17.9
BC- 68	TEB - 39	Recapture of bad debts, pror taxes, surcharges and other items	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 69	TEB - 51	Compensation to citizens and alien's nonresidents of Puerto Rico for the production of film projects	Individual	(*)	(*)	0.0	0.0	0.0	0.0	0.0
BC- 70	TEB - 53	Income from sources outside of Puerto Rico	Individual	83.9	147.0	130.1	125.2	132.2	136.5	139.0
BC- 71	TEB - 61	Compensation or indemnification Paid to an Employee Due to Dismissal	Individual	21.2	26.9	22.6	21.7	23.0	23.9	24.4
BC- 72	TEB - 65	Distributable share on exempt income from pass-through entities	Individual	56.3	53.9	56.9	54.9	57.7	59.4	60.5
BC- 73	TEB - 75	Exempt amount on income from the sale of goods (Schedule K Individual)	Individual	-	-	-	0.2	0.2	0.3	0.3

BC- 74	TEB - 91	Credit attributable to losses or for investment in the Capital Investment Fund, Act -46 -2000, including purchases.	Individual	n.c.	n.c.	(*)	(*)	(*)	(*)	(*)
BC- 75	TEB - 96	Other credits subject to moratorium not included on the preceding lines	Individual	0.1	n.d.a.	(*)	(*)	(*)	(*)	(*)
BC- 76	TEB - 97	Credits carried from previous years	Individual	1.5	n.d.a.	0.6	0.5	0.6	0.6	0.6
BC- 77	TEB - 103	Purchases: Others	Individual	0.8	-	0.2	0.1	0.2	0.2	0.2
BC- 78	TEB - 110	Credit to investors who acquire an exempt business that is in the process of closing its operations in Puerto Rico (Act 109-2001), including purchases.	Individual	n.c.	(*)	(*)	rpl	rpl	rpl	rpl
BC- 79	TEB - 112	Other credits not included on the preceding lines	Individual	0.3	5.0	2.6	2.5	2.6	2.7	2.7
BC- 80	TEB - 113	Credits carried from previous years	Individual	7.6	16.8	2.2	2.2	2.3	2.3	2.4
BC- 81	TEB - 114	Credit for investment Act 73-2008, including purchases.	Individual	3.5	6.4	11.7	11.3	11.9	12.2	12.4

BC- 82	TEB - 115	Credit for investment Act 83-2010 (Green Energy), including purchases.	Individual	(*)	0.9	0.3	0.3	0.3	0.3	0.3
BC- 83	TEB - 118	Purchase: Other	Individual	21.4	13.0	12.2	11.8	12.4	12.7	13.0
BC- 84	TEB - 121	Exempt amount under Act 135-2014 (Young Entrepreneurs Act)	Business Tax	0.8	0.8	0.9	0.8	0.9	0.9	0.9
BC- 85	TEB - 124	Deduction under Act 185-2014 ("Private Equity Funds Act")	Business Tax	0.1	0.1	0.1	0.1	0.1	0.1	0.1
BC- 86	TEB - 125	Regular Corporacion Depreciation	Business Tax	106.3	115.5	139.2	150.2	152.2	155.3	160.6
BC- 87	TEB - 126	Current Depreciation	Business Tax	nem						
BC- 88	TEB - 127	Flexible Depreciation	Business Tax	nem						
BC- 89	TEB - 128	Accelerated Depreciation	Business Tax	nem						

BC- 90	TEB - 129	Amortization (i.e. Goodwill)	Business Tax	nem	nem	nem	nem	nem	nem	nem
BC- 91	TEB - 130	Computer Systems	Business Tax	nem	nem	nem	nem	nem	nem	nem
BC- 92	TEB - 131	Ground transportation equipment, except automobiles	Business Tax	nem	nem	nem	nem	nem	nem	nem
BC- 93	TEB - 132	Machinery and equipment, furniture and fixtures, and any other fixed asset to be used in the industry or business	Business Tax	nem	nem	nem	nem	nem	nem	nem
BC- 94	TEB - 133	Automobiles	Business Tax	nem	nem	nem	nem	nem	nem	nem
BC- 95	TEB - 134	Vehicles under financial lease	Business Tax	nem	nem	nem	nem	nem	nem	nem
BC- 96	TEB - 137	Distributable share on net income subject to preferential rates from partnerships and special partnerships	Business Tax	(*)	n.d.a.	10.6	10.3	10.8	11.1	11.3
BC- 97	TEB - 139	Other income subject to preferential rates	Business Tax	(*)	n.d.a.	0.5	0.4	0.5	0.5	0.5

BC- 98	TEB - 143	Income derived from discharge of debts	Business Tax	0.5	0.5	0.5	0.5	0.5	0.5	0.5
BC- 99	TEB - 144	Net income (or loss) from sources outside Puerto Rico not related to the operation carried out in Puerto Rico by a foreign corporation	Business Tax	12.4	11.9	12.6	12.2	12.8	13.1	13.4
BC- 100	TEB - 163	Cooperative associations	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 101	TEB - 164	Exempt business under Act 60-2019 (Section 6070.56(e))	Business Tax	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 102	TEB - 168	Recapture of bad debts, prior taxes, surcharges and other items	Business Tax	2.0	1.9	2.0	1.9	2.0	2.1	2.1
BC- 103	TEB - 174	Income from vessels owner's associations and mutual protection and indemnity	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 104	TEB - 176	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

		Internal Revenue Code of 1994								
BC- 105	TEB - 180	Income produced by a new business that operates under a special Act for the incentive and financing of young entrepreneurs (Act 135-2014)	Business Tax	0.8	0.8	0.8	0.8	0.8	0.8	0.9
BC- 106	TEB - 181	Distributable share in the exempt income from pass-through entities (Forms 480.6 EC, 480.6 SE and 480.6 S)	Business Tax	0.9	0.8	0.9	0.8	0.9	0.9	0.9
BC- 107	TEB - 184	Other payments reported in a Form 480.6 D	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 108	TEB - 185	Other payments not reported in a Form 480.6 D	Business Tax	n.d.a.						
BC- 109	TEB - 186	Other exemptions	Business Tax	47.0	45.1	47.7	46.0	48.3	49.7	50.6
BC- 110	TEB - 187	Credit attributable to losses or for investment in the Capital Investment Fund, Act - 46 , including purchases.	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 111	TEB - 194	Credits carried from previous years	Business Tax	2.5	2.4	2.6	2.5	2.6	2.7	2.7

BC- 112	TEB - 195	Other credits not included on the preceding lines	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 113	TEB - 198	Purchase: Other Credits	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 114	TEB - 201	Credit to investors who acquire an exempt business that is in the process of closing its operations in Puerto Rico (Act 109-2001), including purchases.	Business Tax	0.2	0.2	0.2	rpl	rpl	rpl	rpl
BC- 115	TEB - 203	Credit for investment Act 73-2008, including purchases.	Business Tax	5.0	4.8	5.0	4.9	5.1	5.3	5.3
BC- 116	TEB - 204	Credit for investment Act 83-2010 (Green Energy Incentives)	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 117	TEB - 205	Credits carried from previous years	Business Tax	10.1	9.7	10.2	9.9	10.4	10.7	10.8
BC- 118	TEB - 206	Other credits not included on the preceding lines	Business Tax	1.1	1.1	1.1	1.1	1.1	1.2	1.2
BC- 119	TEB - 210	Purchase: Other Credits	Business Tax	26.6	25.5	26.9	26.0	27.3	28.1	28.6
BC- 120	TEB - 211	Credit for Investment in Opportunity Zones, including Purchases	Business Tax	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

BC- 121	TEB - 212	Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14)	Business Tax	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 122	TEB - 213	Purchases: Credit for investment in research and development	Business Tax	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 123	TEB - 237	Credit attributable to losses or for investment in the Capital Investment Fund, including purchases.	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 124	TEB - 242	Other credits not included on the preceding lines	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 125	TEB - 243	Credits carried from previous years	Business Tax	n.c.	0.3	0.3	0.3	0.3	0.3	0.3
BC- 126	TEB - 248	Purchase: : Other	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 127	TEB - 251	Credit for purchases of products manufactured in Puerto Rico	Business Tax	33.3	30.4	30.7	29.7	31.2	32.1	32.6

BC- 128	TEB - 257	Other credits not included on the preceding lines	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 129	TEB - 258	Credits carried from previous years	Business Tax	4.0	2.1	2.1	2.1	2.2	2.2	2.3
BC- 130	TEB - 261	Purchase: Acquisition of an Exempt Business that is in the Process of Closing its Operations in Puerto Rico (Act 109-2001)	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 131	TEB - 263	Purchase: Economic Incentives(Industrial Development) Act 73-2008	Business Tax	(TEB 262-TEB 265) 9.7	(TEB 262-TEB 265)9.1	(TEB 262-TEB 265) 9.2	(TEB 262-TEB 265) 8.9	(TEB 262-TEB 265) 9.3	(TEB 262-TEB 265)9.6	(TEB 262-TEB 265) 9.8
BC- 132	TEB - 265	Purchase: Other	Business Tax	(TEB 262-TEB 265) 9.7	(TEB 262-TEB 265)9.1	(TEB 262-TEB 265) 9.2	(TEB 262-TEB 265) 8.9	(TEB 262-TEB 265) 9.3	(TEB 262-TEB 265)9.6	(TEB 262-TEB 265) 9.8
BC- 133	TEB - 266	Credit for Investment in Opportunity Zones	Business Tax	-	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 134	TEB - 267	Purchase: Credit for Investment in Opportunity Zones	Business Tax	-	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a

BC- 135	TEB - 269	Credit for increase in investments	Business Tax	n.c.	n.c.	n.c.	rpl	rpl	rpl	rpl
BC- 136	TEB - 270	Credit for taxes withheld on royalty payments	Business Tax	0.8	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 137	TEB - 282	Exempt amount under Act 135-2014 (Young Entrepreneurs Act)	Business Tax	-	0.3	0.3	0.3	0.3	0.3	0.3
BC- 138	TEB - 283	Deduction under Act 185-2014 ("Private Equity Funds Act")	Business Tax	-	5.4	5.4	5.3	5.5	5.7	5.8
BC- 139	TEB - 291	Non Corporate Business- Deferrals	Business Tax	66.0	71.8	86.5	93.3	94.5	96.5	99.8
BC- 140	TEB - 292	Current Depreciation	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 141	TEB - 293	Flexible Depreciation	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a

BC- 142	TEB - 294	Accelerated Depreciation	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 143	TEB - 295	Amortization (i.e. Goodwill)	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 144	TEB - 296	Automobiles	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 145	TEB - 300	Vehicles under financial lease	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 146	TEB - 324	Income derived from discharge of debts	Business Tax	-	(TEB 320 - TEB 324) 0.8	(TEB 320 - TEB 324) 0.9	(TEB 320 - TEB 324) 0.9			
BC- 147	TEB - 353	Income from vessels owner’s associations and mutual protection and indemnity	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 148	TEB - 355	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6

		Internal Revenue Code of 1994								
BC- 149	TEB - 359	Income received by designers and translators up to \$6,000 under Act 516-2004	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 150	TEB - 360	Income produced by a new business that operates under a special Act for the incentive and financing of young entrepreneurs (Act 135-2014)	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 151	TEB - 361	Distributable share in the exempt income from pass-through entities (Forms 480.6 EC, 480.6 SE and 480.6 S)	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 152	TEB - 362	Other payments reported in a Form 480.6 D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 153	TEB - 363	Other payments not subject to alternate basic tax reported on a Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6

BC- 154	TEB - 364	Other exemptions subject to alternate basic tax not reported on a Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 155	TEB - 365	Other exemptions	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 156	TEB - 366	Credit attributable to losses or for investment in the Capital Investment Fund, Act - 46 , including purchases.	Business Tax	-	17.9	18.1	17.5	18.3	18.8	19.1
BC- 157	TEB - 384	Industrial investment Credit (Act 73-2008), including purchases	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 158	TEB - 390	Purchase: Other Credits	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 159	TEB - 391	Other Credits, including Purchases	Business Tax	-	5.9	5.9	5.7	6.0	6.2	6.3
BC- 160	TEB - 392	Credits used against Optiona Tax to Partnerships and Corporation of Individuals Section 1071.10 and 1115.11	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

BC- 161	TEB - 395	Credit for taxes withheld on royalty payments	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 162	TEB - 404	Exemption for Promotional Material	SUT	0.8	1.2	1.2	0.9	0.5	0.5	0.6
BC- 163	TEB - 410	Exemption on Lease of Real Property	SUT	91.0	116.7	105.8	94.8	96.5	99.2	100.9
BC- 164	TEB - 415	Exemptions on Articles for Manufacturing Machinery, Medical-Surgical Material, Supplies, Articles, Equipment and Technology Used in the Performance of Health Services	SUT	19.6	19.6	165.9	21.6	38.1	39.1	39.8
BC- 165	TEB - 424	Designated professional services	SUT	n.d.a.						
BC- 166	TEB - 450	Residual Fuel number 6, when it is acquired by industries and businesses when it is used for their management of production	Excise Tax	0.9	0.9	0.9	0.9	0.9	1.0	1.0

BC- 167	TEB - 463	Special Exemption to Beer, Malt Extract and others. Progressive Tax in substitution of refer by 5021.01	Excise Tax	10.5	10.7	10.8	10.6	10.7	10.8	10.9
6. DONATION, GIFTS, CHARITIES AND NON-PROFIT ORGANIZATION										
BC- 168	TEB - 4	Charitable contributions	Individual	29.0	33.6	37.5	35.5	38.4	40.2	41.2
BC- 169	TEB - 12	Donations, legacies and inheritances	Individual	9.9	7.5	12.8	12.3	13.0	13.4	13.6
BC- 170	TEB - 38	Expenses of priests or ministers	Individual	0.2	0.3	0.1	0.1	0.1	0.2	0.2
BC- 171	TEB - 123	Charitable contributions	Business Tax	4.5	4.4	4.6	3.9	4.1	4.2	4.3
BC- 172	TEB - 153	Obligations issued by the Conservation, Housing and Human Development Trust, the San Juan Monument' s Patronage and SER of Puerto Rico	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

BC- 173	TEB - 284	Charitable contributions	Business Tax	-	2.0	2.0	1.9	2.0	2.1	2.1
BC- 174	TEB - 321	Donations, bequest and inheritances	Business Tax	-	(TEB 320 - TEB 324) 0.8	(TEB 320 - TEB 324) 0.9	(TEB 320 - TEB 324) 0.9			
BC- 175	TEB - 340	Obligations issued by the Conservation, Housing and Human Development Trust, the San Juan Monument' s Patronage and SER of Puerto Rico	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 176	TEB - 440	Exemptions for Donations to the Puerto Rico Police and the Police of the Municipal Governments	Excise Tax	n.c	n.c	n.c	n.c	n.c	n.c	n.c
BC- 177	TEB - 442	Exemption on the first five thousand (5,000) dollars of the excise tax on any non-luxury automobile for Nonprofit Charitable Institutions	Excise Tax	0.4	0.1	0.1	0.1	0.1	0.1	0.1

7. ECONOMIC DEVELOPMENT

BC- 178	TEB - 74	Exempt amount from manufacturing income (Schedule J Individual)	Individual	-	-	-	2.9	3.0	3.1	3.1
BC- 179	TEB - 89	Distributions for reasons of a disaster declared by the Governor of Puerto Rico	Individual	1.7	6.0	7.7	7.4	7.8	7.9	8.1
BC- 180	TEB - 90	Act 22-2012, Transfer of Investors to Puerto Rico	Individual	264.4	310.7	324.8	315.1	328.9	337.3	342.4
BC- 181	TEB - 92	Credit for construction investment in urban centers (Act 212-2002, as amended)	Individual	1.4	8.1	(*)	(*)	(*)	(*)	(*)
BC- 182	TEB - 93	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended) including purchases.	Individual	(*)	0.7	0.7	0.7	0.7	0.8	0.8
BC- 183	TEB - 99	Purchases: Capital Investment Fund (Act 46-2000)	Individual	n.c.	0.1	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 184	TEB - 104	Credit for investment in Tourism Development (Act 78-1993) or Farming	Individual	16.1	7.7	8.5	8.2	8.6	8.8	9.0

		(Act 225-1995), , including purchases.								
BC- 185	TEB - 105	Credit for: (23) Section 4(a) of Act 8 of 1987 and/or (24) Section 3(b) of Act 135-1997	Individual	1.9	1.0	0.8	0.8	0.8	0.8	0.8
BC- 186	TEB - 106	Credit for investment in film industry development Act 27-2011 & Act 60-2019, including purchases.	Individual	8.0	41.5	31.1	30.0	31.5	32.4	32.9
BC- 187	TEB - 117	Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)	Individual	1.7	2.1	0.1	rpl	rpl	rpl	rpl
BC- 188	TEB - 119	Purchases: Credit for investment in research and development	Individual	-	-	0.2	0.2	0.2	0.2	0.2
BC- 189	TEB - 120	Credit for Investment in Opportunity Zones, including Purchases	Individual	-	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 190	TEB - 177	Distributions of Amounts Previously Notified as Deemed Eligible Distributions under Sections 1023.06(j) and 1023.25(b)	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 191	TEB - 178	Distributions of Dividends or Benefits from Industrial Development Income of Exempt	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

		Businesses and in Liquidation under Act 73- 2008 and Act 135-1997								
BC- 192	TEB - 190	Credit for construction investment in urban centers (Act 212-2012, as amended), including purchases.	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 193	TEB - 191	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	Business Tax	1.8	1.7	1.8	rpl	rpl	rpl	rpl
BC- 194	TEB - 199	Credit for increase in investments	Business Tax	(*)	(*)	(*)	rpl	rpl	rpl	rpl
BC- 195	TEB - 200	Credit for investment in film industry development (Act 27-2011), including purchases.	Business Tax	10.5	10.1	10.6	10.3	10.8	11.1	11.3
BC- 196	TEB - 207	Purchase:Tourism Development (Act 78-1993)	Business Tax	2.5	2.9	3.0	2.9	3.0	3.1	3.2
BC- 197	TEB - 209	Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)	Business Tax	(*)	(*)	(*)	rpl	rpl	rpl	rpl

BC- 198	TEB - 214	Act 135 - 1997, Tax Incentives Law of 1998, Act 73 - 2008, Economic Incentives for the Development of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 6	Business Tax	15,691.5	13,809.9	13,965.8	13,497.0	14,164.1	14,568.3	14,811.6
BC- 199	TEB - 215	Act 20 - 2012, Export Services & - Act 60 - 2019 Subtitle B Chapter 3	Business Tax	111.3	226.1	228.7	220.8	232.0	238.7	242.8
BC- 200	TEB - 216	Act 52 - 1983, Tourist Incentives Law of Puerto Rico Act 78 - 1993, Tourism Development Law of Puerto Rico Act 74 - 2010,	Business Tax	0.2	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 201	TEB - 217	Act 118 - 2010 & Act 107 - 2020, Law of Incentives for Municipal Economic Development and Tourism	Business Tax	n.d.a						
BC- 202	TEB - 219	Act 362 - 1999, Law for the Development of the Film Industry	Business Tax	n.d.a						
BC- 203	TEB - 220	Act 27 -2011, Law of Economic Incentives for the Film Industry of Puerto Rico / Creative Activities - Act 60 - 2019 Subtitle B Chapter 9	Business Tax	0.1	0.1	0.2	0.2	0.2	0.2	0.3

BC- 204	TEB - 222	Act 148 - 1988, Special Law for the Rehabilitation and Development of Santurce	Business Tax	n.c.						
BC- 205	TEB - 223	Act 75 - 1995, Special Law for the Rehabilitation and Development of Río Piedras	Business Tax	n.c.						
BC- 206	TEB - 225	Act 14 - 1996, Special Law for the Development of Castañer	Business Tax	n.c.						
BC- 207	TEB - 229	Act 52 - 1989 - International Bank Center	Business Tax	n.d.a	n.d.a	rpl	rpl	rpl	rpl	rpl
BC- 208	TEB - 230	International Financial Center	Business Tax	n.d.a						
BC- 209	TEB - 231	Opportunity Zones	Business Tax	-	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 210	TEB - 232	International Insurer	Business Tax	n.d.a						
BC- 211	TEB - 233	Ocean Freight Carriers - Act 60 - 2019 Subtitle B Chapter 11	Business Tax	n.d.a						
BC- 212	TEB - 234	Public Carriers Air Transportation- Act 60 - 2019 Subtitle B Chapter 11	Business Tax	n.d.a						
BC- 213	TEB - 235	Rents from the Historic Zone	Business Tax	n.d.a						

BC- 214	TEB - 236	Tourism Industry - Act 60 - 2019 Subtitle B Chapter 5	Business Tax	n.d.a						
BC- 215	TEB - 240	Credit for construction investment in urban centers (Act 212-2002, as amended), including purchases.	Business Tax	n.c.	(*)	(*)	(*)	(*)	(*)	(*)
BC- 216	TEB - 241	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	Business Tax	n.c.	n.c.	n.c.	rpl	rpl	rpl	rpl
BC- 217	TEB - 253	Credit for investment in machinery and equipment	Business Tax	n.c.						
BC- 218	TEB - 254	Credit to reduce the cost of electric power	Business Tax	8.3	6.5	6.6	6.4	6.7	6.9	7.0
BC- 219	TEB - 255	Credit for investment in strategic projects, including purchases.	Business Tax	n.c.						
BC- 220	TEB - 256	Credit for industrial investment, including purchases.	Business Tax	n.c.						
BC- 221	TEB - 259	Purchase: Tourism Development (Act 78-1993)	Business Tax	n.c.						
BC- 222	TEB - 260	Purchase: Film Industry Development (Act 27-2011)	Business Tax	n.c.	0.3	0.3	0.3	0.3	0.3	0.3
BC- 223	TEB - 268	Credit for products manufactured in Puerto Rico	Business Tax	n.c.	0.2	0.2	0.2	0.2	0.2	0.2

BC- 224	TEB - 271	Special credits granted	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 225	TEB - 279	Special deductions, Investment on buildings, structures, machinery and equipment deduction	Business Tax	(TEB 277 - TEB 281) 6.8	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.1	(TEB 277 - TEB 281) 6.4	(TEB 277 - TEB 281) 6.5	(TEB 277 - TEB 281) 6.6
BC- 226	TEB - 280	Special deductions, Deduction for purchases of products manufactured in Puerto Rico	Business Tax	(TEB 277 - TEB 281) 6.8	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.1	(TEB 277 - TEB 281) 6.4	(TEB 277 - TEB 281) 6.5	(TEB 277 - TEB 281) 6.6
BC- 227	TEB - 288	Special deductions, Investment on buildings, structures, machinery and equipment deduction	Business Tax	-	(*)	(*)	(*)	(*)	(*)	(*)
BC- 228	TEB - 289	Special deductions, Deduction for purchases of products manufactured in Puerto Rico	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 229	TEB - 290	Special deductions, Investment on buildings, structures, machinery and equipment deduction	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 230	TEB - 297	Computer Systems	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a

BC- 231	TEB - 298	Ground transportation equipment, except automobiles	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 232	TEB - 299	Machinery and equipment, furniture and fixtures, and any other fixed asset to be used in the industry or business	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 233	TEB - 307	Act 135 - 1997, Tax Incentives Law of 1998	Business Tax	-	0.2	0.2	0.2	0.3	0.3	0.3
BC- 234	TEB - 310	Act 118 - 2010, Law of Incentives for Municipal Economic Development and Tourism	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 235	TEB - 313	Act 73 - 2008, Economic Incentives for the Development of Puerto Rico	Business Tax	-	71.9	72.7	70.3	73.8	75.9	77.1
BC- 236	TEB - 314	Act 20 - 2012, Export Services	Business Tax	-	42.7	43.2	41.8	43.8	45.1	45.8
BC- 237	TEB - 318	Tourism Industry - Act 60 - 2019 Subtitle B Chapter 5	Business Tax	-	-	-	n.d.a	n.d.a	n.d.a	n.d.a
BC- 238	TEB - 319	Infrastructure - Act 60-2019 Subtitle B Chapter 7	Business Tax	-	-	-	n.d.a	n.d.a	n.d.a	n.d.a

BC- 239	TEB - 325	Act 74 - 2010 / Act 78 - 1993 / Act 52 - 1983, Tourism Development	Business Tax	-	64.4	65.1	63.0	66.1	68.0	69.1
BC- 240	TEB - 328	Act 47-1987 - "Law of Coparticipation of the Public and Private Sector for the New Housing Operation"	Business Tax	-	(*)	(*)	(*)	(*)	(*)	(*)
BC- 241	TEB - 356	Distributions of Amounts Previously Notified as Deemed Eligible Distributions under Sections 1023.06(j) and 1023.25(b)	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 242	TEB - 357	Distributions of Dividends or Benefits from Industrial Development Income of Exempt Businesses and in Liquidation under Act 73- 2008 and Act 135-1997	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 243	TEB - 378	Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987	Business Tax	-	0.3	0.4	0.3	0.4	0.4	0.4

BC- 244	TEB - 379	Credit for increase in investments	Business Tax	-	n.d.a.	-	-	-	-	-
BC- 245	TEB - 380	Credit for investment in film industry development Act 27-2011/ Act 60 - 2019, including purchases.	Business Tax	-	1.9	1.9	1.9	1.9	2.0	2.0
BC- 246	TEB - 386	Credit for Investment in Opportunity Zones, including purchases	Business Tax	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 247	TEB - 387	Tourism Investment Credit	Business Tax	-	(*)	(*)	(*)	(*)	(*)	(*)
BC- 248	TEB - 389	Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 249	TEB - 396	Credit for purchases of products manufactured in Puerto Rico	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 250	TEB - 397	Credit to reduce the cost of electric power	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

BC- 251	TEB - 400	Credit for investment in Machinery and Equipment for the generation and efficient use of energy	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 252	TEB - 402	Credit for investment in strategic projects	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 253	TEB - 403	Industrial investment Credit (Act 73-2008), including purchases	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 254	TEB - 420	Exemption from Payment of the Sales and Use Tax for Concession Holders under the Puerto Rico Tourism Development Laws	SUT	3.3	9.5	8.7	6.5	9.5	9.8	10.0
BC- 255	TEB - 441	Exemptions on Articles for Manufacturing	Excise Tax	0.2	0.4	0.4	0.4	0.4	0.4	0.4

BC- 256	TEB - 455	Businesses holding a decree granted under Act 73-2008, with respect to the provisions of subparagraphs (6) and (8) of Section 9 of said Act, or equivalent sections of previous or superseding industrial incentive laws.	Excise Tax	n.d.a.						
8. EDUCATION										
BC- 257	TEB - 9	Educational Contribution and My Future Accounts	Individual	0.7	0.6	0.5	0.5	0.5	0.6	0.6
BC- 258	TEB - 10	Interest paid on student's loans at university level	Individual	9.1	10.7	11.0	10.5	11.3	11.8	12.1
BC- 259	TEB - 416	Exemption for Textbooks	SUT	3.3	3.3	2.5	2.6	2.0	2.1	2.1
BC- 260	TEB - 417	Exemption for Uniforms and Materials	SUT	10.1	10.1	13.1	13.8	13.5	13.9	14.1
BC- 261	TEB - 425	Educational services, including tuition costs	SUT	277.0	256.1	847.1	37.7	843.6	867.6	882.1
BC- 262	TEB - 436	Exemption Public Carriers for the First Vehicle Including School Transportation and Heavy Vehicles	Excise Tax	1.3	1.0	1.0	1.0	1.0	1.0	1.0

9. EMPLOYMENT

BC- 263	TEB - 24	Fringe benefits paid by the employer in relation to a cafeteria plan	Individual	0.1	0.1	0.4	0.4	0.4	0.5	0.5
BC- 264	TEB - 45	Certain income related to the operation of an employees-owned special corporation	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 265	TEB - 47	Unemployment compensation	Individual	0.1	0.1	0.4	0.4	0.4	0.5	0.5
BC- 266	TEB - 109	Credit for payment of Membership Certificates by Ordinary and Extraordinary Member of Employees-Owned Special Corporations	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 267	TEB - 122	Special Agreement for the Creation of Employments and constitutes a New Business under the provisions of Act 1-2013	Business Tax	0.1	0.1	0.1	0.1	0.1	0.1	0.1
BC- 268	TEB - 154	Loans granted by a commercial bank to an employee owned special corporation for certain purposes	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

BC- 269	TEB - 155	Loans granted by a commercial bank in Puerto Rico for acquisition and payment of membership certificates in an employee owned special corporation	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 270	TEB - 156	Loans granted by a commercial bank in Puerto Rico for the purchase or investment in preferred stocks of an employees owned special corporation	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 271	TEB - 169	Income from news agencies or unions	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 272	TEB - 170	Certain income related to the operation of an employees owned special corporation	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 273	TEB - 227	Act 1 -2013, Employment Now Law	Business Tax	n.c.	n.c.	rpl	rpl	rpl	rpl	rpl
BC- 274	TEB - 274	Credit for job creation	Business Tax	n.c.	(*)	(*)	(*)	(*)	(*)	(*)

BC- 275	TEB - 276	Special deductions, Payroll deduction	Business Tax	(TEB 277 - TEB 281) 6.8	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.1	(TEB 277 - TEB 281) 6.4	(TEB 277 - TEB 281) 6.5	(TEB 277 - TEB 281) 6.6
BC- 276	TEB - 277	Special deductions, Human resources training and improvement expenses deduction	Business Tax	(TEB 277 - TEB 281) 6.8	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.2	(TEB 277 - TEB 281) 6.1	(TEB 277 - TEB 281) 6.4	(TEB 277 - TEB 281) 6.5	(TEB 277 - TEB 281) 6.6
BC- 277	TEB - 285	Special deductions, Payroll deduction	Business Tax	-	(*)	(*)	(*)	(*)	(*)	(*)
BC- 278	TEB - 286	Special deductions, Human resources training and improvement expense deduction	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 279	TEB - 312	Act 120 -2014, "SMBs Job Creation and Retention Incentives Act"	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 280	TEB - 348	Income from news agencies or unions	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 281	TEB - 349	Certain income related to the operation of an employees owned special corporation	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 282	TEB - 393	Special credits granted	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

BC- 283	TEB - 398	Credit for job creation	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
10. ENVIRONMENT										
BC- 284	TEB - 95	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	Individual	1.4	1.1	0.5	0.5	0.5	0.6	0.6
BC- 285	TEB - 98	Purchases: Solid Waste Disposal (Act 159-2011)	Individual	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
BC- 286	TEB - 193	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	Business Tax	1.2	1.2	1.2	1.2	1.3	1.3	1.3
BC- 287	TEB - 196	Purchase: Solid Waste Disposal (Act 159-2011)	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 288	TEB - 218	Act 83 - 2010, Puerto Rico Green Energy Incentives Law	Business Tax	2.6	0.1	0.1	0.1	0.1	0.1	0.1
BC- 289	TEB - 239	Credit for donation of an eligible conservation easement or donation of eligible	Business Tax	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.

		land (Act 183-2001, as amended), including purchases.								
BC- 290	TEB - 244	Purchase: Solid Waste Disposal (Act 159-2011)	Business Tax	n.c.	0.2	0.2	0.2	0.2	0.2	0.2
BC- 291	TEB - 309	Act 83 - 2010, Puerto Rico Green Energy Incentives Law	Business Tax	-	1.4	1.4	1.3	1.4	1.5	1.5
BC- 292	TEB - 373	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 293	TEB - 376	Purchase: Solid Waste Disposal (Act 159-2011)	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 294	TEB - 385	Research and Development Credit Green Energy, including purchases	Business Tax	-	0.2	0.2	0.2	0.2	0.2	0.2
BC- 295	TEB - 413	Exemption for Solar-Electric Equipment	SUT	17.2	17.2	14.2	27.8	41.3	42.5	43.2
BC- 296	TEB - 435	Refund of Excise Taxes on Vehicles Powered by Alternative or Combined Energy	Excise Tax	7.6	14.4	14.5	14.4	14.5	14.7	14.8

11. FAMILIES AND HOUSEHOLDS

BC- 297	TEB - 5	Loss of personal property as a result of certain casualties	Individual	4.9	1.7	0.2	0.2	0.2	0.2	0.3
BC- 298	TEB - 16	Child support payments	Individual	1.5	1.4	1.4	1.3	1.4	1.5	1.5
BC- 299	TEB - 407	Exemption on Food Items	SUT	906.8	706.3	327.5	707.9	742.8	764.0	776.8
BC- 300	TEB - 411	Exemption for Care Services Rendered by Child Care Centers	SUT	0.2	0.1	0.1	0.1	0.1	0.1	0.1
BC- 301	TEB - 412	Exemption for Funeral Services	SUT	4.8	5.8	5.7	5.6	6.6	6.8	6.9
BC- 302	TEB - 414	Exemption for Care Services Rendered by Elderly Care Centers	SUT	1.2	27.1	29.6	30.6	32.0	33.0	33.5

12. HEALTH

BC- 303	TEB - 3	Medical Expenses	Individual	13.1	18.1	21.9	20.5	22.4	23.6	24.3
BC- 304	TEB - 8	Contribution to health savings accounts with a high annual deductible medical plan	Individual	n.c.	n.c.	rpl	rpl	rpl	rpl	rpl
BC- 305	TEB - 11	Life insurance	Individual	2.4	6.2	3.2	3.0	3.2	3.4	3.4

BC- 306	TEB - 13	Compensation for injuries or sickness	Individual	4.3	3.4	2.2	2.1	2.2	2.3	2.4
BC- 307	TEB - 40	Stipends received by certain physicians during the internship period	Individual	2.3	2.4	2.6	2.5	2.7	2.8	2.9
BC- 308	TEB - 55	Income from buildings rented to the Government of Puerto Rico for public hospitals, health or convalescent homes, public schools (Contracts in force at November 22, 2010) and residential rent under Act 132-2010	Individual	13.1	13.2	19.0	7.4	7.8	8.0	8.2
BC- 309	TEB - 85	Gain taxable at rate under an Incentives Act 14-2017 (K, L, M, or N) and/or wages (Qualified Physicians)	Individual	127.8	161.4	233.4	224.2	237.3	245.2	250.0
BC- 310	TEB - 221	Act 168 - 1968, Tax Incentives Law for Hospital Facilities	Business Tax	0.2	0.1	0.1	0.0	0.1	0.1	0.1
BC- 311	TEB - 250	Credit for hospital units over payroll expenses	Business Tax	15.0	2.1	2.1	2.1	2.2	2.2	2.3
BC- 312	TEB - 316	Act 14 - 2017 /Act 60 - 2019, Profesional Physicians	Business Tax	-	-	-	n.d.a	n.d.a	n.d.a	n.d.a
BC- 313	TEB - 320	Life insurance	Business Tax	-	(TEB 320 - TEB 324) 0.8	(TEB 320 - TEB 324) 0.9	(TEB 320 - TEB 324) 0.9			

BC- 314	TEB - 408	Exemption for Prescription Drugs	SUT	439.5	204.1	206.2	229.4	275.7	283.5	288.3
BC- 315	TEB - 409	Exemption on Articles and Equipment to Supplement Physical or Physiological Deficiencies for Disabled Persons	SUT	4.4	4.8	5.6	7.4	7.7	7.9	8.0
BC- 316	TEB - 422	Exemption for feminine personal hygiene products to absorb menstrual discharge	SUT	n.d.a.						
BC- 317	TEB - 428	Health or medical hospital services	SUT	727.2	735.8	735.8	782.4	750.2	771.6	784.5
BC- 318	TEB - 438	Exemptions for Handicapped Persons	Excise Tax	0.2	0.2	0.2	0.2	0.2	0.2	0.2
BC- 319	TEB - 445	Category III ambulances	Excise Tax	0.2	0.4	0.4	0.4	0.4	0.4	0.4

13. HOUSING

BC- 320	TEB - 1	Home mortgage interest	Individual	199.3	207.1	203.8	192.6	208.5	218.2	224.1
BC- 321	TEB - 2	Casualty loss on your principal residence	Individual	17.2	5.1	15.8	15.1	16.1	16.7	17.0
BC- 322	TEB - 44	Gain from the sale or exchange of principal residence by certain individuals and qualified property	Individual	4.4	6.5	9.7	9.3	9.8	10.2	10.4

BC- 323	TEB - 56	Income from residential rent under Act 132-2012	Individual	-	-	-	22.2	23.3	23.9	24.3
BC- 324	TEB - 101	Purchases: Credit for investment in housing infrastructure (Act 98-2001, as amended)	Individual	1.4	0.4	0.6	0.6	0.6	0.6	0.6
BC- 325	TEB - 102	Purchases: Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001)	Individual	2.4	4.5	(*)	(*)	(*)	(*)	(*)
BC- 326	TEB - 179	Rent of residential property under Act 132-2010	Business Tax	1.1	1.1	1.2	1.1	1.2	1.2	1.2
BC- 327	TEB - 182	Exempt income from rent under Act 165-1996	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 328	TEB - 188	Credit for investment in housing infrastructure (Act 98-2001, as amended) , including purchases.	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 329	TEB - 189	Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

		2001) , including purchases.								
BC- 330	TEB - 246	Purchase: Credit for investment in housing infrastructure (Act 98-2001, as amended	Business Tax	n.c.	(*)	(*)	(*)	(*)	(*)	(*)
BC- 331	TEB - 247	Purchase: Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001)	Business Tax	n.c.	(*)	(*)	(*)	(*)	(*)	(*)
BC- 332	TEB - 327	Act 132-2010- "Law of Stimulus to the Real Estate Market" Exemption	Business Tax	-	(*)	(*)	(*)	(*)	(*)	(*)
BC- 333	TEB - 358	Rent of residential property under Act 132-2010	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 334	TEB - 367	Credit for construction investment in urban centers (Act 212-2012, as amended), including purchases.	Business Tax	-	1.5	1.5	1.5	1.5	1.6	1.6

BC- 335	TEB - 368	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	Business Tax	-	4.6	4.6	-	-	-	-
BC- 336	TEB - 374	Credit for investment in housing infrastructure (Act 98-2001, as amended) , including purchases.	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 337	TEB - 375	Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001) , including purchases.	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
14. INCOME SUPPORT										
BC- 338	TEB - 23	Additional Personal Exemption for Veterans	Individual	3.6	3.7	3.5	3.3	3.6	3.8	3.9
BC- 339	TEB - 43	Christmas Bonus, Summer Bonus and Medicine Bonus	Individual	(*)	7.3	0.0	0.0	0.0	0.0	0.0
BC- 340	TEB - 46	Cost of living allowance (COLA)	Individual	7.4	7.4	6.7	6.4	6.9	7.2	7.4
BC- 341	TEB - 48	Compensation received from active military service in a combat zone	Individual	0.4	0.3	1.1	1.0	1.1	1.1	1.2

BC- 342	TEB - 62	Salaries from Overtime during Emergency Situations	Individual	10.2	4.0	0.3	0.3	0.4	0.4	0.4
BC- 343	TEB - 88	Distributions for reasons of a disaster declared by the Governor of Puerto Rico	Individual	0.3	5.2	(*)	(*)	(*)	(*)	(*)
BC- 344	TEB - 405	Exemption on Taxable Items from a Transfer of Residence	SUT	n.d.a.						

15. INTERGOVERNMENTAL TAX ARRANGEMENTS

BC- 345	TEB - 41	Prize from the Lottery of Puerto Rico and the Additonal Lottery	Individual	2.3	3.2	5.3	5.1	5.4	5.6	5.7
BC- 346	TEB - 443	Exemption over Articles Acquired by Government Agencies	Excise Tax	9.0	7.5	7.6	7.5	7.6	7.7	7.7
BC- 347	TEB - 444	Exemption on Articles Belonging to Persons in Government Service	Excise Tax	1.9	2.5	2.5	2.5	2.5	2.6	2.6
BC- 348	TEB - 447	Exemption on Tobacco Products sold or transferred to military stores, canteens or other facilities operated by the trust-building of the Puerto Rico National Guard or your dealer.	Excise Tax	n.d.a.						

BC- 349	TEB - 448	Excludes natural gas of "Other Fuel"	Excise Tax	26.2	24.3	29.8	19.8	20.0	20.2	20.4
BC- 350	TEB - 449	Residual Fuel number 6, when it is acquired by the Puerto Rico Electric Power Authority	Excise Tax	28.7	27.7	21.4	36.0	36.4	36.7	37.1
BC- 351	TEB - 452	Generation of the Electric Power Authority or Other entity	Excise Tax	250.2	262.2	297.9	301.0	301.0	304.1	307.2
BC- 352	TEB - 453	Natural gas used to generate electricity sold to the Electric Power Authority or any successor entity	Excise Tax	55.1	25.2	25.4	25.2	25.4	25.7	26.0
BC- 353	TEB - 454	The Maritime Transportation Authority, any successor entity or any entity that operates the maritime transport system serving the Municipality of Vieques and Culebra islands.	Excise Tax	0.4	0.4	0.4	0.4	0.4	0.4	0.4
BC- 354	TEB - 460	Crude oil, partly unfinished products, end products derived from oil or any other hydrocarbon mixture locally imported or sold to agencies and instrumentalities of the Federal Government.	Excise Tax	2.5	1.5	1.1	1.2	1.2	1.3	1.3

BC- 355	TEB - 461	Distilled spirits and alcoholic beverages when they are sold or transferred to the armed forces of the United States, including the National Guard of Puerto Rico	Excise Tax	41.0	42.3	42.7	41.9	42.3	42.7	43.2
16. INTERNATIONAL										
BC- 356	TEB - 52	Income from overtime worked by a Puerto Rico Police member	Individual	6.0	9.1	34.6	32.2	35.7	37.8	39.1
BC- 357	TEB - 54	Remuneration received by employees of foreign governments or international organizations	Individual	1.0	0.6	0.1	0.1	0.1	0.1	0.1
BC- 358	TEB - 138	Net income subject to the 4% tax rate from the operations of an international financial entity that operates as a banking unit	Business Tax	n.d.a.	0.3	0.3	0.4	0.3	0.3	0.4
BC- 359	TEB - 165	International Insurer or Holding Company of the International Insurer	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 360	TEB - 172	Income derived by the International Insurer or Holding Company of the International Insurer	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)

BC- 361	TEB - 272	Credit for losses of United States parent company	Business Tax	1.7	2.6	2.6	2.5	2.7	2.7	2.8
BC- 362	TEB - 344	International Insurer or Holding Company of the International Insurer	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 363	TEB - 351	Income derived by the International Insurer or Holding Company of the International Insurer	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 364	TEB - 394	Credit for losses of United States parent company	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 365	TEB - 437	Consular Officers and Employees Exemptions	Excise Tax	n.c	n.c	n.c	n.c	n.c	n.c	n.c
BC- 366	TEB - 446	Tourists and Residents of Puerto Rico Traveling Abroad	Excise Tax	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 367	TEB - 451	Aviation gasoline and any combustible product in the case it was for use and consumption in propelling air transportation vehicles, destined to be consumed in air trips between Puerto Rico and other places or in air trips within the territorial. (2 cent)	Excise Tax	0.3	0.5	0.5	0.3	0.3	0.3	0.3

17. OTHERS

BC- 368	TEB - 22	Other exclusions	Individual	2.4	3.3	3.0	2.9	3.1	3.2	3.3
BC- 369	TEB - 68	Other payments subject to alternate basic tax reported in a Form 480.6D	Individual	0.3	0.1	0.2	0.2	0.2	0.2	0.2
BC- 370	TEB - 69	Other payments not subject to alternate basic tax reported in a Form 480.6D	Individual	5.8	24.1	25.9	24.9	26.3	27.1	27.6
BC- 371	TEB - 70	Other exemptions subject to alternate basic tax not reported in a Form 480.6D	Individual	0.2	0.1	0.1	0.1	0.1	0.1	0.1
BC- 372	TEB - 71	Other exemptions not subject to alternate basic tax not reported in a Form 480.6D	Individual	406.9	308.9	461.4	445.5	468.1	481.8	490.0
BC- 373	TEB - 72	Other exemptions subject to alternate basic tax not reported in a Form 480.6D	Individual	-	-	-	n.c.	n.c.	n.c.	n.c.
BC- 374	TEB - 73	Other exemptions not subject to alternate basic tax not reported in a Form 480.6D	Individual	-	-	-	0.5	0.5	0.5	0.5

BC- 375	TEB - 86	Distributable share pass-through entities	Individual	-	61.2	121.7	117.4	123.6	127.3	129.6
BC- 376	TEB - 87	Any other income subject to a preferential rates	Individual	38.5	6.3	12.5	12.0	12.7	13.1	13.3
BC- 377	TEB - 146	Other exclusions	Business Tax	2.6	2.5	2.6	2.5	2.6	2.7	2.8
BC- 378	TEB - 275	Other applicable credits	Business Tax	(*)	2.4	2.4	2.3	2.5	2.5	2.6
BC- 379	TEB - 323	Other exclusions	Business Tax	-	(TEB 320 - TEB 324) 0.8	(TEB 320 - TEB 324) 0.9	(TEB 320 - TEB 324) 0.9			
BC- 380	TEB - 421	Exemption on taxable items sold in military stores operated by thePuerto Rico National Guard Institutional Trust	SUT	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

<p>BC- 381</p>	<p>TEB - 456</p>	<p>Crude oil, partly unfinished products, the end products derived from oil, or any other hydrocarbon mixture used as lubricants or fuel for generating steam for cooking, canning and sterilization of raw material obtained from industrial fishing.</p>	<p>Excise Tax</p>	<p>n.d.a.</p>						
<p>BC- 382</p>	<p>TEB - 457</p>	<p>Crude oil, partly unfinished products, end products derived from oil, or any other hydrocarbon mixture used for vessels which render wharf services or using fuel for cargo ships, cruise ships or any other vessel requiring these services, whether in territorial waters or beyond them.</p>	<p>Excise Tax</p>	<p>n.d.a.</p>						
<p>BC- 383</p>	<p>TEB - 458</p>	<p>Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture, subject to the excise tax on "diesel oil" established in subsection (a)(3) of Section 3020.06</p>	<p>Excise Tax</p>	<p>37.3</p>	<p>32.5</p>	<p>34.5</p>	<p>44.5</p>	<p>45.0</p>	<p>45.4</p>	<p>45.9</p>

BC- 384	TEB - 459	Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture, subject to the excise tax on "diesel oil" established in subsection (a)(3) of Section 3020.06	Excise Tax	n.d.a.	0.3	0.1	0.2	0.2	0.2	0.2
18. RETIREMENT										
BC- 385	TEB - 6	Contributions to governmental pension or retirement systems	Individual	51.9	49.9	rpl	rpl	rpl	rpl	rpl
BC- 386	TEB - 7	Contributions to individual retirement accounts	Individual	19.4	20.1	17.0	16.2	17.3	18.0	18.4
BC- 387	TEB - 42	Income from pensions or annuities, up to the applicable limitation	Individual	86.3	88.6	91.1	85.1	93.7	99.1	102.4
BC- 388	TEB - 60	Distributions from Non-Deductible Individual Retirement Accounts	Individual	2.3	4.8	3.2	3.1	3.3	3.4	3.4
BC- 389	TEB - 80	Interest from distributions of IRA to Governmental Pensioners	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 390	TEB - 84	Total distributions from qualified retirement plans	Individual	2.5	4.2	2.2	2.1	2.3	2.4	2.4

19. SAVINGS AND INVESTMENT

BC- 391	TEB - 15	Income derived from discharge of debts	Individual	4.6	6.8	10.0	9.6	10.2	10.5	10.7
BC- 392	TEB - 25	Interest upon-- Obligations from the United States Government, any of its states, territories or political subdivisions	Individual	4.9	4.7	6.4	6.1	6.5	6.7	6.8
BC- 393	TEB - 26	Interest upon-- Obligations from the Government of Puerto Rico	Individual	22.9	8.0	3.4	3.3	3.5	3.6	3.7
BC- 394	TEB - 27	Interest upon-- Certain Mortgages	Individual	3.0	2.3	3.5	3.3	3.5	3.7	3.7
BC- 395	TEB - 28	Interest upon- Deposits in Puerto Rico interest bearing accounts up to \$100 (\$200 for married filing jointly)	Individual	4.0	4.3	0.6	0.6	0.6	0.7	0.7
BC- 396	TEB - 29	Bonds, notes or other obligations under section 6070.56(h) of Act 60-2019	Individual	-	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 397	TEB - 30	Interest upon--Other interest subject to alternate basic tax reported in a Form 480.6D	Individual	n.c.	n.c.	0.1	0.1	0.1	0.1	0.1
BC- 398	TEB - 31	Interest upon--Other interest not subject to alternate basic tax	Individual	1.0	1.6	3.0	2.9	3.0	3.1	3.2

		reported in a Form 480.6D								
BC- 399	TEB - 32	Interest upon--Other interest subject to alternate basic tax not reported in a Form 480.6D	Individual	0.2	0.1	0.2	0.1	0.2	0.2	0.2
BC- 400	TEB - 33	Interest upon--Other interest not subject to alternate basic tax not reported in a Form 480.6D	Individual	0.5	2.0	1.8	1.8	1.9	1.9	2.0
BC- 401	TEB - 57	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the Internal Revenue Code of 1994	Individual	(*)	(*)	0.3	0.2	0.3	0.3	0.3
BC- 402	TEB - 58	Accumulated Gain in Nonqualified Options	Individual	2.6	(*)	(*)	(*)	(*)	(*)	(*)
BC- 403	TEB - 59	Distributions of Amounts Previously Notified as Deemed Eligible Distributions	Individual	33.4	39.4	27.8	26.8	28.2	29.1	29.6
BC- 404	TEB - 77	Net long-term capital gain (or loss) under Act	Individual	32.8	31.4	31.7	30.4	32.2	33.3	33.9
BC- 405	TEB - 78	Interest from IRA on deposits in accounts from	Individual	(*)	(*)	(*)	(*)	(*)	(*)	(*)

		certain financial institutions								
BC- 406	TEB - 79	Interest on deposits in accounts from certain financial institutions	Individual	1.4	1.9	1.1	1.1	1.2	1.2	1.3
BC- 407	TEB - 81	Non-exempt eligible interest paid or credited on bonds, notes, other obligations or mortgage loans	Individual	1.1	0.9	1.1	1.0	1.1	1.1	1.2
BC- 408	TEB - 82	Eligible distribution of dividends	Individual	8.8	15.3	15.5	14.7	15.8	16.4	16.8
BC- 409	TEB - 135	Net long-term capital gain	Business Tax	26.1	31.3	15.8	15.3	16.0	16.5	16.8
BC- 410	TEB - 136	Interest subject to preferential rates	Business Tax	0.2	0.2	(*)	(*)	(*)	(*)	(*)
BC- 411	TEB - 147	Obligations from the United States Government, any of its states, territories or political subdivisions	Business Tax	32.5	31.2	33.0	31.9	33.5	34.4	35.0
BC- 412	TEB - 148	Obligations from the Commonwealth of Puerto Rico	Business Tax	n.d.a.						
BC- 413	TEB - 150	Certain Mortgages	Business Tax	1.8	1.7	1.8	1.8	1.8	1.9	1.9

BC- 414	TEB - 151	Obligations secured or guaranteed under the Servicemen's Readjustment Act of 1944	Business Tax	0.3	0.3	0.3	0.3	0.3	0.3	0.3
BC- 415	TEB - 152	Securities issued by cooperative associations up to \$5,000	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 416	TEB - 159	Bonds, notes, or other obligations under Section 6070.56(h) of Act 60-2019	Business Tax	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 417	TEB - 160	Other interest reported in Form 480.6D	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 418	TEB - 161	Other interest not reported in Form 480.6D	Business Tax	0.1	0.1	0.1	0.1	0.1	0.1	0.1
BC- 419	TEB - 162	Industrial development income derived from certain interests	Business Tax	(*)	(*)	(*)	(*)	(*)	(*)	(*)
BC- 420	TEB - 166	Other dividends reported in a Form 480.6D	Business Tax	0.9	0.9	0.9	0.9	0.9	1.0	1.0
BC- 421	TEB - 167	Other dividends not reported in a Form 480.6D	Business Tax	0.2	0.2	0.2	0.2	0.3	0.3	0.3
BC- 422	TEB - 301	Net short-term capital gain (or loss)	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 423	TEB - 302	Net long-term capital gain	Business Tax	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.	n.d.a.

BC- 424	TEB - 303	Long-Term Capital Assets Gains and Losses Realized under Special Legislation	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 425	TEB - 304	Gain (or Loss) from Property Used in the Business Other than Capital Asset	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 426	TEB - 305	Gains (or Losses) from Property Used in the Business and Taxable as Long-term Capital Gain	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 427	TEB - 306	Net Gain (or Loss) on Sale or Exchange of Substantially all Assets Dedicated to an Activity under Act 78-1993, Including purchases.	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 428	TEB - 315	Act 185 - 2014, Private Equity Fund	Business Tax	-	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a	n.d.a
BC- 429	TEB - 317	Aplicable Credits	Business Tax	-	-	-	n.d.a	n.d.a	n.d.a	n.d.a
BC- 430	TEB - 329	Obligations from the United States Government, any of its states, territories or political subdivisions	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 431	TEB - 330	Obligations from the Commonwealth of Puerto Rico	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6

BC- 432	TEB - 332	Certain Mortgages	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 433	TEB - 333	Loans granted by a commercial bank to an employee owned special corporation for certain purposes	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 434	TEB - 334	Loans granted by a commercial bank in Puerto Rico for acquisition and payment of membership certificates in an employee owned special corporation	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 435	TEB - 335	Loans granted by a commercial bank in Puerto Rico for the purchase or investment in preferred stocks of an employees owned special corporation	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 436	TEB - 336	Loans for the establishment or expansion of small and medium businesses up to \$250,000	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 437	TEB - 337	Loans for the capitalization of small and medium businesses up to \$250,000	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6

BC- 438	TEB - 338	Other interest reported in Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 439	TEB - 339	Other interest not subject to alternate basic tax reported in a Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 440	TEB - 341	Other Interest subject to alternate basis tax not reported on a Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 441	TEB - 342	Other interests not subject to alternate basic tax not reported on a Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 442	TEB - 343	Industrial development income derived from certain interests	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 443	TEB - 345	Other dividends reported in a Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 444	TEB - 346	Other dividends not reported in a Form 480.6D	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 445	TEB - 347	Recapture of bad debts, prior taxes, surcharges and other items	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 446	TEB - 426	Interest and other charges for the use of money and	SUT	185.2	184.5	184.5	212.9	167.5	172.2	175.1

		charges for services provided by financial institutions.								
20. SOCIAL										
BC- 447	TEB - 14	Benefits from federal social security for old-age and survivors	Individual	124.5	141.3	154.7	145.2	158.7	167.2	172.3
BC- 448	TEB - 17	Compensation, payments or distributions due to a disaster declared by the Governor of Puerto Rico - Reported in a withholding statement or informative return	Individual	-	-	-	53.1	55.7	57.3	58.2
BC- 449	TEB - 18	Compensation, payments or distributions due to a disaster declared by the Governor of Puerto Rico - Not reported in a withholding statement or informative return	Individual	14.3	54.0	0.2	4.2	4.4	4.6	4.6

BC- 450	TEB - 19	Amount received from any subsidy or stimulus paid by the Government of Puerto Rico as a result of COVID-19	Individual	-	-	-	14.6	15.3	15.8	16.0
BC- 451	TEB - 20	Interests upon mortgages over residential property located in Puerto Rico granted after January 1, 2014	Individual	-	-	-	0.6	0.6	0.6	0.6
BC- 452	TEB - 67	Qualified payments and transactions due to hurricane María	Individual	-	-	-	2.6	2.7	2.8	2.8
BC- 453	TEB - 141	Amount received through any grant or stimulus paid by the Federal Government as a result of COVID-19	Business Tax	-	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 454	TEB - 142	Amount received through any grant or stimulus paid by the Government of Puerto Rico as a result of COVID-19	Business Tax	-	-	-	n.d.a.	n.d.a.	n.d.a.	n.d.a.
BC- 455	TEB - 175	Income from buildings rented to the Commonwealth of Puerto Rico for public hospitals or schools, or health	Business Tax	0.2	0.2	0.2	0.2	0.2	0.2	0.2

		homes (Contracts in force as of November 22, 2010)								
BC- 456	TEB - 354	Income from buildings rented to the Commonwealth of Puerto Rico for public hospitals or schools, or health homes (Contracts in force as of November 22, 2010)	Business Tax	-	(TEB 329 - TEB 365) 91.9	(TEB 329 - TEB 365) 92.9	(TEB 329 - TEB 365) 89.8	(TEB 329 - TEB 365) 94.2	(TEB 329 - TEB 365) 96.9	(TEB 329 - TEB 365) 98.6
BC- 457	TEB - 418	Exemption for Sales Made by Churches.	SUT	0.4	30.4	26.8	63.4	27.8	28.6	29.1
BC- 458	TEB - 427	Insurance services and commissions	SUT	91.8	121.7	124.7	130.7	138.8	142.8	145.2
BC- 459	TEB - 431	Vehicles	SUT	205.5	208.6	285.3	211.1	221.5	227.9	231.7
BC- 460	TEB - 432	Gasoline	SUT	195.8	221.6	199.1	156.8	164.5	169.2	169.2
BC- 461	TEB - 433	Electricity	SUT	125.7	107.2	129.5	119.2	125.1	128.6	128.6
BC- 462	TEB - 434	Water	SUT	64.6	61.5	71.5	71.5	75.0	77.2	77.2
BC- 463	TEB - 439	Church Exemptions Vehicles which hold twelve (12) or more passengers	Excise Tax	n.c	n.c	n.c	n.c	n.c	n.c	n.c

Legend / Footnotes:

NEM = No estimates were made for these lines of depreciation.

(*) Between zero and +/- \$100,000.

n.c. No Claim

n.d.a. No data available to support a meaningful estimate or projection

D Suppressed to avoid disclosure of individual companies.

o.a.d. Only Aggregated data available

r. Data was revised.

n. New tax expenditure

c. The TEB's tax regime was corrected. Erratum. TEB of B [B]

o. TEB was omitted in the PRTEB 2017.

rpl Tax Expenditure was repeal.

Notes:

1. The tax return, Schedule B (Credits) was reorganized in 2018 respect to provides to indicate if any of the credits is subject to moratorium.

2.. For more information on new tax expenditures or repeals, refer to the Table "Tax Expenditures Created and Repealed by Act 257-2018 and Act 60-2019 by Tax Regime".

Table 5 Legal Citation for the Law Creating Each Tax Expenditure and Data Source For The Tax Expenditure Estimate By Tax Regime

Table 5 repeats the ordering of Table 4 but shows both the legal citation of the law creating the tax expenditure and a short description of the law and the data source for the estimate of foregone revenue. The TEB identification number shown on both Tables 4 and 5 can be used to cross-reference the foregone revenue with the law citation and description. The descriptions of tax measures contained in this document are intended to provide only a general understanding of how each of the tax measures operates. These descriptions do not replace the relevant legislation or regulations and should not be relied upon by taxpayers in arranging their tax affairs.

INDIVIDUAL INCOME TAX | PR TER 2019-2020

Individual Tax Expenditure

TEB ID	Tax Regime	Tax Expenditure	Full Description	Legal Citation	Data Source for Tax Expenditure Estimates
INDIVIDUAL					
<i>Deduction</i>					
TEB - 1	<i>Individual Tax</i>	Home mortgage interest	(A) In general.- In the case of an individual there shall be allowed as a deduction the interest, including interest paid by a participant partner in a cooperative housing association, allowable as a deduction under paragraph (2), paid or accrued in the tax year on debts incurred by reason of loans for the acquisition or refinancing of property, when said loans are guaranteed with a mortgage on the property that, at the time said interest is paid or accrued, constitutes a qualified residence of the taxpayer. Section 1021.03 of the PR Internal Revenue Code provides the optional computation of the tax in the of spouses living together, both of whom work, and who file joint returns, the tax under Sections 1021.01 and 1021.2 shall be, at the spouses' election, the sum of the taxes determined individually, on the form provided for these purposes by the Secretary,(4) the deductions allowed in paragraphs (1) to (4) and (10) of subsection (a) of Section 1033.15 shall be attributed to each spouse on the basis of	PR Internal Revenue Code, as amended (hereinafter referred to as "PR Internal Revenue Code") Section 1033.15(a)(1)(A)	Individual Income Tax Return 2019 (Form 482.0), Schedule A Individual, Part I Line 1 (j), Individual Income Tax Return 2020 (Form 482.0), Schedule A Individual, Part I Line 1 (j)

			fifty (50) percent of the total. (Optional Computation of Tax, Schedule CO Individual)		
TEB - 2	<i>Individual Tax</i>	Casualty loss on your principal residence	(A) Loss of home due to fire, hurricane and other casualties.- (i) In the case of an individual, a deduction shall be allowed for losses not compensated, by insurance or otherwise, sustained during the tax year due to fire, hurricane and other casualties at the property that, at the time of the casualty, was the taxpayer's principal residence. (ii) In the case of spouses living together at the end of the tax year and electing the optional tax computation under Section 1021.03 or filing separate returns, each spouse shall be entitled to claim only fifty (50) percent of this deduction. (Optional Computation of Tax, Schedule CO Individual)	PR Internal Revenue Code Section 1033.15(a)(10) (A)	Individual Income Tax Return 2019 (Form 482.0) - Schedule A Individual Part I Line 2 - Individual Income Tax Return 2020 (Form 482.0)- Schedule A Individual-Part I Line 2

<p>TEB - 3</p>	<p><i>Individual Tax</i></p>	<p>Medical Expenses</p>	<p>(4) Deduction of healthcare expenses - In the case of individuals, the amount by which the amount of healthcare expenses not compensated, by insurance or otherwise, paid during the tax year, exceeds six (6) percent of adjusted gross income. For purposes of this subparagraph, the term "healthcare expenses" includes the following: (A) professional services rendered by physicians, dentists, radiologists, clinical pathologists, minor surgeons or nurses, or by hospitals within or without Puerto Rico; (B) health or accident insurance; (C) drugs for human consumption intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease, acquired solely and exclusively with a medical prescription, if prescribed by a physician authorized to practice medicine in Puerto Rico and dispensed by a licensed pharmacist in Puerto Rico; and (D) expenses incurred in the purchase of any technological assistance equipment for disabled persons, specialized treatment or chronic illness. In the case of spouses living together at the end of the tax year and electing the optional tax computation under Section 1021.03 or filing separate returns, each spouse shall be entitled to claim only fifty (50) percent of this deduction. (Optional Computation of Tax, Schedule CO Individual)</p>	<p>PR Internal Revenue Code Section 1033.15(a)(4)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A Individual Part I Line 3 - Individual Income Tax Return 2020 (Form 482.0) - Schedule A Individual Part I Line 3</p>
-----------------------	------------------------------	--------------------------------	---	---	--

<p>TEB - 4</p>	<p><i>Individual Tax</i></p>	<p>Charitable contributions</p>	<p>(A) General Rule. - In the case of a individual, there shall be allowed as a deduction the amount of contributions or gifts made during the tax year to, or for use by, the non-profit organizations or entities described in this paragraph, subject to the limitations provided in subparagraph (B). In the case of spouses living together at the end of the tax year and electing the optional tax computation under Section 1021.03 or filing separate returns, each spouse shall be entitled to claim only fifty (50) percent of this deduction. (Optional Computation of Tax, Schedule CO Individual)</p>	<p>PR Internal Revenue Code Section 1033.15(a)(3)(A)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A Individual Part I Line 4- Individual Income Tax Return 2020 (Form 482.0) Schedule A Individual -Part I Line 4</p>
<p>TEB - 5</p>	<p><i>Individual Tax</i></p>	<p>Loss of personal property as a result of certain casualties</p>	<p>(B) Losses of personal property due to certain casualties.- (i) Allowance.- In the case of an individual, a deduction shall be allowed for losses, with respect to automobiles, furniture, appliances and other household personal property, not including the value of clothing or cash, not compensated by insurance or otherwise, sustained during the tax year due to earthquake, hurricane, storm, tropical depressions and floods caused by such casualties, occurring in an area subsequently designated by the Governor of Puerto Rico as areas whose residents are eligible to receive assistance under the assistance under the disaster assistance programs of the Government of Puerto Rico. This deduction shall be limited to five thousand (5,000) dollars; except that in the case of spouses who live together at the end of the taxable year and elect the separate tax computation of section 1021.03 or file separate returns, the deduction shall not exceed two thousand five hundred (2,500) dollars per spouse.</p>	<p>PR Internal Revenue Code Section 1033.15(a)(10) (B)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A Individual Part I Line 5 Individual Income Tax Return 2020 (Form 482.0) Schedule A Individual Part I Line 5</p>

			(Optional Computation of Tax, Schedule CO Individual).		
TEB - 6	<i>Individual Tax</i>	Contributions to governmental pension or retirement systems	Any cash contribution made by an individual to a pension or retirement system of a general nature established by the U.S. Congress, the Legislative Assembly of Puerto Rico, the Government of the Capital, municipalities and agencies, instrumentalities and public corporations of the Government of Puerto Rico, if and to the extent said contribution is included in the taxpayer's gross income for the tax year.	PR Internal Revenue Code Section 1033.15 (6)	Individual Income Tax Return 2018 (Form 482.0) Schedule A Individual Part I Line 6
TEB - 7	<i>Individual Tax</i>	Contributions to individual retirement accounts	(A) Allowed deduction.- In the case of an individual, the contribution in cash of said individual to an Individual Retirement Account under Section 1081.02. (B) Maximum amount allowed as deduction.- Except as provided in subparagraph (C), the maximum amount allowed as a deduction under subparagraph (A) for the tax year shall not exceed five thousand (5,000) dollars or the adjusted gross income from salaries or earnings attributed to professions or occupations, whichever is less. (C) Maximum amount permitted as deduction in the case of married individuals.- In the case of married	PR Internal Revenue Code Section 1033.15 (7) (A-C)	Individual Income Tax Return 2019 (Form 482.0) Schedule A Individual Part I Line 6 Individual Income Tax Return 2020 (Form 482.0) Schedule A Individual Part I Line 7

			<p>individuals filing a joint return under Section 1061.01(b)(1), the maximum deduction allowed under subparagraph (A) for the tax year shall not exceed ten thousand (10,000) dollars or the aggregate adjusted gross income from salaries and earnings attributable to professions or occupations, whichever is less. The deduction for the tax year for contributions to any individual retirement account established in the name and for the benefit of each spouse shall not exceed the amounts provided in subparagraph (B).</p>		
TEB - 8	<i>Individual Tax</i>	Contribution to health savings accounts with a high annual deductible medical plan	<p>For tax years beginning before January 1, 2017, amounts contributed during the tax year to Health Savings Accounts, subject to the provisions of Section 1081.04.</p>	<p>PR Internal Revenue Code Section 1033.15 (9)</p>	<p>Individual Income Tax Return 2018 (Form 482.0) Schedule A Individual Part I Line 8</p>
TEB - 9	<i>Individual Tax</i>	Educational Contribution and My Future Accounts	<p>(A) Allowable deduction. - In the case of an individual, there shall be allowed as a deduction his cash contributions to a My Future Account, pursuant to the provisions of Section 2026.01 of the Incentives Code, and/or an education contribution account, provided the beneficiary of such accounts is a child or relative up to the third degree of consanguinity or second degree of affinity pursuant to the provisions of Section 1081.05 of this Subtitle. (B) Maximum amount allowed as a deduction. - The maximum amount allowed as a deduction under subparagraph (A) for any tax year shall not exceed five hundred (500) dollars for each beneficiary. In the cases in which more than one relative contributes to the account created for a beneficiary, the</p>	<p>PR Internal Revenue Code Section 1033.15(a)(8)(A) and (B)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A Individual-Part I Line 7 - Individual Income Tax Return 2020 (Form 482.0) Schedule A Individual-Part I Line 8</p>

			deduction amount shall be in accordance with the amount contributed by the relative who deposits it. The institution receiving the contributions shall issue the certifications corresponding to the contributions made in the order in which such contributions are registered in the account, until said account receives the allowed five hundred (500) dollars maximum for that tax year. There is no limitation regarding the number of educational contributions accounts to which each individual may contribute, provided that, each beneficiary of such accounts is described in subparagraph (A) of this paragraph.		
TEB - 10	<i>Individual Tax</i>	Interest paid on student's loans at university level	In the case of an individual, there shall be allowed as a deduction the interest paid or accrued during the tax year on debts incurred for student loans that cover the cost of said individual, his spouse or dependent, for registration and tuition fees and textbooks at the university level, as well as the costs relating to transportation, food, and housing in those cases in which the student has to live away from home in order to pursue such studies. In the case of an individual, they shall be allowed as a special twenty-five percent (25 %) tax deduction for payments to the principal of the loans taken for University baccalaureate studies, fifty per cent (50 %) for payments made to the principal of the loans taken for postgraduate studies, eligible under article 5 of the "Talent Retention Incentive Law in Puerto Rico" up to a maximum of five thousand (\$5,000) per tax year, but such deduction shall not be taken by an individual by more than ten (10) year tax.	PR Internal Revenue Code Section 1033.15(a)(5)	Individual Income Tax Return 2019 (Form 482.0) Schedule A Individual -Part I Line 8 - Individual Income Tax Return 2019 (Form 482.0) Schedule A Individual-Part I Line 9

Exclusions

<p>TEB - 11</p>	<p><i>Individual Tax</i></p>	<p>Life insurance</p>	<p>(b) Exclusions from Gross Income.- The following items shall be excluded from the definition of gross income: (1) Life insurance.- Gross income shall not include: (A) Amounts under a life insurance contract, paid by reason of the death of the insured, whether in a lump sum or in installments, but if said amounts are withheld by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income(B) Upon prior authorization by the Secretary, the amounts received in life under a life insurance contract, paid by reason of a terminal illness of the insured that, as certified by a competent medical authority, leaves him less than one year of life. (B) Life Insurance from International Insurers. - Amounts received by a nonresident individual or foreign corporation or partnership not engaged in trade or business in Puerto Rico as benefits or interest of any kind under a life insurance contract issued by an International Insurer.</p>	<p>PR Internal Revenue Code Section 1031.01(b)(1)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) - Schedule IE Individual Part I Line 1 - Individual Income Tax Return 2020 (Form 482.0) - Schedule IE Individual- Part I Line 1</p>
------------------------	------------------------------	------------------------------	---	---	---

<p>TEB - 12</p>	<p><i>Individual Tax</i></p>	<p>Donations, legacies and inheritances</p>	<p>(2) Donations, gifts, legacies and inheritances. - Gross income shall not include the value of property acquired by donation, gift, devise or inheritance. Income derived from said property, or in the case that the donation, gift, devise or inheritance consists of income derived from property the amount of said income, shall not be excluded from gross income under this paragraph. For the purposes of this paragraph, if under the terms of the donation, gift, devise or inheritance, the payment, credit or distribution thereof is to be made in installments, they shall be deemed a donation, gift, devise or inheritance of income from property up to the amount paid, credited or distributed as income derived from property.</p>	<p>PR Internal Revenue Code Section 1031.01(b)(2)</p>	<p>Individual Income Tax Return 2019 (Form 482.0)- Schedule IE Individual Part I Line 2- Individual Income Tax Return 2020 (Form 482.0) - Schedule IE Individual-Part I Line 2</p>
<p>TEB - 13</p>	<p><i>Individual Tax</i></p>	<p>Compensation for injuries or sickness</p>	<p>(3) Compensation for injury or illness.- Except in the case of amounts attributable to, but not in excess of, the deductions allowed under Section 1033.15(a)(2)(F) in any preceding tax year, the amounts received by reason of illness or accident insurance or under the worker compensation laws, as compensation for personal physical injury or physical illness (except for amounts received by an employee up to the amount of said amounts paid directly by the employer), plus the amount of any indemnity received, in a judicial proceeding or extrajudicial settlement by reason of said personal physical injury or physical illness, and amounts received as a pension, annuity or similar allowance for personal physical injury or physical illness, and by reason of occupational and nonoccupational disability,</p>	<p>PR Internal Revenue Code Section 1031.01(b)(3)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) - Schedule IE Individual Part I Line 3- Individual Income Tax Return 2020 (Form 482.0) - Schedule IE Individual -Part I Line 3</p>

			including those resulting from active duty in the armed forces of any country.		
TEB - 14	<i>Individual Tax</i>	Benefits from federal social security for old-age and survivors	(7) Federal social security for old-age and survivors.-Payments for benefits received under the provisions of Section 202 of Title II of the Social Security Act as heretofore or hereafter amended.	PR Internal Revenue Code Section 1031.01(b)(7)	Individual Income Tax Return 2019 (Form 482.0)- Schedule IE Individual -Part I Line 4 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual-Part I Line 4

<p>TEB - 15</p>	<p><i>Individual Tax</i></p>	<p>Income derived from discharge of debts</p>	<p>(10) Income derived from the forgiveness of debts (A) Exclusion Income derived from the forgiveness of debts, in whole or part, shall not be subject to the income tax under this Subtitle if said forgiveness is by reason of any of the following cases: (i) The forgiveness is the filing of a bankruptcy petition in an action under the provisions of Title 11 of the United States Code and said forgiveness is approved by a court with jurisdiction to hear such petition. (ii) The forgiveness occurs when the taxpayer is insolvent, in which case the amount excluded under this subparagraph shall not exceed the amount by which the taxpayer is insolvent. For purposes of this subparagraph: (I) the term "insolvent" means the excess of debts over the fair market value of assets, and (II) debtor insolvency shall be determined based on the assets and debts of the taxpayer immediately before the forgiveness. (iii) The forgiven debt is a student loan and the forgiveness is in accordance with a provision of said loan allowing the forgiveness, in whole or part, if the taxpayer works for a determined period of time in certain professions or for determined employers (other than the lender). (iv) Forgiven debt is the product of a reorganization of a mortgage loan secured by the taxpayer's qualified residence. The term "qualified residence" shall have the meaning provided in Section 1033.15(a)(1)(D), except that, for purposes of this clause, the residence must be located in Puerto Rico. For purposes of this subsection: (I) The original mortgage loan debt cannot exceed one million (1,000,000) dollars. (v) The debt forgiven by the</p>	<p>PR Internal Revenue Code Section 1031.01(b)(10)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) - Schedule IE Individual Part I Line 5- Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual -Part I Line 5</p>
------------------------	------------------------------	--	--	--	--

			Federal Government of the United States of America that has been generated to cover medical expenses paid or incurred by the taxpayer, or for the benefit of a taxpayer dependent, provided that the taxpayer includes the certification of such forgiveness by the Federal Government or any of its instrumentalities.		
TEB - 16	<i>Individual Tax</i>	Child support payments	(3) Payments for the support of minor children.- (A) In general.- Paragraph (1) shall not apply to that part of any payment set by the judicial decree, ruling or order or public deed (in terms of a sum of money or a proportional part of the payment) as an amount payable for the support of minor children of the spouse making the payment.	PR Internal Revenue Code Section 1032.02(a)(3)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part I Line 6 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part I Line 6

<p>TEB - 17</p>		<p>Compensation, payments or distributions due to a disaster declared by the Governor of Puerto Rico - Reported in a withholding statement or informative return</p>	<p>Tax Year 2020: The amount received as compensation, payments or distributions received due to a disaster declared by the Governor of Puerto Rico that have not been reported in a withholding statement or informative return. The amount received must be made to provide assistance and support in the process of repairing, mitigate or compensate any damage or loss suffered as consequence of a disaster. In this case, the taxpayer must include with the return a detail in which the origin of the compensation, payment or distribution received is broken down.</p>	<p>Instructions Booklet- Individual Income Tax Return 2020 Schedule IE Individual Part I Line 8</p>	<p>Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part I Line 8</p>
<p>TEB - 18</p>	<p><i>Individual Tax</i></p>	<p>Compensation, payments or distributions due to a disaster declared by the Governor of Puerto Rico - Not reported in a withholding statement or informative return</p>	<p>Tax Year 2020: The amount received as compensation, payments or distributions received due to a disaster declared by the Governor of Puerto Rico that have not been reported in a withholding statement or informative return. The amount received must be made to provide assistance and support in the process of repairing, mitigate or compensate any damage or loss suffered as consequence of a disaster. In this case, the taxpayer must include with the return a detail in which the origin of the compensation, payment or distribution received is broken down.</p>	<p>Instructions Booklet- Individual Income Tax Return 2020 Schedule IE Individual Part I Line 9</p>	<p>Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part I Line 9</p>
<p>TEB - 19</p>	<p><i>Individual Tax</i></p>	<p>Amount received from any subsidy or stimulus paid by the Government of Puerto Rico as a result of COVID-19</p>	<p>Tax Year 2020: The amount received for any subsidy or stimulus paid by the Government of Puerto Rico because of COVID-19. Include a breakdown with a description of the aid program from the Government of Puerto Rico, either at the central or municipal level, the amount of the payment and any other required information.</p>	<p>Instructions Booklet- Individual Income Tax Return 2020, Schedule IE Individual Part I Line 11</p>	<p>Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part I Line 11</p>

<p>TEB - 20</p>	<p><i>Individual Tax</i></p>	<p>Interests upon mortgages over residential property located in Puerto Rico granted after January 1, 2014</p>	<p>Tax Year 2020: Interest upon mortgages on residential property located in Puerto Rico issued after January 1, 2014 (including mortgages on newly constructed property that have been issued in conjunction with the first transmission of the mortgaged property to a new owner), and secured or guaranteed under the provisions of the National Housing Act, approved June 27, 1934, as amended, or under the provisions of the Servicemen's Readjustment Act of 1944, as amended.</p>	<p>PR Internal Revenue Code, Section 1031.01(b)(14)</p>	<p>Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part I Line 12</p>
<p>TEB - 21</p>	<p><i>Individual Tax</i></p>	<p>Amounts paid by an employer as reimbursement of expenses related to trips, meals, lodging, entertainment and others</p>	<p>(33) Amounts paid by an employer to an employee as reimbursement of travel expenses, meals, lodging, entertainment and other employment-related expenses.- Amounts paid by an employer as reimbursement of expenses paid or incurred by the taxpayer with respect to his performance of services as an employee, consisting of travel expenses, meals, lodging while away from home, entertainment (except for those deemed excessive or extravagant given the circumstances) and other employment-related expenses, provided that said reimbursement is made under an expense reimbursement plan established by the employer, meeting the requirements established by the Secretary by regulation for such purpose.</p>	<p>PR Internal Revenue Code, Section 1031.02(a)(33)</p>	<p>Individual Income Tax Return 2019 (Form 482.0), Schedule IE Individual Part I Line 7- Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual - Part II Line 10</p>

<p>TEB - 22</p>	<p><i>Individual Tax</i></p>	<p>Other exclusions</p>	<p>The total amount of other exclusions from gross income for which a specific line is not provided on this Schedule, such as study scholarships, literary, scientific, artistic or other awards. Also, enter amounts excluded from gross income under special laws.</p>	<p>Instructions Booklet- Individual Income Tax Return 2019 Schedule IE Individual Part I Line 9 Instructions Booklet- Individual Income Tax Return 2020 Schedule IE Individual Part I Line 13</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part I Line 9 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part I Line 13</p>
<p><i>Exemption</i></p>					
<p>TEB - 23</p>	<p><i>Individual Tax</i></p>	<p>Additional Personal Exemption for Veterans</p>	<p>(2) Additional Personal Exemption for Veterans. - An additional personal exemption of one thousand five hundred (1,500) dollars shall be allowed to any veteran, as defined in Act No. 13 of October 2, 1980, as amended, known as the "Puerto Rico Veterans Bill of Rights.(Act No. 13 of October 2, 1980, as amended, was repealed and substituted by Act No.203 of December 17, 2007, as amended). In the case of a married person living with his spouse and filing a joint return, if both are veterans the additional personal exemption shall be three thousand (3,000) dollars.</p>	<p>PR Internal Revenue Code Section 1033.18(a)(2)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Part II Line 9 - Individual Income Tax Return 2020 (Form 482.0) - Part II Line 9</p>
<p>TEB - 24</p>	<p><i>Individual Tax</i></p>	<p>Fringe benefits paid by the employer in relation to a cafeteria plan</p>	<p>(2) Certain marginal benefits paid by an employer for its employees.- The following amounts paid or accrued by an employer for the benefit of an employee: (B) Cafeteria plan.- Amounts paid or accrued by an employer for the benefit of an employee under a cafeteria plan shall be exempt from tax under Section 1032.06.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(2)(B)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual-Part II Line 1 - Individual Income Tax</p>

					Return 2020 (Form 482.0) Schedule IE Individual-Part II Line 1
TEB - 25	<i>Individual Tax</i>	Interest upon-- Obligations from the United States Government, any of its states, territories or political subdivisions	(3) Tax-exempt interest - Interest on: (A) the obligations of the United States, any U.S. state or territory, or any political subdivision thereof and the District of Columbia	PR Internal Revenue Code Section 1031.02(a)(3)(A)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2 (A)- Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual-Part II Line 2 (A)
TEB - 26	<i>Individual Tax</i>	Interest upon-- Obligations from the Government of Puerto Rico	(3) Tax-exempt interest - Interest on: (B) the obligations of the Government of Puerto Rico or any of its instrumentalities or political subdivisions;	PR Internal Revenue Code Section 1031.02(a)(3)(B)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual-Part II Line 2 (B) - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual-Part II Line 2 (B)

<p>TEB - 27</p>	<p><i>Individual Tax</i></p>	<p>Interest upon-- Certain Mortgages</p>	<p>(D) mortgages secured under the provisions of the National Housing Act, approved June 27, 1934, or under the provisions of said Act as thereafter amended that are: (i) executed on or before February 15, 1973, and held on May 5, 1973, by persons residing in Puerto Rico; and (ii) executed within the one hundred eighty (180) days following February 15, 1973, provided a person residing in Puerto Rico had on said date a contractual obligation to acquire them; (E) mortgages on residential property located in Puerto Rico, granted after June 30, 1983, and before August 1, 1997, and insured or guaranteed pursuant to the provisions of the National Housing Act, approved on June 27, 1934, as amended, or pursuant to the provisions of the Servicemen's Readjustment Act of 1944, as amended; (F) mortgages on residential property located in Puerto Rico granted after July 31, 1997 and before January 1, 2014, that were for new construction and that were granted contemporaneously with the first transfer of the mortgaged property to a new owner. For purposes of this section, the term "new construction" means newly built residential property that is insured or guaranteed under the provisions of the National Housing Act, approved on June 27, 1934, as amended, or under the provisions of the Servicemen's Readjustment Act of 1944, as amended; (G) mortgages originated to provide permanent financing for the construction or acquisition of public housing, in accordance with Act No. 124 of December 10, 1993,</p>	<p>PR Internal Revenue Code Section 1031.02(a)(3)(D),(E), (F), (G), and (H)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2 (C) - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual - Part II Line 2(C)</p>
------------------------	------------------------------	---	---	---	---

			<p>administered by the Department of Housing and the public housing programs sponsored by the Federal Government; (H) mortgages secured by the Secretary of Agriculture of the United States of America pursuant to the provisions of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937, or pursuant to the provisions of said Act as hereafter amended;</p>		
--	--	--	---	--	--

<p>TEB - 28</p>	<p><i>Individual Tax</i></p>	<p>Interest upon- Deposits in Puerto Rico interest bearing accounts up to \$100 (\$200 for married filing jointly)</p>	<p>K) deposits in interest-bearing accounts, cooperatives, savings associations authorized by the Federal Government or by the Government of Puerto Rico, commercial and mutual banks, or in any other organization of a banking nature located in Puerto Rico, up to a total amount of two thousand (2,000) dollars for each individual taxpayer. In the case of a taxpayer who files a joint return with his spouse, the exclusion shall not exceed two thousand (2,000) dollars. If spouses living together elect to file separate returns, the exclusion per spouse shall be limited to two thousand (2,000) dollars. This provision is applicable to that portion of the interest paid or accredited oer deposits in interest bearing accounts that are the property of one (1) or more individuals, estates or trusts and which are registered under the name of a brokerage firm as nominee. It shall also apply to that part of any amount paid or distributed from an individual retirement account that consists of the interest described in Section 1023.04. Provided that, for tax years beggining after December 31, 2018, the amount of exeption provided in this subparagraph shall be one- hundred (100) dollars for each individual taxpayer. In the case of a taxpayer that files a joint return with his spouse, the exclusion shall not exceed two- hundred (200) dollars. If the spouses that live together elect to file separate tax returns, the exemption for each one shall not exceed one hundred (100) dollars.</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(3)(K)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2 D Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 2 D</p>
------------------------	------------------------------	---	--	---	--

<p>TEB - 29</p>	<p><i>Individual Tax</i></p>	<p>Bonds, notes or other obligations under section 6070.56(h) of Act 60-2019</p>	<p>(h) Exemption for Individuals, Estates, Corporations, Partnerships, Limited Liability Companies, and Trusts with Respect to Interest Paid or Credited on Bonds, Notes, or Other Obligations of Certain Exempt Businesses.- (1) Exemption.- Any individual, estate, corporation, partnership, limited liability company, or trust shall be exempt from any tax imposed under the Internal Revenue Code and any license tax imposed under the Municipal License Tax Act on interest income earned from bonds, notes, or other obligations of an exempt business for the development, construction, or rehabilitation or improvements of an exempt business under this Chapter; provided, that the funds shall be entirely used in the development, construction, or rehabilitation or improvements of an exempt business and/or for the payment of existing debts of said exempt business, insofar as the funds from these existing debts have been originally used in the development, construction, or rehabilitation or improvements of the exempt business.</p>	<p>Puerto Rico Incentive Code Section 6070.56(h) of Act 60-2019</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2(E) Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 2(E)</p>
------------------------	------------------------------	---	--	---	--

<p>TEB - 30</p>	<p><i>Individual Tax</i></p>	<p>Interest upon-- Other interest subject to alternate basic tax reported in a Form 480.6D</p>	<p>(C) securities issued under the provisions of the Federal Farm Loans Act of 1971, or by virtue of the provisions of said Act as it may be amended, including obligations issued by any subsidiary of the Farm Credit Banks of Baltimore directly or indirectly engaged in financing loans to farms and farmers in Puerto Rico with said funds, including loans to rural residents to finance rural housing, loans to cooperatives owned and controlled by farmers and engaged in marketing or distributing farm produce, the purchase of materials, or the provision of services to farm businesses and the acquisition of loans or discounts of notes previously granted; (I) obligations secured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, or under the provisions of said act as hereafter amended, that are: (i) executed on or before February 15, 1973 and held on May 5, 1973, by persons residing in Puerto Rico. (ii) executed within the one hundred eighty (180) days following February 15, 1973, provided a person residing in Puerto Rico had on said date a contractual obligation to acquire them; (J) securities issued by cooperative associations organized and operated under the provisions of Act No. 239 of September 1, 2004, known as the General Cooperative Association Act of 2004, or under the provisions of Act No. 225 of October 28, 2002, known as the Cooperative Savings and Credit Union Act of 2002, up to a maximum of five thousand (5,000) dollars; (L) obligations issued by- (i) the Conservation Trust of Puerto Rico, as created and operated under Deed No. 5 of January 23, 1970, granted before Notary Public Luis F. Sanchez Vilella; (ii) Housing and Human Development Trust of Puerto Rico, as created and operated under Deed No. 135 of May 15, 2004, granted before Notary José Orlando Mercado Gelys; and (iii) the Board of Monuments in San Juan, as long as it obtains and maintains an exemption</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(3), (C), (L), (P), (Q)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2(F) Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 2(F)</p>
------------------------	------------------------------	---	--	--	---

			<p>under Section 1101.01 of the Code, and whose purpose is to raise funds for the restoration and maintenance of the Iglesia San Jose in Old San Juan;</p> <p>(iv) Education and Rehabilitation Society of Puerto Rico (SER de Puerto Rico), provided that it obtains and maintains an exemption under Section 1101.01 of the Code. The exclusion from gross income and exemption from taxation of the interest generated by the obligations specified in this subsection (L) will not be affected by the fact that the source of funds for the payment of these interests arise directly or indirectly from other obligations or financial instruments that do not benefit from tax treatment similar to the obligations referred to in this subsection (L).</p> <p>(P) Loans to small and medium-Size companies.- The interest on loans of up to two hundred fifty thousand (250,000) dollars in the aggregate for exempt business to small or medium-size enterprises, as defined in the Puerto Rico Economic Development Incentives Act for its establishment or expansion, provided that the loan complies with the requirements established in the laws known as Community Reinvestment Act of 1977, as amended, Public Law 95-128, 91 Stat. 1147, and those requirements provided by the Commissioner of Financial Institutions by regulation.</p> <p>(Q) Loans for capitalization of small and medium-sized companies.- The interest on loans up to two hundred fifty thousand (250,000) dollars in the aggregate per exempt business granted to shareholders of exempt businesses for being used in the initial capitalization or the subsequent capital requirements of exempt small or medium-sized businesses, as defined in Section 2(i) of Act No. 73 of May 28, 2008, known as the "Puerto Rico Economic Development Incentives Act."</p>		
--	--	--	--	--	--

<p>TEB - 31</p>	<p><i>Individual Tax</i></p>	<p>Interest upon-- Other interest not subject to alternate basic tax reported in a Form 480.6D</p>	<p>(C) securities issued under the provisions of the Federal Farm Loans Act of 1971, or by virtue of the provisions of said Act as it may be amended, including obligations issued by any subsidiary of the Farm Credit Banks of Baltimore directly or indirectly engaged in financing loans to farms and farmers in Puerto Rico with said funds, including loans to rural residents to finance rural housing, loans to cooperatives owned and controlled by farmers and engaged in marketing or distributing farm produce, the purchase of materials, or the provision of services to farm businesses and the acquisition of loans or discounts of notes previously granted; (I) obligations secured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, or under the provisions of said act as hereafter amended, that are: (i) executed on or before February 15, 1973 and held on May 5, 1973, by persons residing in Puerto Rico. (ii) executed within the one hundred eighty (180) days following February 15, 1973, provided a person residing in Puerto Rico had on said date a contractual obligation to acquire them; (J) securities issued by cooperative associations organized and operated under the provisions of Act No. 239 of September 1, 2004, known as the General Cooperative Association Act of 2004, or under the provisions of Act No. 225 of October 28, 2002, known as the Cooperative Savings and Credit Union Act of 2002, up to a maximum of five thousand (5,000) dollars; (P) Loans to small and medium-Size companies.- The interest on loans of up to two hundred fifty thousand (250,000) dollars in the aggregate for exempt business to small or medium-size enterprises, as defined in the Puerto Rico Economic Development Incentives Act for its establishment or expansion, provided that the loan complies with the requirements established in the laws known as Community Reinvestment Act of 1977, as amended, Public Law 95-128, 91 Stat. 1147, and those requirements provided by</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(3), (C), (P), (Q)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2 G Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 2 G</p>
------------------------	------------------------------	---	--	---	---

			<p>the Commissioner of Financial Institutions by regulation.</p> <p>(Q) Loans for capitalization of small and medium-sized companies.- The interest on loans up to two hundred fifty thousand (250,000) dollars in the aggregate per exempt business granted to shareholders of exempt businesses for being used in the initial capitalization or the subsequent capital requirements of exempt small or medium-sized businesses, as defined in Section 2(i) of Act No. 73 of May 28, 2008, known as the "Puerto Rico Economic Development Incentives Act."</p>		
--	--	--	---	--	--

<p>TEB - 32</p>	<p><i>Individual Tax</i></p>	<p>Interest upon-- Other interest subject to alternate basic tax not reported in a Form 480.6D</p>	<p>(C) securities issued under the provisions of the Federal Farm Loans Act of 1971, or by virtue of the provisions of said Act as it may be amended, including obligations issued by any subsidiary of the Farm Credit Banks of Baltimore directly or indirectly engaged in financing loans to farms and farmers in Puerto Rico with said funds, including loans to rural residents to finance rural housing, loans to cooperatives owned and controlled by farmers and engaged in marketing or distributing farm produce, the purchase of materials, or the provision of services to farm businesses and the acquisition of loans or discounts of notes previously granted; (I) obligations secured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, or under the provisions of said act as hereafter amended, that are: (i) executed on or before February 15, 1973 and held on May 5, 1973, by persons residing in Puerto Rico. (ii) executed within the one hundred eighty (180) days following February 15, 1973, provided a person residing in Puerto Rico had on said date a contractual obligation to acquire them; (J) securities issued by cooperative associations organized and operated under the provisions of Act No. 239 of September 1, 2004, known as the General Cooperative Association Act of 2004, or under the provisions of Act No. 225 of October 28, 2002, known as the Cooperative Savings and Credit Union Act of 2002, up to a maximum of five thousand (5,000) dollars; (P) Loans to small and medium-Size companies.- The interest on loans of up to two hundred fifty thousand (250,000) dollars in the aggregate for exempt business to small or medium-size enterprises, as defined in the Puerto Rico Economic Development Incentives Act for its establishment or expansion, provided that the loan complies with the requirements established in the laws known as Community Reinvestment Act of 1977, as amended, Public Law 95-128, 91 Stat. 1147, and those requirements provided by</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(3)(C), (P) and (Q)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2 H Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 2 H</p>
------------------------	------------------------------	---	--	--	---

			<p>the Commissioner of Financial Institutions by regulation.</p> <p>(Q) Loans for capitalization of small and medium-sized companies.- The interest on loans up to two hundred fifty thousand (250,000) dollars in the aggregate per exempt business granted to shareholders of exempt businesses for being used in the initial capitalization or the subsequent capital requirements of exempt small or medium-sized businesses, as defined in Section 2(i) of Act No. 73 of May 28, 2008, known as the "Puerto Rico Economic Development Incentives Act."</p>		
--	--	--	---	--	--

<p>TEB - 33</p>	<p><i>Individual Tax</i></p>	<p>Interest upon-- Other interest not subject to alternate basic tax not reported in a Form 480.6D</p>	<p>(L) obligations issued by- (i) the Conservation Trust of Puerto Rico, as created and operated under Deed No. 5 of January 23, 1970, granted before Notary Public Luis F. Sanchez Vilella; (ii) Housing and Human Development Trust of Puerto Rico, as created and operated under Deed No. 135 of May 15, 2004, granted before Notary José Orlando Mercado Gelys; and (iii) the Board of Monuments in San Juan, as long as it obtains and maintains an exemption under Section 1101.01 of the Code, and whose purpose is to raise funds for the restoration and maintenance of the Iglesia San Jose in Old San Juan; (iv) Education and Rehabilitation Society of Puerto Rico (SER de Puerto Rico), provided that it obtains and maintains an exemption under Section 1101.01 of the Code. The exclusion from gross income and exemption from taxation of the interest generated by the obligations specified in this subsection (L) will not be affected by the fact that the source of funds for the payment of these interests arise directly or indirectly from other obligations or financial instruments that do not benefit from tax treatment similar to the obligations referred to in this subsection (L).</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(3)(L)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 2 I Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 2 I</p>
------------------------	------------------------------	---	--	---	--

<p>TEB - 34</p>	<p><i>Individual Tax</i></p>	<p>Dividends of-- Subject to alternate basic tax reported in a Form 480.6D</p>	<p>(4) Dividends.- (A) Dividends received by corporations on industrial development income which are derived from interest on: (i) obligations of the Government of Puerto Rico or of any of its instrumentalities or political subdivisions; (ii) mortgages secured by the Puerto Rico Housing Bank and Finance Agency acquired after March 31, 1977; or (iii) loans or other mortgage-backed securities granted under any pension or retirement system of a general character established by the Legislature of Puerto Rico, the municipalities and the agencies, instrumentalities and corporations of the Government of Puerto Rico, acquired after March 31, 1977. (B) Distributions from limited dividends corporations.-In the case of an individual, the dividends he receives from a limited dividends corporation that qualifies under Section 1101.01(a)(6)(A). The taxpayer shall submit, along with the return, a statement showing the number of shares of the limited dividends corporation which he owns, and the dividends received on said shares during the tax year. (C) Cooperative associations dividend.-The income received by residents of Puerto Rico from the distribution of dividends made by domestic cooperative associations.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(4)(A), (B), and (C)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 3 (A) Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 3 (A)</p>
------------------------	------------------------------	---	---	--	---

<p>TEB - 35</p>	<p><i>Individual Tax</i></p>	<p>Dividends of-- Not subject to alternate basic tax reported in a Form 480.6D</p>	<p>(4) Dividends.- (D) Dividends of an International Insurance Company or International Insurance Holding Company.- Distributions of dividends by an International Insurance Company or International Insurance Holding Company under the provisions of Article 61.240 of the Puerto Rico Insurance Code.</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(4)(D)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 3 (B) Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 3 (B)</p>
<p>TEB - 36</p>	<p><i>Individual Tax</i></p>	<p>Dividends of-- Subject to alternate basic tax not reported in a Form 480.6D</p>	<p>(4) Dividends.- (A) Dividends received by corporations on industrial development income which are derived from interest on: (i) obligations of the Government of Puerto Rico or of any of its instrumentalities or political subdivisions; (ii) mortgages secured by the Puerto Rico Housing Bank and Finance Agency acquired after March 31, 1977; or (iii) loans or other mortgage-backed securities granted under any pension or retirement system of a general character established by the Legislature of Puerto Rico, the municipalities and the agencies, instrumentalities and corporations of the Government of Puerto Rico, acquired after March 31, 1977. (B) Distributions from limited dividends corporations.-In the case of an individual, the dividends he receives from a limited dividends corporation that qualifies under Section 1101.01(a)(6)(A). The taxpayer shall submit, along with the return, a</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(4)(A), (B), (C)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 3 (C) Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 3 (C)</p>

			<p>statement showing the number of shares of the limited dividends corporation which he owns, and the dividends received on said shares during the tax year.</p> <p>(C) Cooperative associations dividend.-The income received by residents of Puerto Rico from the distribution of dividends made by domestic cooperative associations.</p>		
TEB - 37	<i>Individual Tax</i>	Dividends of-- Not subject to alternate basic tax not reported in a Form 480.6D	(4) Dividends.- (D) Dividends of an International Insurance Company or International Insurance Holding Company.- Distributions of dividends by an International Insurance Company or International Insurance Holding Company under the provisions of Article 61.240 of the Puerto Rico Insurance Code.	PR Internal Revenue Code Section 1031.02(a)(D)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 3 (D) Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 3 (D)

<p>TEB - 38</p>	<p><i>Individual Tax</i></p>	<p>Expenses of priests or ministers</p>	<p>(5) Priests or ministers. - The reasonable rental value of a home and belongings and the payment of water, electricity, gas and telephone granted to a duly ordained priest or minister of any religion, as part of his compensation. To be eligible for the exemption provided in this paragraph, the respective expenses cannot be excessive or extravagant as determined by the Secretary.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(5)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 4 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 4</p>
<p>TEB - 39</p>	<p><i>Individual Tax</i></p>	<p>Recapture of bad debts, pror taxes, surcharges and other items</p>	<p>(8) Recovery of bad debts, prior taxes, surcharges -Income attributable to the recovery during the tax year of a bad debt, prior tax, surcharge, or other item, to the extent of the amount of the recovery exclusion with respect to such debt, surcharge or amount.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(8)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 5 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 13</p>
<p>TEB - 40</p>	<p><i>Individual Tax</i></p>	<p>Stipends received by certain physicians during the internship period</p>	<p>(9) Stipends received by certain physicians during their internship - The stipend received by a physician during his internship under a contract signed with the Puerto Rico Department of Health or with any municipality or political subdivision thereof, to receive medical training while practicing in a hospital. This exclusion shall apply to the stipend for monthly subsidy as well as to the additional subsidy for payment of lodging and meals and shall be</p>	<p>PR Internal Revenue Code Section 1031.02(a)(9)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 6 Individual Income Tax Return 2020 (Form 482.0)</p>

			granted for a maximum period of seventy-two (72) months.		Schedule IE Individual Part II Line 6
TEB - 41	<i>Individual Tax</i>	Prize from the Lottery of Puerto Rico and the Additional Lottery	(12) Prizes from the Puerto Rico Lottery and from the Additional Lottery- The amounts received as prizes won in the Lottery of Puerto Rico and as prizes from the Additional Lottery.	PR Internal Revenue Code Section 1031.02(a)(12)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 7 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 14
TEB - 42	<i>Individual Tax</i>	Income from pensions or annuities, up to the applicable limitation	(13) The amounts received as pensions granted or to be granted by the retirement systems or funds subsidized by the Government of Puerto Rico, as well as annuities or pensions granted by the Government of the United States of America and by the instrumentalities or political subdivisions of both governments, and by pension, retirement, or annuities plans qualified under the provisions of Section 1081.01, granted by private-sector employers, up to the limit provided below: (A) In the case of pensioners who as of the last day of the tax year are sixty (60) years of age or older, the exemption shall be fifteen thousand (15,000) dollars per year.	PR Internal Revenue Code Section 1031.02(a)(13)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 8 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 15

			(B) In all other cases, the exemption shall be eleven thousand (11,000) dollars per year.		
TEB - 43	<i>Individual Tax</i>	Christmas Bonus, Summer Bonus and Medicine Bonus	(14) The amounts received by pensioners from the retirement system for employees of the Government of Puerto Rico or its instrumentalities, those of the retirement system of the Judiciary, those of the retirement system of the University of Puerto Rico, and the pensioners of the Principal System of Pensions and Annuities for Teachers by way of Christmas Bonus, Summer Bonus granted by Act No. 37 and Act No. 38 of June 13, 2001, and Medicine Bonds granted by Act No. 155 of June 27, 2003 and Act No. 162 of July 15, 2003.	PR Internal Revenue Code Section 1031.02(a)(14)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 9 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 16
TEB - 44	<i>Individual Tax</i>	Gain from the sale or exchange of principal residence by certain individuals and qualified property	(16) Gain on the sale or exchange of principal residence by certain individuals - (A) General rule - In the case of an individual, the gain realized on the sale or exchange of his principal residence, up to the amount of one hundred fifty thousand (150,000) dollars per taxpayer. This exclusion shall apply if- (i) the individual elects this exclusion; (ii) the individual is sixty (60) years of age or older on the date of the sale or exchange; and (iii) during the five (5) year period which ends on the date of the said sale or exchange, said property has been owned and used by the individual as his principal residence for total periods of three (3) years or more.	PR Internal Revenue Code Section 1031.02(a)(16)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 10 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 17

<p>TEB - 45</p>	<p><i>Individual Tax</i></p>	<p>Certain income related to the operation of an employees-owned special corporation</p>	<p>(17) Certain income related to the operation of special employee-owned corporations - The following income is exempt from tax: (A) The income of special employee-owned corporations that is credited to the collective reserve account and to the social fund. For contributions to the social fund to qualify for the exclusion herein granted, it shall be necessary that the benefits of the social fund are accessible to all residents of the municipality where the special employee-owned corporation has established its principal office, except for regular and corporate members of the corporation. In addition, it should be demonstrated to the Secretary of the Treasury that the social fund is used for the purposes provided in Article 1507 of Act No. 144 of August 10, 1995, as amended.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(17)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 11 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 27</p>
<p>TEB - 46</p>	<p><i>Individual Tax</i></p>	<p>Cost of living allowance (COLA)</p>	<p>(18) Cost of living adjustment - The cost of living adjustment received by U.S. Government employees working in Puerto Rico, up to the amount exempt from tax for income tax purposes under the Federal Internal Revenue Code. The taxpayer must include with the return evidence demonstrating the amount of the cost of living adjustments received during the year. The Department shall be responsible for verifying that taxpayers have complied with their tax obligation in the four (4) years preceding the filing date. If the tax obligation has not been fulfilled, the Department may revoke the privilege granted in this paragraph and the taxpayer shall have to pay the amount owed, with penalties and surcharges.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(18)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 12 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 11</p>

<p>TEB - 47</p>	<p><i>Individual Tax</i></p>	<p>Unemployment compensation</p>	<p>(19) Unemployment compensation - Amounts received as compensation for unemployment under a law of the United States, a U.S. state, or the Government of Puerto Rico.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(19)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 13 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 18</p>
<p>TEB - 48</p>	<p><i>Individual Tax</i></p>	<p>Compensation received from active military service in a combat zone</p>	<p>(20) Compensation received for active military service performed by military personnel in a "combat zone." This exemption does not apply to military personnel mobilized outside Puerto Rico to relieve military personnel sent to the combat zone.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(20)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 14 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 12</p>

<p>TEB - 49</p>	<p><i>Individual Tax</i></p>	<p>Compensation received by an eligible researcher or scientist</p>	<p>(26) Compensation received by an eligible researcher or scientist for services rendered to the University of Puerto Rico and any other institution of higher education accredited in Puerto Rico, for scientific research up to an amount equal to the maximum grant established by the National Institutes of Health for salaries to researchers receiving grants from any organization under the National Institutes of Health for the applicable period, according to the notices published by the Institutes; provided that, for the calendar year beginning January 1, 2008, the amount to be excluded shall be one hundred ninety-five thousand (195,000) dollars. Any income earned by a researcher or scientist from services rendered to other persons, whether individuals or entities, other than the University of Puerto Rico or other institutions of higher education, are excluded from this benefit.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(26) and (27)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 15 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 9</p>
<p>TEB - 50</p>	<p><i>Individual Tax</i></p>	<p>Rents from the Historic Zone</p>	<p>(28) Historical Zone rents.- For taxable years beginning before January 1, 2020, subject to the requirements of Act No. 7 of March 4, 1955, as amended, and any other superseding or complementary law, up to the limit provided in said laws, rents received for the rental of buildings in the Historical Zone of the City of San Juan Bautista, Puerto Rico, or in any historical zone established in Puerto Rico by the Puerto Rican Cultural Institute or the Planning Board, which have been substantially improved, restored, restructured or rebuilt, or new buildings according to the standards set by the Puerto Rican Cultural Institute in line with the characteristics of the historical zone where they are located, and having</p>	<p>PR Internal Revenue Code Section 1031.02(a)(28)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 16</p>

			<p>obtained the corresponding permits from the relevant agencies and a certificate from the Puerto Rican Cultural Institute certifying its acceptance of the work upon completion.</p> <p>Substituted by Act 60-2019 as of January 1, 2020- Section 2072.01(a) Preferential flat tax rate of four percent (4%).- The income of an Eligible Business derived from eligible activities described hereinbelow shall be subject to a preferential flat income tax rate of four percent (4%) in lieu of any other income tax provided by the Puerto Rico Internal Revenue Code or any other law; provided, that the requirements applicable to its eligible activity are met: (1) Rents received for the rental of buildings in the Historic Zones of Puerto Rico; provided, that they meet the requirements of Act No. 7 of March 4, 1955, as amended, known as the "Historic Zones Tax Exemption.</p>		
TEB - 51	<i>Individual Tax</i>	Compensation to citizens and alien's nonresidents of Puerto Rico for the production of film projects	<p>(32) Compensation to citizens and nonresident aliens in Puerto Rico for motion picture production.- The wages, fees or compensation paid by foreign individuals or corporate entities to citizens and nonresident aliens in Puerto Rico, for technical services provided thereby during motion picture productions for distribution to movie or television networks.</p>	PR Internal Revenue Code Section 1031.02(a)(32)	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 17</p> <p>Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 19</p>

<p>TEB - 52</p>	<p><i>Individual Tax</i></p>	<p>Income from overtime worked by a Puerto Rico Police member</p>	<p>(34) Income from overtime earned by members of the Puerto Rico Police, as such official is defined in Article 2 of Act 53-1996, as amended, known as the "Puerto Rico Police Act of 1996." This exclusion does not apply to civil employees of the Puerto Rico Police.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(34)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 18 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 7</p>
<p>TEB - 53</p>	<p><i>Individual Tax</i></p>	<p>Income from sources outside of Puerto Rico</p>	<p>(A) Income from sources outside Puerto Rico.- (i) Nonresident of Puerto Rico throughout the tax year.- In the case of an individual who is a U.S. citizen and who establishes, to the Secretary's satisfaction, that he has not been a resident of Puerto Rico throughout the tax year, the amounts received from sources outside Puerto Rico, but said individual shall not be allowed as a deduction from gross income any deduction properly attributable or imputable to amounts excluded from gross income under this paragraph.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(35)(A)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 19 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 20</p>

<p>TEB - 54</p>	<p><i>Individual Tax</i></p>	<p>Remuneration received by employees of foreign governments or international organizations</p>	<p>(E) compensation of employees of foreign governments or international organizations. - (i) Rule for exclusion.- The salaries, fees or wages of any employee of a foreign government or international organization, including a consular officer or other officer or nondiplomatic representative, received as compensation for official services to said government or international organization- (I) If said employee is not a U.S. citizen; (II) If, in the case of an employee of a foreign government, the services are similar to those performed by Employees of the Government of the United States in foreign countries; and (III) If, in the case of an employee of a foreign government, the foreign government grants an equivalent exemption to employees of the Government of the United States who perform similar services in said foreign country.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(35)(E)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 20 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 21</p>
<p>TEB - 55</p>	<p><i>Individual Tax</i></p>	<p>Income from buildings rented to the Government of Puerto Rico for public hospitals, health or convalescent homes, public schools (Contracts in force at November 22, 2010)</p>	<p>(F) Income from buildings leased or rented to the Government of Puerto Rico for public hospitals, health or convalescence clinics and complementary facilities to said hospitals, health and convalescent clinics, such as nurse housing, cafeteria, laundry services, physical and vocational rehabilitation centers; public schools and physical facilities complementary to education, such as libraries, book stores, student and teacher housing and multipurpose centers such as cafeterias, meeting and recreational facilities; or the construction of buildings to be leased to non-profit entities for use as hospitals, health or convalescent clinics and complementary physical facilities. This exemption shall be available solely and exclusively for those buildings that have a</p>	<p>PR Internal Revenue Code Section 1031.02(a)(35)(F)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 21 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 22</p>

			lease contract in effect as of November 22, 2010.		
TEB - 56	<i>Individual Tax</i>	Income from residential rent under Act 132-2012	Income from residential property rented under the Real Property Market Stimulus Act (Act 132-2010, as amended) reported in Schedule N Individual, Part II, line 2.	Act 132-2010, as amended Instructions Booklet-Individual Income Tax Return 2020 Schedule IE Individual Part II Line 37	Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 37
TEB - 57	<i>Individual Tax</i>	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or	(G) Income derived by the taxpayer from the resale of personal property or services whose acquisition by said taxpayer was subject to tax under Section 3070.01 of this Code or Section 2101 of Act No. 120 of October 31, 1994, as amended, known as the Internal Revenue Code of 1994.	PR Internal Revenue Code Section 1031.02(a)(35)(G)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 22 - Individual Income Tax

		Section 2101 of the Internal Revenue Code of 1994			Return 2020 (Form 482.0) Schedule IE Individual Part II Line 23
TEB - 58	<i>Individual Tax</i>	Accumulated Gain in Nonqualified Options	<p>Section 1040.08 (e) Transitional Provisions (1) Election to prepay special tax on accrued gains in options to acquire transferred stock or partnership shares.- The following shall be subject to the provisions of paragraphs (2) and (3) of this subsection, (A) Any individual who, being the owner of an option (qualified or unqualified under Section 1046 of the Puerto Rico Internal Revenue Code of 1994, as amended) to acquire corporate stock or partnership shares, prepaid during the period from July 1, 2006 to December 31, 2006, a special tax of five (5) percent on all or part of any gain accrued on the option granted.</p> <p>Section 1023.21 (c) Included assets. The election provided in this section may be made with respect to the following assets: (i) Shares in corporations, limited liability companies or partnerships, whether domestic or foreign, including the option to acquire shares or stock;</p>	PR Internal Revenue Code Section 1040.08(e)(1)(A) and Section 1023.21(c)(i)	Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 23 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 24

<p>TEB - 59</p>	<p><i>Individual Tax</i></p>	<p>Distributions of Amounts Previously Notified as Deemed Eligible Distributions</p>	<p>Section 1023.06(j) Transitional Provisions.- The amount of any eligible distribution made by a corporation or partnership during the period between July 1, 2006 and December 31, 2006, subject to a special tax rate of five (5) percent of the total amount received by any eligible person, in lieu of the special tax established under subsection (b), and not currently distributed to the shareholders or partners of said entities, may be maintained in the books of the corporation or partnership in question, in order to comply with any contractual, commercial or statutory commitment of said entities, to be taken into account when making any kind of distribution by the Board of Directors of managing partner or directors of said corporations or partnerships, and subject as such to the discretion thereof, in terms of the source or origin of the monies to be distributed in the future by any such entities.</p> <p>Section 1023.25(b) Tax applicable to constructive distributions. Any corporation has, within the periods provided in subsection (a) of this section, the authority to designate, as a constructive distribution, an amount up to the retained earnings and profits subject to the special tax provided in subsection (a) of this section, without having to distribute them during the temporary period.</p>	<p>PR Internal Revenue Code Sections 1023.06(j) and Section 1023.25(b)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 24 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 25</p>
------------------------	------------------------------	---	---	--	--

<p>TEB - 60</p>	<p><i>Individual Tax</i></p>	<p>Distributions from Non-Deductible Individual Retirement Accounts</p>	<p>(3) Nonqualified distributions Any distribution from a nondeductible individual retirement account other than a qualified distribution shall be taxable under the provisions of Section 1081.02(d) and shall be subject to the penalties provided in Section 1081.02(g) in the same manner as distributions from the individual retirement accounts described in Section 1081.02. For purposes of Section 1081.02(d)(1)(A), the basis of any person in the nondeductible individual retirement account shall be equal to the sum of: (A) nondeductible contributions made to the account; (B) qualified rollover contributions made to the account; and (C) the income earned by the income tax-exempt account.</p>	<p>PR Internal Revenue Code Section 1081.03(d)(3)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 25 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 26</p>
<p>TEB - 61</p>	<p><i>Individual Tax</i></p>	<p>Compensation or indemnification Paid to an Employee Due to Dismissal</p>	<p>(15) The compensation or indemnities received by an employee by reason of severance, without it being necessary to determine just cause, up to a maximum amount equal to the indemnity that the employee could receive under Act No. 80 of May 30, 1976, as amended.</p>	<p>PR Internal Revenue Code Section 1031.01(b)(15)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part I Line 8 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part I Line 7</p>

<p>TEB - 62</p>	<p><i>Individual Tax</i></p>	<p>Salaries from Overtime during Emergency Situations</p>	<p>Section 1.- The salary earned for overtime worked by employees required to do so as a result of the Island or one of its municipalities having been declared a disaster zone is hereby exempted from the payment of income tax up to a maximum of ninety (90) days after such declaration. Section 2.- The Heads of Agencies of the Commonwealth of Puerto Rico and those employers that activate employees who may avail themselves of the benefits of this Act shall submit the lists of employees who were required to work during the emergency to the Secretary of the Treasury.</p>	<p>Act 324-2004</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 26 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 8</p>
<p>TEB - 63</p>	<p><i>Individual Tax</i></p>	<p>Income from copyrights up to \$10,000 under Act 516-2004</p>	<p>Article 4.- Contributory Incentives to the Authors: The income received by Puerto Rican authors for their works, up to the amount of ten thousand dollars (\$ 10,000.00), will be exempt from the payment of contributions.</p>	<p>Act 516-2004</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 27 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 29</p>

<p>TEB - 64</p>	<p><i>Individual Tax</i></p>	<p>Income received by designers and translators up to \$6,000 under Act 516-2004</p>	<p>Article 8.- Tax Incentives for Designers and Translators: The income received, the designers and translators for their work in the preparation of books, will be exempt from the payment of contributions, up to the amount of six thousand dollars (\$ 6,000.00).</p> <p>Designers and translators must submit to the Secretary of the Department of the Treasury all the documentation required by this regulation to verify and / or certify that they have complied with the provisions of this Law.</p>	<p>Act 516-2004</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 29 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 30</p>
<p>TEB - 65</p>	<p><i>Individual Tax</i></p>	<p>Distributable share on exempt income from pass-through entities</p>	<p>The amount received for the distributable share on exempt income from pass-through entities, and revocable trusts or grantor trusts. Transfer to this line, in the column of items considered for the mortgage interest limitation, the amount indicated on Form 480.60 EC, Part III, line 17 and on Form 480.60 F, Part III, line 1U, as applicable. Transfer to the column of items subject to alternate basic tax, the amount indicated on Form 480.60 EC, Part III, line 18 and on Form 480.60 F, Part III, line 1V, as applicable.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 Schedule IE Individual Part II Line 29 Instructions Booklet - Individual Income Tax Return 2019 Schedule IE Individual Part II Line 28</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 29 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 28</p>

<p>TEB - 66</p>	<p><i>Individual Tax</i></p>	<p>Income derived by young people from wages, services rendered, self-employment or new business with special agreement (Act 135-2014)</p>	<p>(36) Income derived by young persons for salaries, services and/ or self-employment.- The first forty thousand dollars (\$40,000) of gross income generated by a young man from salaries, services and / or self-employment, shall be exempt from taxation under this Subtitle. The excess over forty thousand dollars (\$40,000) will be taxed at ordinary rates. In this case the taxpayer is not entitled to claim the Special Deduction for Certain Individuals provided in Section 1033.16. For purposes of this subsection, the term young person means one individual resident of Puerto Rico, whose age ranges from sixteen (16) and twenty (26) years at the end of the taxable year. For more details, refer to the provisions of Act 135-2014, If you are a if you are a young entrepreneur whose age fluctuates between 16 and 35 years and you are in the first three years of operation of a new business under a special agreement for the creation of young businesses, enter in the corresponding line the amount of gross income generated by the new business, up to \$500,000. In order to claim the \$500,000 deduction, you must include with the return the Certification or copy of the Special Agreement for the Creation of Young Businesses (Agreement) issued by the Puerto Rico Trade and Export Company. The exemption will be applicable during the first 3 years from the signing of the Agreement.----Section 6070.20 of Act 60-2019.- Section 17 of Act 35-2014, as amended by Act 60-2019, "Effectiveness- This Act shall take effect immediately after its approval, and shall be effective for taxable years beginning after December 31, 2013, and before January 1, 2020." "</p>	<p>PR Internal Revenue Code Section 1031.02(a)(36) and Act 135-2014</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 30 Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 31 (G)</p>
------------------------	------------------------------	---	--	---	--

<p>TEB - 67</p>	<p><i>Individual Tax</i></p>	<p>Exempt salaries of a professional in a hard-to-fill position (Form 499R-2/W-2PR)</p>	<p>(a) Wage income, as such term is defined in Section 1062.01 of the Puerto Rico Internal Revenue Code, earned by a Hard to Recruit Professional, up to the amount of one hundred thousand dollars (\$100,000) shall be subject to income taxes provided by the Puerto Rico Internal Revenue Code. The salaries and wages and benefits in excess of one hundred thousand dollars (\$100,000) shall be fully exempt from income taxes in Puerto Rico, including the alternate basic tax provided in the Puerto Rico Internal Revenue Code. (b) To receive this tax benefit on account of earned wage income, the Hard to Recruit Professional shall have to hold a Full-Time position at an Exempt Business with a valid Decree, as established in this Code. Moreover, to avail himself of the benefits provided in this Section, the Hard to Recruit Professional may not benefit from the provisions of Sections 2022.01 and 2022.02, nor hold a decree under Act No. 22-2012, as amended, known as the "Act to Promote the Relocation of Individual Investors to Puerto Rico."</p>	<p>Puerto Rico Incentive Code Section 2022.03(a),(b) of Act 60-2019</p>	<p>Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 32</p>
<p>TEB - 68</p>	<p><i>Individual Tax</i></p>	<p>Other payments subject to alternate basic tax reported in a Form 480.6D</p>	<p>Tax year 2019: The amount included in Box 20 (Other Payments Subject to Alternate Basic Tax) of Form 480.6D, for which there is not a specific line provided on this Schedule. Tax year 2020: The amount included in Box 22 (Other Payments Subject to Alternate Basic Tax) of Form 480.6D, for which there is not a specific line provided on this Schedule.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 Schedule IE Individual Part II Line 32 Instructions Booklet - Individual Income Tax Return 2020 Schedule IE Individual Part II Line 33</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 32 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 33</p>

<p>TEB - 69</p>	<p><i>Individual Tax</i></p>	<p>Other payments not subject to alternate basic tax reported in a Form 480.6D</p>	<p>The amount included in Box 21 (Other Payments Not Subject to Alternate Basic Tax) of Form 480.6D, for which there is not a specific line provided on this Schedule</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 Schedule IE Individual Part II Line 33</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 33 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 34</p>
<p>TEB - 70</p>	<p><i>Individual Tax</i></p>	<p>Other exemptions subject to alternate basic tax not reported in a Form 480.6D</p>	<p>(21) Income received or earned with respect to games organized by international associations or federations.- Income of any kind received or earned by teams of members of international associations or federations or associations or entities affiliated with said teams, and income of any kind earned by entities contracted by said teams, associations or affiliates to organize and manage the operation, promotion or administration of said games in Puerto Rico.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(21)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 34 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 35</p>

<p>TEB - 71</p>	<p><i>Individual Tax</i></p>	<p>Other exemptions not subject to alternate basic tax not reported in a Form 480.6D</p>	<p>(1) Annuities.- (A) Employee annuities (B) Educational policies (C) International Insurer Annuities (2) Certain marginal benefits paid by an employer for its employees.- The following amounts paid or accrued by an employer for the benefit of an employee: (A) Life insurance premiums.- (C) Payments for dependent care (D) Contributions to health or accident plans (6) Incentives received by farmers.- (A) In the case of any farmer, the incentives received from the Government of Puerto Rico for: (i) the purchase of farm machinery used for the production of sugar cane, coffee, vegetables, rice and food crops; (ii) the purchase of fertilizer, herbicide, fungicide and materials for land improvement, beekeeping, mariculture, aquaculture and otherwise as determined or added by the Secretary of Agriculture; (iii) the purchase of wire, posts, cattle fencing materials and otherwise as determined or added by the Secretary of Agriculture; and (iv) the construction of cattle, hog and poultry facilities and fishing vessels. (B) These incentives shall be deemed a reduction of costs or expenses, as the case may be, incurred by the farmer. The Secretary of Agriculture must submit to the Secretary each year, on or before January 31 of the year following the calendar year in which said incentives were granted, a list containing the following information: (i) name, account number and address of each farmer to whom the incentives have been granted, and (ii) item and amount of the incentives. (7) Improvements by lessee on lessor's property.- Income, other than rent, derived by a lessor of real property upon the termination of a lease, representing the value of such property attributable to buildings erected or other improvements made by the lessee. (10) Leave pay for military and naval personnel.- Amounts received during the tax year as leave pay with respect to service in the military or naval forces of the United States. (11) Income of news agencies or syndicates.- The income of news agencies or syndicates or other press services, received from newspaper or radio broadcasting enterprises as royalties for the use or publication of, or for the right to use or publish in Puerto Rico, literary or artistic property of said agencies or syndicates.</p>	<p>PR Internal Revenue Code Section 1031.02 (a), 1031.02(a) (1)(A), (B),(C), (2)(A),(C),(D), (6)(A),(B), (7),(10), (11), (15), (out 21), (22), (23), (24),(25), (29), (30), (31), (33), (35)(B),(C) and (D)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual -Part II Line 35 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 36</p>
------------------------	------------------------------	---	---	---	---

			<p>(15) Racetrack prizes.-The amounts from winnings obtained in pools, pari-mutuels, daily doubles, "quinielas", exacta, subscription funds and any other bet at racetracks in Puerto Rico. Out subject to ABT(21) Income received or earned with respect to games organized by international associations or federations.- Income of any kind received or earned by teams of members of international associations or federations or associations or entities affiliated with said teams, and income of any kind earned by entities contracted by said teams, associations or affiliates to organize and manage the operation, promotion or administration of said games in Puerto Rico.</p> <p>(22) Income earned by Caribbean Series participants.- Income earned by the nonresident players, managers, technical personnel and foreign teams participating in Caribbean Series Professional Baseball games held in Puerto Rico.</p> <p>(23) Income by an international insurance company or international insurance holding company, subject to the provisions of Article 61.240 of the Puerto Rico Insurance Code, including the income derived from the liquidation or winding up of operations in Puerto Rico.</p> <p>(24) Federal prescription drug plan subsidy.- Payments of the subsidy received under the provisions of Section 1860D-22 of the Social Security Act, as amended or as subsequently amended. This exemption from gross income shall not affect the determination of any deduction allowed under Section 1033.01 of this Subtitle. Therefore, a taxpayer may claim a deduction under Section 1033.01 of this Subtitle, even when said taxpayer also receives an excludable subsidy with respect to the deduction allowed under Section 1033.01 of this Subtitle.</p> <p>(25) Amounts received by an employee under Act No. 84 of March 1, 1999, known as the "Government Daycare Center Creation Act," provided that the expenses are related to a dependent for whom the employee is entitled to claim an exemption under Section 1033.18(b). No deduction shall be allowed any provision of this Subtitle for any amount exempt from tax under this paragraph.</p> <p>(29) Stipends and travel expenses of legislators.- Amounts received by members of the Legislative Assembly of the Government of Puerto Rico as stipends and travel expenses, representing a reimbursement of expenses actually incurred.</p> <p>(30) Stipends and travel expenses of municipal legislators.- Amounts received by members of the municipal legislatures as stipends and travel expenses,</p>		
--	--	--	--	--	--

			<p>representing a reimbursement of expenses actually incurred.</p> <p>(31) Income of international banking entities.- Income from any of the activities described in subsection (a) of Section 12 of Act No. 52 of August 11, 1989, as amended, known as the "International Banking Center Regulatory Act," carried on by any International Banking Entity authorized to carry on such activities under the provisions of said act, including the income derived from the liquidation or winding up of operations in Puerto Rico.</p> <p>(33) Amounts paid by an employer to an employee as reimbursement of travel expenses, meals, lodging, entertainment and other employment-related expenses.- Amounts paid by an employer as reimbursement of expenses paid or incurred by the taxpayer with respect to his performance of services as an employee, consisting of travel expenses, meals, lodging while away from home, entertainment (except for those deemed excessive or extravagant given the circumstances) and other employment-related expenses, provided that said reimbursement is made under an expense reimbursement plan established by the employer, meeting the requirements established by the Secretary by regulation for such purpose.</p> <p>(35) Miscellaneous items.-</p> <p>(B) income of the U.S. government, foreign governments and international organizations</p> <p>(C) income of states, municipalities and other political subdivisions</p> <p>(D) receipts of vessel owner and mutual protection and indemnity associations</p>		
--	--	--	---	--	--

TEB - 72	<i>Individual Tax</i>	Exempt amount from manufacturing income (Schedule J Individual)	The exempt amount of manufacturing income covered under incentive acts, as determined in Part IV, line 4 of Schedule J Individual.	Instructions Booklet - Individual Income Tax Return 2020 Schedule IE Individual Part II Line 38	Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 38
TEB - 73	<i>Individual Tax</i>	Exempt amount on income from the sale of goods (Schedule K Individual)	The exempt amount on income from the sale of goods covered under incentive acts, as determined in Part IV, line 4 of Schedule K Individual.	Instructions Booklet - Individual Income Tax Return 2020 Schedule IE Individual Part II Line 39	Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 39
TEB - 74	<i>Individual Tax</i>	Exempt amount from farming income (Schedule L Individual)	The exempt amount from farming income covered under incentive acts, as determined in Part IV, line 4 of Schedule L Individual.	Instructions Booklet - Individual Income Tax Return 2020 Schedule IE Individual Part II Line 40	Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 40
TEB - 75	<i>Individual Tax</i>	Exempt amount on income from services rendered (Schedule M Individual)	The exempt amount on income from services rendered covered under incentive acts, as determined in Part IV, line 4 of Schedule M Individual.	Instructions Booklet - Individual Income Tax Return 2020 Schedule IE Individual Part II Line 41	Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 41

<p>TEB - 76</p>	<p><i>Individual Tax</i></p>	<p>Exempt amount from rental income (Schedule N Individual)</p>	<p>The exempt amount on income from the rent of property covered under incentive acts, as determined in Part IV, line 4 of Schedule N Individual.</p>	<p>Instructions Booklet - Individual Income Tax Return 2020 Schedule IE Individual Part II Line 42</p>	<p>Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual Part II Line 42</p>
<p><i>Preferential Tax Rate</i></p>					
<p>TEB - 77</p>	<p><i>Individual Tax</i></p>	<p>Net long-term capital gain (or loss) under Act</p>	<p>(a) Tax Rate. Any individual, estate or trust shall pay, in lieu of any other taxes levied by this Subtitle, a tax of: (1) ten (10) percent tax on the excess of any net long-term capital gain over any net short-term capital loss, as defined in Section 1034.01, derived from any sale or exchange made before July 1, 2014; (2) fifteen (15) percent on the excess of any net long-term capital gain over any net short-term capital loss derived from any sale or exchange made after June 30, 2014 or, the taxpayer may elect to pay a tax at the normal tax rates, whichever is most beneficial for the taxpayer.</p>	<p>PR Internal Revenue Code Section 1023.02</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual Line 4 (a) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual Line 4 (a)</p>
<p>TEB - 78</p>	<p><i>Individual Tax</i></p>	<p>Interest from IRA on deposits in accounts from certain financial institutions</p>	<p>(a) Tax Rate (1) Special tax rate. For tax years beginning before January 1, 2017, any individual, estate or trust may apply the option to pay, in lieu of any other taxes levied by this Subtitle, a tax equal to ten (10) percent, or seventeen (17) percent in the case of an individual retirement account over the total amount of non-exempt interest paid or credited on deposits in interest-bearing accounts, savings cooperatives or associations authorized by the Federal Government or the Government of Puerto</p>	<p>PR Internal Revenue Code Section 1023.04</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual Line 4 (b) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual</p>

			Rico, commercial and mutual banks or any other banking organization located in Puerto Rico, provided that said taxpayer complies with certain requirements.		Line 4 (b)
TEB - 79	<i>Individual Tax</i>	Interest on deposits in accounts from certain financial institutions	(a) Tax Rate (1) Special tax rate. For tax years beginning before January 1, 2017, any individual, estate or trust may apply the option to pay, in lieu of any other taxes levied by this Subtitle, a tax equal to ten (10) percent, or seventeen (17) percent in the case of an individual retirement account over the total amount of non-exempt interest paid or credited on deposits in interest-bearing accounts, savings cooperatives or associations authorized by the Federal Government or the Government of Puerto Rico, commercial and mutual banks or any other banking organization located in Puerto Rico, provided that said taxpayer complies with certain requirements.	PR Internal Revenue Code Section 1023.04	Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual Line 4 (c) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual Line 4 (c)

<p>TEB - 80</p>	<p><i>Individual Tax</i></p>	<p>Interest from distributions of IRA to Governmental Pensioners</p>	<p>(d) Distribution of Individual Retirement Account Assets.- (1) Taxation of payments or distributions from an individual retirement fund.- (D) Notwithstanding the provisions of subparagraphs (B) and (C) of this paragraph, the owner or beneficiary of an individual retirement account who receives a total or partial distribution from an individual retirement account that does not constitute a distribution of his contribution to the individual retirement account, may have the option to pay a tax equal to ten (10) percent on such amount instead of any other tax levied by this subsection, for the tax year in which the owner or beneficiary effectively receives such total or partial distribution, provided that he is actually receiving the retirement benefits offered by the Retirement System of the Government of Puerto Rico and its instrumentalities, Judiciary Retirement System or Teacher Retirement System. If the owner or beneficiary of the individual retirement account exercises the option to pay the tax of ten (10) percent provided in this subparagraph, the trustee of the individual retirement account shall be under the obligation to deduct and withhold the tax of ten (10) percent on the amount distributed.</p>	<p>PR Internal Revenue Code Section 1081.02(d)(1)(D)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual Line 4 (d) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual Line 4 (d)</p>
------------------------	------------------------------	---	--	--	--

<p>TEB - 81</p>	<p><i>Individual Tax</i></p>	<p>Non-exempt eligible interest paid or credited on bonds, notes, other obligations or mortgage loans</p>	<p>(a) Tax Rate (1) Special tax rate. For tax years beginning before January 1, 2017, any individual, estate, corporation, partnership or trust may elect to pay, in lieu of any other tax levied by this Subtitle, a tax equal to ten (10) percent of the total amount of non-exempt eligible interest that is paid or credited on bonds, promissory notes, or other obligations issued by a corporation or partnership described in paragraph (1) of subsection (b), or on mortgages on residential property located in Puerto Rico described in paragraph (2) of said subsection.</p>	<p>PR Internal Revenue Code Section 1023.05</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual - Line 4 (e) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual - Line 4(e)</p>
<p>TEB - 82</p>	<p><i>Individual Tax</i></p>	<p>Eligible distribution of dividends</p>	<p>(a) Levying of Tax.- There shall be levied, collected and paid, in lieu of any other taxes levied by this Subtitle on the total amount received by any eligible person (as defined in subsection (d)), attributable to any eligible distribution (as defined in subsection (c)) of dividends: (1) of a domestic corporation; or (2) of a foreign corporation, when no less than eighty (80) percent of its gross income derived during the period of three (3) tax years ending on the close of the tax year preceding the date of the declaration of the dividend constitutes income effectively connected with a trade or business in Puerto Rico, the special tax provided in subsection (b), without taking into consideration any deduction or credit provided by this Subtitle. This section shall not apply to amounts distributed in a total or partial liquidation of a corporation.</p>	<p>PR Internal Revenue Code Section 1023.06</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual - Line 4 (f) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual - Line 4 (f)</p>

<p>TEB - 83</p>	<p><i>Individual Tax</i></p>	<p>Income paid by sport teams of international associations or federations</p>	<p>(a) Levying of Tax.- There shall be levied, collected and paid, in lieu of any other taxes levied by this Subtitle, a special tax of twenty (20) percent on the total amount received by any resident or nonresident individual (including but not limited to players, managers and technical personnel) as compensation received for personal services rendered in Puerto Rico as an employee or independent contractor of a team of members of international associations or federations or associations or entities affiliated with said teams, as described in subsection (c).</p>	<p>PR Internal Revenue Code Section 1023.07</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual - Line 4 (g) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual - Line 4 (g)</p>
<p>TEB - 84</p>	<p><i>Individual Tax</i></p>	<p>Total distributions from qualified retirement plans</p>	<p>(a) Exemption.- A trust organized under the laws of Puerto Rico that forms part of an employer's retirement, profit sharing, stock bonus or pension plan, for the exclusive benefit of its employees who are Puerto Rico residents or who render services primarily in Puerto Rico, and the beneficiaries thereof; or a trust organized under the laws of Puerto Rico or that is deemed a domestic trust under the U.S. Internal Revenue Code of 1986, as amended, or any successor legal provisions, which forms part of an employer's retirement, profit sharing, stock bonus or pension plan, for the exclusive benefit of its employees who are Puerto Rico residents or Puerto Rico and U.S. residents, with respect to its U.S. participants and beneficiaries, which complies with the qualification requirements of Section 401(a) of the U.S. Internal Revenue Code, as amended (hereinafter referred to as the "Federal Code," for the purposes of this section), shall not be taxable under this Subchapter, and no other provisions of this Subchapter shall be applicable with respect to said trust</p>	<p>PR Internal Revenue Code Section 1081.01(a)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual - Line 4 (h) Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual - Line 4 (h)</p>

			or its beneficiaries, provided that its terms and operations meet certain requirements.		
TEB - 85	<i>Individual Tax</i>	Gain taxable at rate under an Incentives Act 14-2017 (K, L, M, or N) and/or wages (Qualified Physicians)	<p>Tax year 2019: The gain determined on Schedules K, L, M or N Individual, as applicable, taxable at a reduced rate under an Incentives Act and/or wages received by a qualified physician who has a decree under Act 14-2017. Include this amount in Columns B through H, as it corresponds, according to the applicable preferential rate.</p> <p>Tax year 2020: The gain determined on Schedules K, L, M or N Individual, as applicable, taxable at a reduced rate under an Incentives Act or wages received by a qualified physician who has a decree under Act 14-2017 or Act 60-2-19. Include this amount in Columns B through H, as it corresponds, according to the applicable preferential rate.</p>	<p>Act 14-2017, as amended or Act 60-2019 - Instructions Booklet - Individual Income Tax Return 2019</p> <p>Schedule A2 Individual - Line 4 (i) Instructions Booklet - Individual Income Tax Return 2020</p> <p>Schedule A2 Individual - Line 4 (i)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual - Line 4 (i) - Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual - Line 4 (i)</p>

<p>TEB - 86</p>	<p><i>Individual Tax</i></p>	<p>Distributable share on net income subject to preferential rates from pass-through entities</p>	<p>Distributable Share on Net Income Subject to Preferential Rates from Pass-Through Entities (Schedule F Part IV, Line 3 Column F)</p>	<p>PR Internal Revenue Code Section 1071.02</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual Line 4 (j) - Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual Line 4 (j)</p>
<p>TEB - 87</p>	<p><i>Individual Tax</i></p>	<p>Any other income subject to a preferential rates</p>	<p>Any other income subject to a preferential rate: Section 1023.01 -Special Surtax on Separate Accounts Section 1023.02 - Special Tax on Individuals, Estates and Trusts on Net Long-Term Capital Gain Section 1023.08 - Special Tax on Variable Annuities in Separate Accounts Section 1023.09 - Special Tax on Total Distributions of Certain Employee Trusts Section 1023.20 - Election to Prepay the Tax on Accrued Undistributed Amounts in a Variable Annuity Contract Section 1023.21 - Special Tax on Individuals, Estates and Trusts on the Sale or Excess Prepayment over the Increase in Accrued Value of Certain Assets Section 1023.22 - Special Tax on Corporations on the Sale or Excess Prepayment over the Increase in Accrued Value of Capital Assets Section 1023.23 - Prepayment of Individual Retirement Accounts Section 1023.24 - Prepayment [to] Educational Contribution Accounts</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 Schedule A2 Individual Line 4 (k) Instructions Booklet - Individual Income Tax Return 2020 Schedule A2 Individual Line 4 (k)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual Line 4 (k) - Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual Line 4 (k)</p>

			Section 1023.25 - Special Tax on Distributions of Dividends and Prepayment of the Special Tax on Constructive Distributions		
TEB - 88	<i>Individual Tax</i>	Distributions for reasons of a disaster declared by the Governor of Puerto Rico	Eligible Distributions from Retirement Plans or IRAs that were received for reason of extreme economic emergency due to a disaster declared by the Governor of Puerto Rico.	Instructions Booklet - Individual Income Tax Return 2019 Schedule A2 Individual Line 4 (I) Instructions Booklet - Individual Income Tax Return 2020 Schedule A2 Individual Line 4 (I)	Individual Income Tax Return 2019 (Form 482.0) Schedule A2 Individual Line 4 (I) - Individual Income Tax Return 2020 (Form 482.0) Schedule A2 Individual Line 4 (I)

<p>TEB - 89</p>	<p><i>Individual Tax</i></p>	<p>Act 185 - 2014, Private Equity Fund</p>	<p>Should de Individual Tax not Business Tax: Private Equity Funds not only represent a proven alternative to investment, but also constitute a financing and economic propulsion tool that facilitates the pooling of private capital in order to finance the expansion of companies, restructure businesses at risk and to promote pioneering businesses in full development. In addition, by promoting this investment vehicle used by investors around the world, it promotes the creation of jobs for professionals in the field of securities and financial business in Puerto Rico, as well as the development of the securities industry on our Island. Private equity funds generally pay a 4% tax rate on gains.</p>	<p>Act 185 - 2014 as amended or Act 60-2019</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Part II Line 12 - Individual Income Tax Return 2020 (Form 482.0) Part II Line 12</p>
<p>TEB - 90</p>	<p><i>Individual Tax</i></p>	<p>Act 22-2012, Transfer of Investors to Puerto Rico</p>	<p>Should de Individual Tax not Business Tax:For purposes of Act 22-2012, as amended, or Act 60-2019, as amended, "resident individual investor " means a resident individual, as defined in Section 1010.01(a)(30) of the Code, who was not a resident of Puerto Rico between January 17, 2006 and January 17, 2012 and who becomes resident of Puerto Rico no later than the taxable year ending on December 31, 2035. Totally exempt from the payment of income tax in Puerto Rico, including the alternate basic tax, the income from all sources earned by a resident individual investor, after becoming resident of Puerto Rico but before January 1, 2036, consisting of: interests and dividends, including but not limited to, interests and dividends from a registered investment company described in Section 1112.01 of the Code, and interests, financing charges, dividends or share in partnerships benefits received from international banking entities duly</p>	<p>Act 22 -2012, as amended or Act 60-2019, as amended</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule IE Individual Part II Line 35 - Individual Income Tax Return 2020 (Form 482.0) Schedule IE Individual - Part II Line 36</p>

			<p>authorized according to the Banking Center Regulatory Act.---Accretion after becoming resident of Puerto Rico-- The total net capital gain derived by a resident individual investor related to any accretion of the securities owned after he/she became resident of Puerto Rico, that is recognized before January 1, 2036, will be totally exempt from the payment of income tax in Puerto Rico, including the alternate basic tax provided by the Code. If such accretion is recognized after December 31, 2035, the net long-term capital gain related to such securities will be subject to the payment of income tax according to the tax treatment provided by the Code.</p>		
<i>Credits</i>					
Subject to Moratorium					
TEB - 91	<i>Individual Tax</i>	Credit attributable to losses or for investment in the Capital Investment Fund, Act -46 - 2000, including purchases.	<p>PR Internal Revenue Code Section 1051.12 (a) Credits subject to moratorium: (2) Subparagraph (a) of Article 14 of Act No. 46 of January 28, 2000, as amended, known as the Puerto Rico Investment Capital Investment Fund Act of 1999</p> <p>Act 46-2000: (a) Tax Credit.- The Administrator of the Fund shall be entitled to a tax credit equivalent to 25% of the sum of money received by the Fund as private proprietary interests in the Fund, which can be used solely as provided in subsection (b) and (d) of this Section. The</p>	PR Internal Revenue Code Section 1051.12(a)(2) /Act 46-2000	Individual Income Tax Return 2019 & 2020 (Form 482.0) Schedule B Part II Line 1 & Schedule B Part IV Line 2

			tax credit shall be available at the time the Fund receives cash which qualifies it as an investment of private proprietary funds.		
TEB - 92	<i>Individual Tax</i>	Credit for construction investment in urban centers (Act 212-2002, as amended)	<p>PR Internal Revenue Code Section 1051.11(b)(5)(F) Credits subject to moratorium: Paragraphs (E) and (F) of Article 4.03 and Article 4.04 of Act No. 212 of August 29, 2002, as amended, known as the Urban Center Revitalization Act; the moratorium shall apply as follows: Credits granted during Fiscal Years 2018-19 to 2023-24; only up to fifty (50) percent of the credit granted in tax years beginning after the end of the first semester of the fiscal year during which the tax credit is granted may be claimed; and any remanent in subsequent tax years.</p> <p>Act 212-2002: Section 4.03(F).- A tax credit shall be granted equal to 75% of the investment in the construction of a rehabilitation project of an urban center. In case that the project is located in an historical zone or around a public Plaza of the urban center, the credit shall be of 100%. This credit is subject to the 25% limitation imposed by Section 1051.13.</p>	PR Internal Revenue Code Section 1051.11(b)(5)(F)	Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II, Line 2 & Part IV, Line 7 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II, Line 2 & Part IV, Line 6

<p>TEB - 93</p>	<p><i>Individual Tax</i></p>	<p>Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended) including purchases.</p>	<p>The amount of Tax Credit for Merchants Affected by the Urban Center Revitalization. Every commercial entity established in the area affected by the construction of the revitalization projects in urban centers, will be entitled to claim an 8% tax credit of the 50% gross sales generated during the construction period.</p>	<p>Art. 4.04 (A) Act 212 - 2002</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 3</p>
<p>TEB - 94</p>	<p><i>Individual Tax</i></p>	<p>Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products.</p>	<p>Section 1051.07: The credit provided by this Section shall be not less than five (5) percent and up to a maximum of twenty (20) percent of the increase in the value of purchases of agricultural products harvested, produced and processed in Puerto Rico during the taxable year particular in which the credit is claimed, on the purchases of said products during the base period Section 1051.09 The credit for purchases of eligible products will be ten (10) percent of the excess of purchases of those eligible products</p>	<p>PR Internal Revenue Code Section 1051.07 & 1051.09</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 4 & Schedule B Part IV Line 7</p>
<p>TEB - 95</p>	<p><i>Individual Tax</i></p>	<p>Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.</p>	<p>In general, any person, natural or legal, that constitutes an eligible conservation easement or donates an eligible land in accordance with the provisions of this Law, may opt for a tax credit equal to fifty percent (50%) of the value of the eligible conservation easement or of the eligible land at the date of the donation, to be taken in two (2) terms: 1. The first half of said credit in the year in which the establishment of the conservation easement or the donation of the eligible land occurs; 2. The balance of said credit, in the following year.</p>	<p>PR Internal Revenue Code Section 1051.12(b)(4) Act 183-2001</p>	<p>Individual Income Tax Return 2019 - (Form 482.0) Schedule B Part II Line 7 & Part IV Line 6 Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 5 & Part IV Line 5</p>

<p>TEB - 96</p>	<p><i>Individual Tax</i></p>	<p>Other credits subject to moratorium not included on the preceding lines</p>	<p>The amount of other tax credits subject to moratorium that were not included on the preceding lines.</p>	<p>PR Internal Revenue Code Section 1051.12 (b)</p>	<p>Individual Income Tax Return 2019 Form 482.0) Schedule B Part II Line 9 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 8</p>
<p>TEB - 97</p>	<p><i>Individual Tax</i></p>	<p>Credits carried from previous years</p>	<p>The total of credits claimed but not used in previous years which are subject to moratorium under Sections 1051.11 and 1051.12 of the Code can be carryforward.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 & 2020 Schedule B Part II Line 10 & Line 7, respectively.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 & 2020 Schedule B Part II Line 10 & Line 7, respectively.</p>
<p>TEB - 98</p>	<p><i>Individual Tax</i></p>	<p>Purchases: Solid Waste Disposal (Act 159-2011)</p>	<p>Tax Credit for Investment in facilities for reducing, disposition and/or treatment of solid waste Facilities. Any investor shall be entitled to a credit for investment in exempt facilities equal to 50% of the eligible investment. Eligible investment is the amount of cash that has been contributed to an exempt facility for use in an facility free of solid waste in exchange for: (i) shares in the corporation, if the exempted facility is a corporation, or (ii) participation, or increase in participation, in</p>	<p>Act 159-2011 Section 4 PR Internal Revenue Code Section 1051.12 (a)(1)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part IV Line 1 Individual Income Tax Return 2020 (Form 482.0) Schedule B Part IV Line 1</p>

			a joint venture or company. Article 4 (f) of Act 159-2011 provides for the transfer of the credit.		
TEB - 99	<i>Individual Tax</i>	Purchases: Capital Investment Fund (Act 46-2000)	Article 14 (b) of Act 46-2000 provides for the transfer of the credit.	PR Internal Revenue Code Section 1051.12(b)(2) Act 46-2000	Individual Income Tax Return 2019 (Form 482.0) Schedule B Part IV Line 2 Individual Income Tax Return 2020 (Form 482.0) Schedule B Part IV Line 2
TEB - 100	<i>Individual Tax</i>	Purchases: : Theatrical District of Santurce (Act 178-2000)	This credit was available for taxable years commenced before January 1, 2013. Any amount claimed is related to the carryforward of the credit generated in prior years. Tax credit for investing in theatrical businesses - investors shall be entitled to a credit for investing in theatrical businesses for a limit of up to \$5,000,000 per fiscal year and of \$2,000,000 per fiscal year for the rehabilitation of existing structures. Article 11 (f) of Act 178-2000 provides for the transfer of the credit.	PR Internal Revenue Code Section 1051.12(a)(3) Act 178-2000, Section 11	Individual Income Tax Return 2019 (Form 482.0) Schedule B Part IV Line 3

<p>TEB - 101</p>	<p><i>Individual Tax</i></p>	<p>Purchases: Credit for investment in housing infrastructure (Act 98-2001, as amended)</p>	<p>Subject to the provisions of this Act, every petitioner may qualify for a Special Credit for Investment in Housing Infrastructure by the investment made in the construction of infrastructure. For the effect of the computation of credit provided under this Act, only that Special Investment in Housing Infrastructure recommended by the designated officials of the Department of Housing and the Treasury Department shall be taken into consideration, once the merits of the application for Investment Credits in Housing Infrastructure are analyzed. The Secretary of Housing, upon consultation with the Secretary of the Treasury, shall have the discretion, when merited by the best interest of the Commonwealth of Puerto Rico, to grant the credits provided in this Act with regard to extraordinary investments in infrastructure in projects begun between the first of January of 2001, and the date that the regulations referred to in Section 7 of this Act become effective. Tax credit consists of the equivalent of 100% of the total cost of the housing project, if not owned by the petitioner or 75% of the cost of social interest housing or 50% of middle class housing, that are owned by the petitioner. This credit is subject to the 25% limitation imposed by Section 1051.13. Article 4(f) of Act 98-2001 provides for the transfer of the credit.</p>	<p>PR Internal Revenue Code Section 1051.12(b)(7)/ Act 98-2001</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 5 & Part IV, Line 4 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 2 & Part IV, Line 3</p>
-------------------------	------------------------------	--	--	--	--

<p>TEB - 102</p>	<p><i>Individual Tax</i></p>	<p>Purchases: Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001)</p>	<p>Subject to the provisions of this Act, every owner of a rental housing project for low income families may qualify for a tax credit of \$.50 for each \$1.00 of Eligible Investment used in the new construction or substantial restoring of housing units to be rented to low or moderate income families. Act 140-2001 also provides a credit Affordable Housing projects for rent to the elderly. The credit in this case is 75% of every dollar used in an eligible investment. Article 1.6 (a) of Act 140-2001 provides for the transfer of the credit.</p>	<p>PR Internal Revenue Code Section 1051.12(b)(6) /Act 140-2001</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 6 & Part IV, Line 5 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 3 & Part IV, Line 4</p>
<p>TEB - 103</p>	<p><i>Individual Tax</i></p>	<p>Purchases: Others</p>	<p>The amount of the tax credit available for the taxable year. The limitation related to the credits subject to moratorium will be applicable to the total credits subject to moratorium and not to each credit included in this part.</p>	<p>Instructions & 2020 Booklet - Individual Income Tax Return 2019 Schedule B</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B, Part IV, Line 8 - Individual Income Tax Return 2020 (Form 482.0) Schedule B, Part IV, Line 7</p>

Not subject to Moratorium

<p>TEB - 104</p>	<p><i>Individual Tax</i></p>	<p>Credit for investment in Tourism Development (Act 78-1993) or Farming (Act 225-1995), , including purchases.</p>	<p>"Any person who acquires an equity interest in an entity that develops an exempt tourism business, or who invests in a condohotel, will be entitled to a Tourism Investment Tax Credit equal to 50% of the cash paid for such equity investment. onetheless, the total amount of the credit which may be taken by all investors cannot exceed 10% of the total cost of the tourist project. Alternate Tourism Investment Tax Credit (ATITC)</p> <ul style="list-style-type: none"> • Section5(b)(1)-credit equal to 40% of the Eligible Investment This credit can be taken in three (3) equal installments, commencing on the Exempt Business' second year of operations. <p>or</p> <ul style="list-style-type: none"> • Section5(b)(2) - credit equal to 30%of the Eligible Investment. In this case, the exempt business can take 10% of said Eligible Investment as a credit on the year that it secured the financing for the construction of the tourism project, with remaining balance being taken in three (3) equal installments as follows:1/3 when the exempt business receives its first paying guest; and the remaining 2/3 on subsequent years, in equal 1/3 portions. The total amount of ATITC's available to the exempt business under Sections 5(b)(1) and (2) will be limited to the 40% and 30%, respectively, of the Total Project Cost. Act 78-1993 - "The amount of credit for tourism investment. Every investor may claim a credit for tourism investment equal to 50% of its eligible investment. The credit may be claimed in two installments: the first half in the year in which the financing 	<p>Act 74-2010/ Act 78-1993 /ct 118-2004</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 14 & Schedule B Part IV Line 10 Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 12 & Part IV, Line 9</p>
-------------------------	------------------------------	--	--	--	---

			<p>for the total construction of the tourism project was obtained and the balance of the credit, in the following years. To claim this credit you must include with your return Schedules Q and Q1 duly completed. You must submit with the return copy of the notification by sworn statement issued by said agency, where the distribution of the credit is informed. You must also include copy of the Certification issued by the pertinent agencies. The Credit under Act 225-1995 was eliminated with Act 118-2004.</p>		
TEB - 105	<i>Individual Tax</i>	Credit for: (23) Section 4(a) of Act 8 of 1987 and/or (24) Section 3(b) of Act 135-1997	<p>The tax withheld on dividends from Industrial Development income under Act No. 8 of January 24, 1987 (Act 8 of 1987) and/or 30% of your proportional share in the fixed tax rate on Industrial Development income paid by the exempt business under Act 135-1997.</p>	<p>Section 4(a) of Act 8 of 1987 /Section 3(b) of Act 135-1997</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 15 Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 13</p>

<p>TEB - 106</p>	<p><i>Individual Tax</i></p>	<p>Credit for investment in film industry development Act 27-2011 & Act 60-2019, including purchases.</p>	<p>Act 27 - 2011 - (1) In the case of Film Projects, the credit granted in Article 7.3 (a) will be equal to: (A) Forty percent (40%) of the amounts certified by the Auditor as disbursed in relation to Production Expenses of Puerto Rico, not including payments made to Non-Resident Talent; and (B) twenty percent (20%) of the amounts certified by the Auditor as disbursed in relation to Production Expenses of Puerto Rico that consist of payments to Non-Resident Talent. The credits generated by Production Expenses of Puerto Rico consisting of payments to Non-Resident Talent will not be subject to the limitations imposed in Article 7.3 (b) (3). (2) In the case of Infrastructure Projects, the credit granted in Article 7.3 (a) shall be equivalent to twenty-five percent (25%) of the amounts certified by the Auditor as disbursed in relation to the development and / or expansion of the Infrastructure Project in question. Act 60 -2019 - The Tax Credit available is: (i) Up to forty percent (40%) of the amounts certified by an Auditor as disbursed in connection with Puerto Rico Production Expenditures, without including payments made to Foreign Persons; and (ii) Up to twenty percent (20%) of the amounts certified by an Auditor as disbursed in connection with Puerto Rico Production Expenditures, consisting of payments made to Foreign Persons; and (iii) Up to fifteen percent (15%) of the amounts certified by an Auditor as disbursed in connection with Puerto Rico Production Expenditures, without including payments made to Foreign Persons, in feature films, television</p>	<p>Section 7.3 Act 27-2011 / Section 3050.01 Act 60 - 2019</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 16 & Part IV Line 11 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 14 & Part IV, Line 11 and Line 12</p>
-------------------------	------------------------------	--	---	--	---

			<p>series, or documentaries in which a Domestic Producer is in charge of the Film Project and the director, cinematographer, editor, production designer, post-production supervisor, or line producer are Domestic Persons, up to a maximum of four million dollars (\$4,000,000) of Tax Credit per Film Project under this item. Tax Credits granted for payments made to Domestic Persons shall never exceed fifty-five percent (55%) of the total Puerto Rico Production Expenditures, without including payments made to a Foreign Person. In the case of Film Projects, the Tax Credit approved may be used in two (2) or more installments. Fifty percent (50%) of the Tax Credit may be used in the Taxable Year during which the activities covered by the Decree begin, subject to the posting of a Bond acceptable to the Secretary of the DEDC or Auditor's Certification as provided in subsection (d) of this Section, and the balance of said Tax Credit in subsequent years. Act60-2019 provides that the tax credits generated thereunder may be assigned, sold or otherwise transferred."</p>		
TEB - 107	<i>Individual Tax</i>	Credit for the purchase or transmission of television programming made in Puerto Rico (Section 1051.14)	The amount of credit to claim for the purchase or transmission of television programming made in Puerto Rico. Every investor may claim up to 15% of the expenses paid by the television channel in the taxable year in which the credit is claimed.	PR Internal Revenue Code Section 1051.14 (b)	Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 17 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 15

<p>TEB - 108</p>	<p><i>Individual Tax</i></p>	<p>Credit for contribution to former governors' foundations</p>	<p>The amount of credit to be claimed for contributions to former governors foundations equivalent to 100% of the amount contributed during the taxable year to former governors foundations for operating expenses and those expenses related to the purposes for which they were created and/or those charitable contributions to a Depository of Files and Relics of Former Governors and Former First Ladies of Puerto Rico constituted according to the provisions of Act 290-2000 by itself or as a whole with public or private Higher Education entities, to pay the construction, operation and all necessary expenses for the true fulfillment of the purposes of Act 290-2000 and Act 302-2012. The tax credits to be granted cannot exceed \$500,000 in aggregate, for any tax year.</p>	<p>Art. 2(a) Act 302 - 2012 PR Internal Revenue Code Section 1051.10</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 18 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 16</p>
<p>TEB - 109</p>	<p><i>Individual Tax</i></p>	<p>Credit for payment of Memebership Certificates by Ordinary and Extraordinary Member of Employees-Owned Special Corporations</p>	<p>Any person to whom a certificate of membership is issued as ordinary or extraordinary member of an EmployeesOwned Special Corporation, is entitled to a credit of 25% of the total amount paid for said certificate up to a maximum of \$1,000. The credit should be claimed against the income tax determined for the year in which the payments to acquire the certificate are made, whether totally paid or paid in installments in one or more taxable years, as applicable. The credit granted shall not be applicable against the alternate basic tax for individuals.If the amount of credit allowed exceeds the determined income tax for the taxable year, the excess may be carried forward during the next two taxable years. Refer to Section 1113.14 of the Code for</p>	<p>PR Internal Revenue Code Section 1013.14 (a)</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 19 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 17</p>

			qualifications and requirements to benefit from this credit.		
TEB - 110	<i>Individual Tax</i>	Credit to investors who acquire an exempt business that is in the process of closing its operations in Puerto Rico (Act 109-2001), including purchases.	The amount of credit for investment in an exempt business that is in the process of closing its operations in Puerto Rico. Every investor can claim a credit for industrial investment equal to 50% of its eligible investment.	Art. 2(a) Act 109 - 2001 / Act 135 - 1997	Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 20 & Part IV Line 12

<p>TEB - 111</p>	<p><i>Individual Tax</i></p>	<p>Credit for contributions to (33) Santa Catalina's Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly</p>	<p>"(a) Amount of the Credit.- Amount of Credit. - A credit will be granted against the contribution imposed by this Subtitle for the donations generated or managed as a result of the effort of the Patronage of the Santa Catalina Palace or the Patronage of the State Capitol of the Legislative Assembly. The amount of this credit will be one hundred percent (100%) of the amount donated during the taxable year. (b) This credit will be in lieu of the deduction for donations granted by Section 1033.15 (a) (3). The amount of credit that can not be claimed in the taxable year in which the donation is made may be carried forward to the following taxable years until it is fully used. (c) The tax credits to be granted may not exceed two million five hundred thousand dollars (\$ 2,500,000) in the aggregate, for any taxable year. (d) Verification.- Any individual, corporation or partnership that claims the credit herein provided shall attach with their income tax return a certification issued by the Patronage of the Palace of Santa Catalina showing that the donation was made and accepted."</p>	<p>PR Internal Revenue Code Section 1051.06</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 21 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 18</p>
-------------------------	------------------------------	---	--	---	--

<p>TEB - 112</p>	<p><i>Individual Tax</i></p>	<p>Other credits not included on the preceding lines</p>	<p>Enter the amount of other tax credits not subject to moratorium that were not included on the preceding lines. Submit with your return a schedule detailing the credits included on this line. Also, you must submit evidence of the credits that you are claiming, for example, the Administrative Determination issued by the Department granting the credit and the schedule detailing the year in which the credit is available to be used, the taxable years in which the tax credit has been claimed, its expiration date, the total amount of the credit, and the amounts claimed in previous years.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 & 2020</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 26 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 23</p>
<p>TEB - 113</p>	<p><i>Individual Tax</i></p>	<p>Credits carried from previous years</p>	<p>The total amount of credits claimed but not used in the previous year that are not subject to moratorium under Sections 1051.11 and 1051.12 of the Code.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 & 2020</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 27 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 22</p>
<p>TEB - 114</p>	<p><i>Individual Tax</i></p>	<p>Credit for investment Act 73-2008, including purchases.</p>	<p>(1) Subject to the provisions of paragraph (2) of this section, any investor may claim a credit for industrial investment equal to fifty percent (50%) of his eligible investment made after the approval of this Act, to be taken in two (2) or more installments: the first half of said credit in the year in which the eligible investment is completed and the balance of said credit, in the following years. The amount of credit to be claimed for industrial investment under Section 6 of Act 73-2008. This amount must be equal to 50% of the eligible investment to be</p>	<p>Section 6(b) Act 73 - 2008</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 22 & Part IV Line 15 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part</p>

			claimed in two or more installments: the first half in the year in which the eligible investment is completed and the balance in the subsequent years.		II Line 19 & Part IV, Line 14
TEB - 115	<i>Individual Tax</i>	Credit for investment Act 83-2010 (Green Energy), including purchases.	<p>(1) Any exempt business that holds a decree granted under this Act may claim a credit for investment in research and development equal to fifty percent (50%) of the special eligible investment made in Puerto Rico, after the effectiveness of this Act by said exempt business or by any affiliated entity thereof. This credit may be applied against the tax on your IEV provided in section (a) of Article 2.9 of this Law.</p> <p>(3) Credit Utilization - The tax credit granted by this section may be taken in two (2) or more installments: up to fifty percent (50%) of said credit may be taken in the year in which the eligible investment is made and the balance of said credit in subsequent years until exhausted. This credit will not generate a refund. The amount of credit to be claimed for investment in research and development of green energy sources under Act 83-2010, better known as the Puerto Rico Green Energy Incentives Act. This amount must equal 50% of the special eligible investment and will be claimed in two or more installments: the first half in the year in which the eligible investment is made and the balance in the subsequent years.</p>	Art. 2.11(c) Act 83 - 2010	Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 23 & Part IV Line 16 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part IV Line 15

<p>TEB - 116</p>	<p><i>Individual Tax</i></p>	<p>Purchase: Economic Incentives (Research and Development) (Act 73-2008)</p>	<p>(1) Any exempt business that holds a decree granted under this Act or under prior incentive laws may claim an investment credit equal to fifty percent (50%) of the special eligible investment made in Puerto Rico after the approval of this Law for said exempt business or for any affiliated entity thereof. Any special eligible investment made prior to the filing date of the income tax return, as provided by the Internal Revenue Code of Puerto Rico, including any extension granted by the Secretary of the Treasury for the filing thereof, shall qualify for the tax credit of this paragraph in the taxable year for which the aforementioned tax return is being filed. Said credit may be applied, at the option of the exempted business, against the industrial development income tax provided in subsection (a) of Section 3 of this Act or the income tax applicable under the previous incentive law under which it was granted, the decree to the exempt business and / or against the operational costs of the exempt business related to electricity, water and sewage.</p>	<p>Section 5(c) Act 73-2008</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part IV Line 13 - Individual Income Tax Return 2020 (Form 482.0) Schedule B Part IV Line 13</p>
-------------------------	------------------------------	--	---	---------------------------------	--

<p>TEB - 117</p>	<p><i>Individual Tax</i></p>	<p>Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)</p>	<p>(1) Any exempt business that holds a decree granted under this Act or under previous laws may claim an investment credit equal to fifty percent (50%) of the eligible investment in strategic projects made in Puerto Rico after the approval of this Law by the exempt business or by any affiliated entity of the exempt business. Any eligible investment made prior to the date to file the income tax return, as provided by the Internal Revenue Code of Puerto Rico, including any extension granted by the Secretary of the Treasury to render the same, will qualify for the tax credit of this Section in the taxable year for which the aforementioned form is being filed. Said credit may be applied, at the option of the exempted business, against the fixed industrial development income tax provided in paragraph (a) of Section 3 of this Act, or the income tax applicable under the previous incentive law under which the decree was granted to the exempt business, and / or against the operating costs of the exempt business related to electricity, water or sewerage.</p>	<p>Section 5(g) Act 73-2008</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part IV Line 14</p>
<p>TEB - 118</p>	<p><i>Individual Tax</i></p>	<p>Purchase: Other</p>	<p>The amount of the tax credit available for the taxable year. The limitation related to the credits subject to moratorium will be applicable to the total credits subject to moratorium and not to each credit included in this part.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 & 2020</p>	<p>Individual Income Tax Return 2019 (Form 482.0) Schedule B Part IV Line 18 - Individual Income Tax Return 2020 (Form 482.0)</p>

					Schedule B Part IV Line 18
TEB - 119	<i>Individual Tax</i>	Purchases: Credit for investment in research and development	Act 60 - 2019 provides for a credit for investment in research and development equal to fifty percent (50%) of the special eligible investment made in Puerto Rico after the approval of this Act by said exempt business or by any affiliated entity thereof	Section 3030.01, Act 60-2019	Individual Income Tax Return 2020 (Form 482.0) Schedule B Part IV Line 16
TEB - 120	<i>Individual Tax</i>	Credit for Investment in Opportunity Zones, including Purchases	Every investor should be entitled to an investment credit equal to the eligible percentage of such investor's eligible investment made taken in four (4) installments: twenty-five percent (25%) of said credit in the year in which the exempt business finished the total construction of the Priority Project or, if the Priority Project does not require construction, upon the eligible business commencement of operations, whichever is later, and twenty-five percent (25%) of the credit balance in the next three (3) years.	Act 21-2019 / Act 60 - 2019	Individual Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 24 & Part IV Line 17 Individual Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 20 & Part IV, Line 17

Table 5

BUSINESS TAX

Business Tax Expenditure

TEB ID	Tax Regime	Tax Expenditure	Full Description	Legal Citation	Data Source for Tax Expenditure Estimates
REGULAR CORPORATE					
<i>Deduction</i>					
TEB - 121	<i>Business Tax</i>	Exempt amount under Act 135-2014 (Young Entrepreneurs Act)	The first \$500,000 of gross income generated by a new business created by a young entrepreneur whose age ranges between 16 and 35 years. Such new business should have granted a Special Agreement for the Creation of Young Businesses (Agreement) with the Puerto Rico Trade and Export Company, in order to enjoy the exemption during the first 3 years beginning on the date on which the Agreement is signed. In order to claim this exemption, copy of the Agreement must be included with the income tax return. This benefit is limited to one new business for every young entrepreneur and cannot benefit from any other economic or fiscal incentive provided by any act to promote a commercial, industrial or touristic operation in Puerto Rico. Any amount in excess of \$500,000 will pay taxes at the ordinary rates. For purposes of determining the first	Act 135-2014	Corporate Income Tax Return 2019 (Form 480.2) Part I Line 24 Corporate Income Tax Return 2020 (Form 480.2) Part I Line 23

			<p>\$500,000 of gross income generated by the new business, add the gross income of a controlled group of corporations and a group of related entities according to Sections 1010.04 and 1010.05 of the Code, respectively.----Section 6070.20 of Act 60-2019--Section 17 of Act 35-2014, as amended by Act 60-2019, "Effectiveness- This Act shall take effect immediately after its approval, and shall be effective for taxable years beginning after December 31, 2013, and before January 1, 2020."</p>		
TEB - 122	<i>Business Tax</i>	Special Agreement for the Creation of Employments and constitutes a New Business under the provisions of Act 1-2013	<p>Nevertheless, a corporation that has granted an Agreement for the Creation and Retention of Employments and constitutes an Eligible New Small and Medium Business under the provisions of Act 120-2014, will be subject to a 5% normal tax during the first operating year. For the second taxable year following the year in which the Agreement is signed, the tax rate will be 10% and for the third taxable year it will be 15%.--- Section 6070.22(a)(10) of Act 60-2019.- Repeals.- Act No. 1-2013, as amended, known as the 'Jobs Now Act</p>	Act 1-2013	<p>Corporate Income Tax Return 2019 (Form 480.2) Part I Line 52 Corporate Income Tax Return 2020 (Form 480.2) Part II line 52</p>

<p>TEB - 123</p>	<p><i>Business Tax</i></p>	<p>Charitable contributions</p>	<p>(a) In the case of a corporation (1) contributions or gifts payment of which is made within the tax year to or for use by: (A) the Government of Puerto Rico, the United States, any state, territory, or any political subdivision thereof, the District of Columbia, or any U.S. possession, for exclusively public purposes; or (B) an entity described in Section 1101.01(a)(1) and (2) created or organized in Puerto Rico, the United States or any of its possessions or any state or territory, organized and operating exclusively for the purposes described therein, but in the case of contributions or donations to a trust, common fund, fund or foundation, only if such contributions or donations are for use in Puerto Rico, the United States or any of its possessions exclusively for such purposes, provided that no part of its net earnings inures to the benefit of any shareholder or individual in particular. For the disallowance of certain charitable or other deductions otherwise allowable under this paragraph, see Sections 1083.02(e) and 1102.06; or (C) veteran posts or organizations, or supporting units of or trusts or foundations for any such post or organization, if such posts, organizations, units, trusts or foundations are organized in Puerto Rico, the United States or any possession thereof, provided that no part of its net earnings inures to the benefit any shareholder or individual in particular, or (D) other entities enumerated in subparagraph (C) of paragraph (3) of subsection (a) of Section 1033.15, up to an amount not</p>	<p>PR Internal Revenue Code Section 1033.10</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Part II Line 57 Corporate Income Tax Return 2020 (Form 480.2) Part II Line 55</p>
-------------------------	----------------------------	--	---	---	--

			exceeding ten (10) percent of the net income of the taxpayer, computed without the benefit of this subsection.		
TEB - 124	<i>Business Tax</i>	Deduction under Act 185-2014 ("Private Equity Funds Act")	In case of taxpayers that, pursuant to Act 185-2014, as amended, are considered as accredited investors, will be able to claim a deduction for their initial investment in a private equity fund (PEF) or in a private equity fund Puerto Rico (PEF-PR). For these purposes, a corporation will be considered an accredited investor if at the moment of the initial investment in a PEF or a PEF-PR is: 1) a bank, insurance company, registered investment company, business development company, investment company in small enterprises, International Banking Entity ("IBE") or International Financial Entity ("IFE"). It will be understood that the IBE and the IFE may be Accredited Investors irrespectively of what is established by the International Banking Center	Sec. 5 (d) of Act 185,2014	Corporate Income Tax Return 2019 (Form 480.2) Part II Line 58 Corporate Income Tax Return 2020 (Form 480.2) Part II Line 56

			Regulatory Act and the International Financial Center Regulatory Act, respectively; 2) a nonprofit organization, corporation or association with assets in excess of five million dollars (\$5,000,000); and 3) a business in which all capital owners are accredited investors.		
<i>Deferrals</i>					
TEB - 125	<i>Business Tax</i>	Corporation Deferrals	PR-TER 2018 estimates the deduction for the tax regime.		Depreciation Model
TEB - 126	<i>Business Tax</i>	Current Depreciation	(a) The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income, as provided in Section 1033.07.	PR Internal Revenue Code Section 1031.04(a)(7) - Section 1033.07(a)	Corporate Income Tax Return 2019 (Form 480.2) Schedule E Corporation Line 1 (a) Corporate Income Tax Return 2020 (Form 480.2) Schedule E Corporation Line 1 (a)

<p>TEB - 127</p>	<p><i>Business Tax</i></p>	<p>Flexible Depreciation</p>	<p>(a) Flexible Depreciation Deduction.- (1) General rule.- In the case of flexibly depreciable property with respect to which the option provided in subsection (b) is effective for the tax year, a taxpayer, in computing his net income for said tax year, may deduct the whole or any part, or no part, of the flexibly adjusted basis of said property, except that the amount of the deduction under this subsection shall not exceed the net benefit (determined without taking into consideration the deduction provided herein, but after taking into consideration the deduction provided in Section 1033.07) of the business or commercial activity in which the flexibly depreciable property is used.</p>	<p>PR Internal Revenue Code Section 1040.11(a)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule E Corporation Line 1 (b) Corporate Income Tax Return 2020 (Form 480.2) Schedule E Corporation Line 1 (b)</p>
<p>TEB - 128</p>	<p><i>Business Tax</i></p>	<p>Accelerated Depreciation</p>	<p>(a) Election to use Accelerated Depreciation Cost Recovery Method.- (1) The election to use the accelerated depreciation method shall be made with the return corresponding to the first tax year in which the deduction is claimed, in the form and manner established by regulation. The election to use the accelerated depreciation method may be exercised only with respect to property to has been acquired by "purchase" (as defined in Section 1033.07) during tax years beginning after June 30, 1995.</p>	<p>PR Internal Revenue Code Section 1040.12(a)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule E Corporation Line 1 (c) Corporate Income Tax Return 2020 (Form 480.2) Schedule E Corporation Line 1 (c)</p>
<p>TEB - 129</p>	<p><i>Business Tax</i></p>	<p>Amortization (i.e. Goodwill)</p>	<p>(a) The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income, as provided in Section 1033.07.</p>	<p>PR Internal Revenue Code Section 1031.04 (7)</p>	<p>Corporate Income Tax Return 2018 (Form 480.2) Schedule E Corporation Line d</p>

<p>TEB - 130</p>	<p><i>Business Tax</i></p>	<p>Computer Systems</p>	<p>(G) A business which generates gross income of under three-million (3,000,000) dollars during the taxable year, may elect to deduct the total cost of computer systems equipment and their installation in the year of their acquisition and installation. An equipment previously depreciated or acquired from a related person shall not qualify for the acceleration of the depreciation allowance.</p>	<p>PR Internal Revenue Code Section 1033.07(a)(1)(G)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule E1 Corporation Line 1 (a) Corporate Income Tax Return 2020 (Form 480.2) Schedule E1 Corporation Line 1 (a)</p>
<p>TEB - 131</p>	<p><i>Business Tax</i></p>	<p>Ground transportation equipment, except automobiles</p>	<p>(H) A business which generates gross income of under three-million (3,000,000) dollars during the taxable year, may determine the deduction established in subparagraph (A) of this paragraph using a useful life of two (2) years for ground transportation equipment, except automobiles (as defined in paragraph (3) of this section), and environmental conservation equipment.</p>	<p>PR Internal Revenue Code Section 1033.07(a)(1)(H)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule E1 Corporation Line 1 (b) Corporate Income Tax Return 2020 (Form 480.2) Schedule E 1 Corporation Line 1 (b)</p>
<p>TEB - 132</p>	<p><i>Business Tax</i></p>	<p>Machinery and equipment, furniture and fixtures, and any other fixed asset to be used in the industry or business</p>	<p>(K) For taxable years beginning after December 31, 2018, a business which during the taxable year generated a volume of business of less or equal to three million (3,000,000) dollars may determine the deduction established in subparagraph (A) of this paragraph using a useful life of two (2) years for machinery and equipment, furniture and fixtures and any other fixed asset to be used in the trade or business, except real property, automobiles and property</p>	<p>PR Internal Revenue Code Section 1033.07(a)(1)(K)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule E1 Corporation Line 1 (c) Corporate Income Tax Return 2020 (Form 480.2)</p>

			subject to subparagraphs (G) and (H) of the paragraph. For purposes of this subparagraph, the term "volume of business" will have the same meaning as such term has under Section 1061.15(c) this Code.		Schedule E 1Corporation Line 1 (c)
TEB - 133	<i>Business Tax</i>	Automobiles	(a) The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income, as provided in Section 1033.07. Section 1033.07(a)(3)(A) General rule.- In the case of property that is an automobile, as defined in subparagraph (B), the amount of the deduction allowance under this subsection shall not exceed six thousand (6,000) dollars per year per automobile, up to a maximum of thirty thousand (30,000) dollars for the useful life of the automobile.	PR Internal Revenue Code Section 1031.04(a)(8) Section 1033.07(a)(3)(A)	Corporate Income Tax Return 2019 (Form 480.2) Schedule E Corporation Line 1 (e) Corporate Income Tax Return 2020 (Form 480.2) Schedule E Corporation Line 1 (e)

<p>TEB - 134</p>	<p><i>Business Tax</i></p>	<p>Vehicles under financial lease</p>	<p>(a) The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income, as provided in Section 1033.07.</p>	<p>PR Internal Revenue Code Section 1031.04 (7)</p>	<p>Corporate Income Tax Return 2018 (Form 480.2) Schedule E Corporation Line f</p>
<p><i>Preferential Tax Rate</i></p>					
<p>TEB - 135</p>	<p><i>Business Tax</i></p>	<p>Net long-term capital gain</p>	<p>(a) If for any tax year the net long-term capital gain of any corporation exceeds the net short-term capital loss, there shall be levied, collected and paid, in lieu of the tax levied by Sections 1022.01, 1022.02 and 1022.03, a tax determined as follows, but only if said tax is less than the tax levied by said sections: (1) a partial tax shall first be computed on net income not including the amount of the excess net capital gain, at the rates and in the manner as if this section did not exist. (2) an amount equal to fifteen (15) percent of said excess for transactions carried out before July 1, 2014, or an amount equal to twenty (20) percent of said excess for transactions carried out after June 30, 2014, shall then be determined.</p>	<p>PR Internal Revenue Code Section 1023.03</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule D1 Corporation Line 2 (a) Corporate Income Tax Return 2020 (Form 480.2) Schedule D1 Corporation Line 2 (a)</p>

			(3) the total tax shall be the partial tax computed under paragraph (1), plus the amount computed under paragraph (2).		
TEB - 136	<i>Business Tax</i>	Interest subject to preferential rates	(a) Tax Rate (1) Special tax rate. For tax years beginning before January 1, 2017, any individual, estate, corporation, partnership or trust may elect to pay, in lieu of any other tax levied by this Subtitle, a tax equal to ten (10) percent of the total amount of non-exempt eligible interest that is paid or credited on bonds, promissory notes, or other obligations issued by a corporation or partnership described in paragraph (1) of subsection (b), or on mortgages on residential property located in Puerto Rico described in paragraph (2) of said subsection.	PR Internal Revenue Code Section 1023.05 (a)	Corporate Income Tax Return 2019 (Form 480.2) Schedule D1 Corporation Line 2 (b) Corporate Income Tax Return 2020 (Form 480.2) Schedule D1 Corporation Line 2 (b)
TEB - 137	<i>Business Tax</i>	Distributable share on net income subject to preferential rates from partnerships and special partnerships	(6) Eligible distribution of dividends and shares of partnership profits.- In the case of a person eligible under Section 1023.06, the eligible distribution of dividends or shares in partnership profits received, subject to the payment of the tax levied by said section. Nothing in the provisions of this paragraph affects the tax levied by said Section 1023.06 on such distributions, in any way. (b) Special Tax. - The special contribution provided in subsection (a) of this section shall be ten (10) percent of the total amount received by any eligible person from any eligible distribution made by a corporation prior to July 1, 2014, and shall be fifteen (15) percent of the total amount received by any eligible	PR Internal Revenue Code Section 1032.01 (a)(6) and Section 1023.06 (b)	Corporate Income Tax Return 2019 (Form 480.2) Schedule D1 Corporation Line 2 (c) Corporate Income Tax Return 2020 (Form 480.2) Schedule D1 Corporation Line 2 (c)

			person from any eligible distribution made by a corporation after June 30, 2014		
TEB - 138	<i>Business Tax</i>	Net income subject to the 4% tax rate from the operations of an international financial entity that operates as a banking unit	The net income subject to the 4% tax rate, generated by an international financial entity that operates as a banking unit, as reported on line 20, Part I of the return.	Act 273-2012 known as the International Financial Center Regulatory Act	Corporate Income Tax Return 2019 (Form 480.2) Schedule D1 Corporation Line 2 (d) Corporate Income Tax Return 2020 (Form 480.2) Schedule D1 Corporation Line 2 (d)

<p>TEB - 139</p>	<p><i>Business Tax</i></p>	<p>Other income subject to preferential rates</p>	<p>(7) Compensation paid by sports team international associations or federations.- The compensation received or earned by any resident or nonresident individual from a member team of an association or international federation, associations or affiliate entities thereof, attributable to personal services rendered in Puerto Rico in connection with the holding of games of said association or federation in Puerto Rico, subject to the twenty (20) percent tax levied by Section 1023.07. Nothing in the provisions of this paragraph affects the tax levied by said Section 1023.07 on such income, in any way. This paragraph applies to member teams of the following international associations or federations: (A) Major League Baseball teams, including but not limited to the Office of the Commissioner of Major League Baseball, Major League Baseball Properties, Inc., Major League Baseball Enterprises, Inc., Baseball Television, Inc., Major League Baseball Advanced Media, L.P. and their successor entities, with respect to Major League Baseball games held in Puerto Rico. (B) National Basketball Association (NBA), including but not limited to the Office of the Commissioner of the National Basketball Association, NBA TV, NBA Latin America, Inc., Women's National Basketball Association (WNBA) or the National Basketball Development League (NBDL) and their successor entities, with respect to NBA basketball games held in Puerto Rico. (8) Special tax on variable annuities in separate accounts.- Income subject to the special tax on variable annuities under Section 1023.08.</p>	<p>PR Internal Revenue Code Section 1032.01 (a) (7)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule D1 Corporation Line 2 (e) Corporate Income Tax Return 2020 (Form 480.2) Schedule D1 Corporation Line 2 (e)</p>
-------------------------	----------------------------	--	--	---	--

<i>Exclusions</i>					
TEB - 140	<i>Business Tax</i>	Plantation insurance	The amounts received under any plantation insurance, excluding fire insurance as a result of losses incurred by the insured.	PR Internal Revenue Code Section 1031.01 (b) (8)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part I Line 1 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part I Line 1
TEB - 141	<i>Business Tax</i>	Amount received through any grant or stimulus paid by the Federal Government as a result of COVID-19	Tax year 2020: The amount received through any grant or stimulus paid by the Federal Government to help mitigate the emergency as a result of COVID-19. Include a breakdown with the description of the Federal Government assistance program that allowed you access to this benefit, the amount of the payment and any other required information.	Instructions Booklet Income Tax Return 2020 of Taxable Corporations Schedule IE Corporation Part I Line 4	Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part I Line 4
TEB - 142	<i>Business Tax</i>	Amount received through any grant or stimulus paid by the Government of Puerto Rico as a result of COVID-19	The amount received through any grant or stimulus paid by the Puerto Rico Government to help mitigate the emergency as a result of COVID-19. Include a breakdown with the description of the Puerto Rico Government assistance program, either at the central level or at the municipal level that allowed you access to this benefit, the amount of the payment and any other required information.	Instructions Booklet Income Tax Return 2020 of Taxable Corporations Schedule IE Corporation Part I Line 5	Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part I Line 5

<p>TEB - 143</p>	<p><i>Business Tax</i></p>	<p>Income derived from discharge of debts</p>	<p>(10) Income derived from the forgiveness of debts (A) Exclusion Income derived from the forgiveness of debts, in whole or part, shall not be subject to the income tax under this Subtitle if said forgiveness is by reason of any of the following cases: (i) The forgiveness is the filing of a bankruptcy petition in an action under the provisions of Title 11 of the United States Code and said forgiveness is approved by a court with jurisdiction to hear such petition. (ii) The forgiveness occurs when the taxpayer is insolvent, in which case the amount excluded under this subparagraph shall not exceed the amount by which the taxpayer is insolvent. For purposes of this subparagraph: (I) the term "insolvent" means the excess of debts over the fair market value of assets, and (II) debtor insolvency shall be determined based on the assets and debts of the taxpayer immediately before the forgiveness. (iii) The forgiven debt is a student loan and the forgiveness is in accordance with a provision of said loan allowing the forgiveness, in whole or part, if the taxpayer works for a determined period of time in certain professions or for determined employers (other than the lender). (iv) Forgiven debt is the product of a reorganization of a mortgage loan secured by the taxpayer's qualified residence. The term "qualified residence" shall have the meaning provided in Section 1033.15(a)(1)(D), except that, for purposes of this clause, the residence must be located in Puerto Rico. For</p>	<p>PR Internal Revenue Code Section 1031.01(b)(10)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part I Line 2 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part I Line 2</p>
-------------------------	----------------------------	--	---	--	---

			purposes of this subsection: (I) The original mortgage loan debt cannot exceed one million (1,000,000) dollars.		
TEB - 144	<i>Business Tax</i>	Net income (or loss) from sources outside Puerto Rico not related to the operation carried out in Puerto Rico by a foreign corporation	Verify with Aixa if should be included, not new: The amounts of net income (or loss) from sources outside Puerto Rico not related to the operation carried out in Puerto Rico by a foreign corporation.	Corporations Schedule IE Corporation Part I Line 3	Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part I Line 3
TEB - 145	<i>Business Tax</i>	Interest on mortgages on residential property located in Puerto Rico granted after January 1, 2014	Tax Yar 2020:Interest upon mortgages on residential property located in Puerto Rico issued after January 1,2014 (including mortgages on newly constructed property that have been issued in conjunction with the first transmission of the mortgaged property to a new owner), and secured or guaranteed under the provisions of the National Housing Act, approved June 27, 1934, as amended, or under the provisions of the Servicemen's Readjustment Act of 1944, as amended.	PR Internal Revenue Code Section 1031.01(b)(14)	Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part I Line 6

<p>TEB - 146</p>	<p><i>Business Tax</i></p>	<p>Other exclusions</p>	<p>(b) Exclusions from Gross Income.- The following items shall be excluded from the definition of gross income: (1) Life insurance. (2) Donations, gifts, legacies and inheritances. (3) Compensation for injury or illness. (4) Death benefits received by heirs or beneficiaries of members of certain retirement systems. (5) Scholarships. (6) Literary, journalistic, scientific and artistic prizes, and prizes for industrial, agricultural, or professional development. (7) Federal social security for old-age and survivors. (9) Basic subsidies to foster homes. (12) Sales and Use Tax Inspection Plan prizes. (15) The compensation or indemnities received by an employee due to dismissal, without the need to determine just cause, up to a maximum amount equal to the indemnification that the employee could receive under Act No. 80 of May 30, 1976, as amended.</p>	<p>PR Internal Revenue Code Section 1031.01 (b)(1), (2), (3), (4), (5), (6), (7), (9), (11), (12), (13), (14)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part I Line 3 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part I Line 7</p>
<p><i>Exemptions</i></p>					
<p>TEB - 147</p>	<p><i>Business Tax</i></p>	<p>Obligations from the United States Government, any of its states, territories or political subdivisions</p>	<p>(a) The following items of income shall be exempt from tax under this Subtitle: (3) Tax-exempt interest.- Interest on: (A) the obligations of the United States, any U.S. state or territory, or any political subdivision thereof and the District of Columbia;</p>	<p>PR Internal Revenue Code Section 1031.02 (a)(3)(A)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (A)Corporate Income Tax Return 2020 (Form 480.2) Schedule IE</p>

					Corporation Part II Line 1 (A)
TEB - 148	<i>Business Tax</i>	Obligations from the Commonwealth of Puerto Rico	(a) The following items of income shall be exempt from tax under this Subtitle: (3) Tax-exempt interest.- Interest on: (B) the obligations of the Government of Puerto Rico or any of its instrumentalities or political subdivisions;	PR Internal Revenue Code Section 1031.02 (a)(3)(B)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (B) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (B)
TEB - 149	<i>Business Tax</i>	Securities under Agricultural Loans Act	(C) securities issued under the provisions of the Federal Farm Loans Act of 1971, or by virtue of the provisions of said Act as it may be amended, including obligations issued by any subsidiary of the Farm Credit Banks of Baltimore directly or indirectly engaged in financing loans to farms and farmers in Puerto Rico with said funds, including loans to rural residents to finance rural housing, loans to cooperatives owned and controlled by farmers and engaged in marketing or distributing farm produce, the purchase of materials, or the provision of services to farm businesses and the acquisition of loans or discounts of notes previously granted;	PR Internal Revenue Code Section 1031.02 (a) (3) (C)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (C) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (C)

<p>TEB - 150</p>	<p><i>Business Tax</i></p>	<p>Certain Mortgages</p>	<p>The interest income received from any of the following mortgages: secured by the National Housing Act of 1934, as amended, that has been issued no later than February 15, 1973 and possessed by residents of Puerto Rico on May 5, 1973 and issued within the 180 days following February 15, 1973 to be acquired by a resident of Puerto Rico; on residential property located in Puerto Rico issued after June 30, 1983 and before August 1, 1997 secured by the National Housing Act of 1934 or the Servicemen’s Readjustment Act of 1944, as amended; on new residential property located in Puerto Rico issued after July 31, 1997 and before January 1, 2014 and secured by the National Housing Act of 1934 or the Servicemen’s Readjustment Act of 1944. Out for Tax year 2020.</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) (D) (E) (F) (G) (H)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (D) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (D)</p>
<p>TEB - 151</p>	<p><i>Business Tax</i></p>	<p>Obligations secured or guaranteed under the Servicemen’s Readjustment Act of 1944</p>	<p>The interest income received from obligations secured by the Servicemen’s Readjustment Act of 1944 that were issued no later than February 15, 1973 and possessed by residents of Puerto Rico on May 5, 1973 and issued within the 180 days following February 15, 1973 to be acquired by a resident of Puerto Rico.</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) (I)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (E) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (E)</p>

<p>TEB - 152</p>	<p><i>Business Tax</i></p>	<p>Securities issued by cooperative associations up to \$5,000</p>	<p>(J) securities issued by cooperative associations organized and operated under the provisions of Act No. 239 of September 1, 2004, known as the General Cooperative Association Act of 2004, or under the provisions of Act No. 225 of October 28, 2002, known as the Cooperative Savings and Credit Union Act of 2002, up to a maximum of five thousand (5,000) dollars</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) (J)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (F) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (F)</p>
<p>TEB - 153</p>	<p><i>Business Tax</i></p>	<p>Obligations issued by the Conservation, Housing and Human Development Trust, the San Juan Monument's Patronage and SER of Puerto Rico</p>	<p>(L) obligations issued by (i) the Conservation Trust of Puerto Rico, as created and operated under Deed No. 5 of January 23, 1970, granted before Notary Public Luis F. Sanchez Vilella; (ii) Housing and Human Development Trust of Puerto Rico, as created and operated under Deed No. 135 of May 15, 2004, granted before Notary José Orlando Mercado Gelys; and (iii) the Board of Monuments in San Juan, as long as it obtains and maintains an exemption under Section 1101.01 of the Code, and whose purpose is to raise funds for the restoration and maintenance of the Iglesia San Jose in Old San Juan; (iv) Education and Rehabilitation Society of Puerto Rico (SER de Puerto Rico), provided that it obtains and maintains an exemption under Section 1101.01 of the Code. The exclusion from gross income and exemption from taxation of the interest generated by the obligations specified in this subsection (L) will not be affected by the fact that the source of</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) (L)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (G) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (G)</p>

			funds for the payment of these interests arise directly or indirectly from other obligations or financial instruments that do not benefit from tax treatment similar to the obligations referred to in this subsection (L).		
TEB - 154	<i>Business Tax</i>	Loans granted by a commercial bank to an employee owned special corporation for certain purposes	The income received from interests on loans issued by a commercial bank or any banking or financial organism established in Puerto Rico to an employees-owned special corporation, which proceeds are used by such special corporation for one of the following purposes: finance the acquisition, development, construction, expansion, rehabilitation or improvement of real property located in Puerto Rico to be used for commercial purposes by the special corporation, provided that the loan does not exceed the cost of the property or the improvements to be made on it; finance the acquisition of machinery or other tangible personal property to be used for commercial purposes by the special corporation in its business operations in Puerto Rico, provided that the loan does not exceed the purchase price of such property; or finance the acquisition of capital stocks in a corporation that is treated for Puerto Rico income tax purposes as a purchase of the assets of that corporation.	PR Internal Revenue Code Section 1031.02 (a) (3) (M)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (H) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (H)

<p>TEB - 155</p>	<p><i>Business Tax</i></p>	<p>Loans granted by a commercial bank in Puerto Rico for acquisition and payment of membership certificates in an employee owned special corporation</p>	<p>The income received from interests on loans issued by a commercial bank or any banking or financial organism established in Puerto Rico to a person for the acquisition and payment of membership certificates as an ordinary, extraordinary or corporate member, as applicable, in an employees-owned special corporation.</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) (N)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (I) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (I)</p>
<p>TEB - 156</p>	<p><i>Business Tax</i></p>	<p>Loans granted by a commercial bank in Puerto Rico for the purchase or investment in preferred stocks of an employees owned special corporation</p>	<p>The income received from interests on loans issued by a commercial bank or any banking or financial organism established in Puerto Rico to a person for the purchase or investment in itself and for itself of preferred shares of an employeesowned special corporation.</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) (O)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (J) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (J)</p>
<p>TEB - 157</p>	<p><i>Business Tax</i></p>	<p>Loans for the establishment or expansion of small and medium businesses up to \$250,000</p>	<p>The income received from interests on loans of up to \$250,000 in the aggregate per exempt business granted to small and medium businesses as that term is defined in Act 732008, known as the "Economic Incentives for the Development of Puerto Rico Act" for its establishment or expansion, provided that the loan meets the requirements of the act known as the Community</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) (P)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (K) Corporate Income Tax Return 2020</p>

			Reinvestment Act of 1977, Pub Law 95-128, 91 Stat. 1147, as amended, and the requirements established by the Commissioner of Financial Institutions by regulations.		(Form 480.2) Schedule IE Corporation Part II Line 1 (K)
TEB - 158	<i>Business Tax</i>	Loans for the capitalization of small and medium businesses up to \$250,000	The income received from interests on loans of up to \$250,000 in the aggregate per exempt business granted to shareholders of exempt businesses to be used in the initial capitalization or a subsequent capital requirement of a small or medium business which enjoys tax exemption, as such term is defined in Section 2(i) of Act 73-2008, known as the Economic Incentives for the Development of Puerto Rico Act.	PR Internal Revenue Code Section 1031.02 (a) (3) (Q)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (L) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (L)
TEB - 159	<i>Business Tax</i>	Bonds, notes, or other obligations under Section 6070.56(h) of Act 60-2019	(h) Exemption for Individuals, Estates, Corporations, Partnerships, Limited Liability Companies, and Trusts with Respect to Interest Paid or Credited on Bonds, Notes, or Other Obligations of Certain Exempt Businesses.- (1) Exemption.- Any individual, estate, corporation, partnership, limited liability company, or trust shall be exempt from any tax imposed under the Internal Revenue Code and any license tax imposed under the Municipal License Tax Act on interest income earned from bonds, notes, or other obligations of an exempt business for the development, construction, or rehabilitation or improvements of an exempt business under this Chapter; provided, that the funds shall be entirely used in the	Puerto Rico Incentive Code Section 6070.56(h), Act 60-2019	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (M) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (M)

			development, construction, or rehabilitation or improvements of an exempt business and/or for the payment of existing debts of said exempt business, insofar as the funds from these existing debts have been originally used in the development, construction, or rehabilitation or improvements of the exempt business.		
TEB - 160	<i>Business Tax</i>	Other interest reported in Form 480.6D	The amount of other interests reported in Box 11 of Form 480.6D. Submit Form 480.6D. Form 480.6D-Box 11 – Other Interest Not Subject to Alternate Basic Tax: Include in this box the amount of interests paid or accrued that were not included in the other boxes of this form and that are not subject to alternate basic tax, as provided by Section 1021.02 of the Code.	Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 1 (N) Instructions Booklet Income Tax Return 2020 of Taxable Corporations Schedule IE Corporation Part II Line 1 (N)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (N) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (N)

<p>TEB - 161</p>	<p><i>Business Tax</i></p>	<p>Other interest not reported in Form 480.6D</p>	<p>The amount of other interests not reported in a Form 480.6D. Submit with your return a schedule showing a breakdown of such interests.</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (3) Instructions Booklet Income Tax Return 2018 of Taxable Corporations Schedule IE Corporation Part II Line 1N</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (O) not N Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (O) not N</p>
<p>TEB - 162</p>	<p><i>Business Tax</i></p>	<p>Industrial development income derived from certain interests</p>	<p>The dividends received by corporations distributed from industrial development income generated from interests on: obligations of the Government of Puerto Rico or any of its instrumentalities or political subdivisions; mortgages insured by the Puerto Rico Housing Finance Authority acquired after March 31, 1977; or loans or other securities which are guaranteed by a mortgage, issued by any pension or retirement system of a general nature established by the Legislative Assembly of Puerto Rico, the municipalities and agencies, instrumentalities and corporations of the Government of Puerto Rico, acquired after March 31, 1977.</p>	<p>Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 1 (O) Instructions Booklet Income Tax Return 2020 of Taxable Corporations Schedule IE Corporation Part II Line 1 (O)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 1 (O) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 1 (O)</p>

<p>TEB - 163</p>	<p><i>Business Tax</i></p>	<p>Cooperative associations</p>	<p>(C) Cooperative associations dividend.- The income received by residents of Puerto Rico from the distribution of dividends made by domestic cooperative associations. The income received by means of dividend distributions made by an International Insurer or a Holding Company of the International Insurer pursuant to the provisions of Article 61.240 of the Puerto Rico Insurance Code. Include Form 480.6D.</p>	<p>PR Internal Revenue Code Section 1031.02 (a) (4) (C)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 2 (B) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 2 (B)</p>
<p>TEB - 164</p>	<p><i>Business Tax</i></p>	<p>Exempt business under Act 60-2019 (Section 6070.56(e))</p>	<p>(e) Distributions of dividends or profits.- (1) Exemption.- The stockholders or partners of a corporation or partnership that is an exempt business shall not be subject to the payment of income taxes on distributions of dividends or profits from the earnings and profits generated from the opportunity zone net income of said exempt business.s made by domestic cooperative associations</p>	<p>Puerto Rico Incentive Code Section 6070.56(e) Act 60-2019</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 2 (D) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 2 (D)</p>
<p>TEB - 165</p>	<p><i>Business Tax</i></p>	<p>International Insurer or Holding Company of the International Insurer</p>	<p>D) Dividends of an International Insurance Company or International Insurance Holding Company.- Distributions of dividends by an International Insurance Company or International Insurance Holding Company under the provisions of Article 61.240 of the Puerto Rico Insurance Code. The amount of other exempt</p>	<p>PR Internal Revenue Code Section 1031.02(a)(4)(D)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 2 (C) Corporate Income Tax Return 2020</p>

			dividends reported in Box 16 of Form 480.6D. Submit Form 480.6D.		(Form 480.2) Schedule IE Corporation Part II Line 2 (C)
TEB - 166	<i>Business Tax</i>	Other dividends reported in a Form 480.6D	The amount of other exempt dividends reported in Box 18 of Form 480.6D. Provide the required information of Form 480.6D. Form 480.6D--Box 18 – Other Dividends Not Subject to Alternate Basic Tax: Include in this box the amount of dividends paid that were not included in the other boxes of this form and that are not subject to alternate basic tax, as provided by Section 1021.02 of the Code.	PR Internal Revenue Code Section 1031.02(a)(4) Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 2 (E) Instructions Booklet Income Tax Return 2020 of Taxable Corporations Schedule IE Corporation Part II Line 2 (E)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 2 (E) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 2 (E)
TEB - 167	<i>Business Tax</i>	Other dividends not reported in a Form 480.6D	The amount of other exempt dividends not reported in a Form 480.6D	PR Internal Revenue Code Section 1031.02(a)(4) Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 2 (F)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 2 (F) Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 2 (F) not E

<p>TEB - 168</p>	<p><i>Business Tax</i></p>	<p>Recapture of bad debts, prior taxes, surcharges and other items</p>	<p>(8) Recovery of bad debts, prior taxes, and surcharges.-Income attributable to the recovery during the tax year of a bad debt, prior tax, surcharge, or other item, to the extent of the amount of the recovery exclusion with respect to such debt, surcharge or amount.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(8)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 3 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 3</p>
<p>TEB - 169</p>	<p><i>Business Tax</i></p>	<p>Income from news agencies or unions</p>	<p>The income from news agencies or unions or other press services, received from journalism or broadcasting companies, for rents or royalties for the use or publication or the right to use or publish in Puerto Rico, literary or artistic property of such agencies or unions.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(11)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 4 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 4</p>

<p>TEB - 170</p>	<p><i>Business Tax</i></p>	<p>Certain income related to the operation of an employees owned special corporation</p>	<p>(17) Certain income related to the operation of special employee-owned corporations.- The following income is exempt from tax: (A) The income of special employee-owned corporations that is credited to the collective reserve account and to the social fund. For contributions to the social fund to qualify for the exclusion herein granted, it shall be necessary that the benefits of the social fund are accessible to all residents of the municipality where the special employee-owned corporation has established its principal office, except for regular and corporate members of the corporation. In addition, it should be demonstrated to the Secretary of the Treasury that the social fund is used for the purposes provided in Article 1507 of Act No. 144 of August 10, 1995, as amended. (B) The portion of notices of credit for productivity and patronage that special employee-owned corporations capitalize in the internal capital accounts of regular and special members and that cannot be distributed or paid until the regular or special member ends all relations with the special employee-owned corporation. Any amount so excluded from gross income and later distributed to the member while he remains in a relationship with the special corporation shall be subject to a penalty of ten (10) percent of the amount distributed and shall be included in gross income for that year. The ten (10) percent penalty shall be withheld by the special employeowned corporation and remitted immediately to the Secretary. (C) Ninety (90) percent of the income</p>	<p>PR Internal Revenue Code Section 1031.02(a)(17)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 5 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 5</p>
-------------------------	----------------------------	---	--	--	--

			received by a person as rent for real and personal property of any kind, used by a special employee-owned corporation in its development, organization, construction, establishment or operation.		
TEB - 171	<i>Business Tax</i>	Income received or earned in relation to the celebration of sports games organized by international associations or federations	<p>(21) Income received or earned with respect to games organized by international associations or federations.-</p> <p>Income of any kind received or earned by teams of members of international associations or federations or associations or entities affiliated with said teams, and income of any kind earned by entities contracted by said teams, associations or affiliates to organize and manage the operation, promotion or administration of said games in Puerto Rico.</p>	PR Internal Revenue Code Section 1031.02(a)(21)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 6 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 6
TEB - 172	<i>Business Tax</i>	Income derived by the International Insurer or Holding Company of the	The income derived by the International Insurer or a Holding Company of the International Insurer, subject to the provisions of Article 61.240 of the Puerto Rico Insurance Code, including the	PR Internal Revenue Code Section 1031.02(a)(23)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE

		International Insurer	income derived from the liquidation or dissolution of the operations in Puerto Rico.		Corporation Part II Line 7 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 7
TEB - 173	<i>Business Tax</i>	Rents from the Historic Zone	Rent from the Historic Zone. For taxable years beginning before January 1, 2020, subject to the requirements of Act No. 7 of March 4, 1955, as amended, and any other law that substitutes or complements it, up to the limit established in such laws, the rents earned for leasing existing buildings in the Historic Zone of the city of San Juan the Baptist of Puerto Rico or in any historic zone established in Puerto Rico by the Institute of Puerto Rican Culture, or the Planning Board that has been improved, restored, restructured, or substantially reconstructed or of new construction in accord with the norms established by the Institute of Puerto Rican Culture to harmonize with the characteristics of the historic zone where they are located, and having obtained the corresponding permits from the pertinent agencies and a certificate from the Institute of Puerto Rican Culture establishing its conformity with the structure just as it has been finished. Substituted by Act 60-2019 as of January 1, 2020- Section 2072.01(a) Preferential flat tax rate of four percent (4%).- The income of an Eligible Business derived from eligible activities described hereinbelow shall be subject to a	PR Internal Revenue Code Section 1031.02(a)(28)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 8 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line

			preferential flat income tax rate of four percent (4%) in lieu of any other income tax provided by the Puerto Rico Internal Revenue Code or any other law; provided, that the requirements applicable to its eligible activity are met: (1) Rents received for the rental of buildings in the Historic Zones of Puerto Rico; provided, that they meet the requirements of Act No. 7 of March 4, 1955, as amended, known as the "Historic Zones Tax Exemption.		
TEB - 174	<i>Business Tax</i>	Income from vessels owner's associations and mutual protection and indemnity	(a) The following items of income shall be exempt from tax under this Subtitle: (35) Miscellaneous items.- (D) receipts of vessel owner and mutual protection and indemnity associations	PR Internal Revenue Code Section 1031.02(a)(35)(D)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 9 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 8
TEB - 175	<i>Business Tax</i>	Income from buildings rented to the Commonwealth of Puerto Rico for public hospitals or schools, or health homes (Contracts in	The income derived from buildings leased to the Government of Puerto Rico for public hospitals, convalescence or nursing homes and public schools, exclusively for those buildings that had a lease contract in effect as of November 22, 2010.	PR Internal Revenue Code Section 1031.02(a)(35)(F)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 10

		force as of November 22, 2010)			Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 9
TEB - 176	<i>Business Tax</i>	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the Internal Revenue Code of 1994	The provisions on the excise tax on acquisitions, made after December 31, 2010, of personal property and services between related persons shall be those provided in Sections 2101, 2102, 2103, 2104, 2105 and 2106 of Act 120-1994, as amended, known as the "Puerto Rico Internal Revenue Code of 1994," effective on the date of enactment of this Code, except that any reference in such sections to specific provisions of the Puerto Rico Internal Revenue Code of 1994 (other than subsections (f) and (h) of Section 1123 of said Code) shall be understood, for purposes of this Code, to refer to the analogous provision of this Code.	PR Internal Revenue Code Section 1031.02(a)(35)(G)	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 11 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 10

<p>TEB - 177</p>	<p><i>Business Tax</i></p>	<p>Distributions of Amounts Previously Notified as Deemed Eligible Distributions under Sections 1023.06(j) and 1023.25(b)</p>	<p>1023.06(j) Transitional Provisions - The amount of any eligible distribution made by a corporation or partnership during the period between July 1, 2006 and December 31, 2006, subject to a special tax rate of five (5) percent of the total amount received by any eligible person, in lieu of the special tax established under subsection (b), and not currently distributed to the shareholders or partners of said entities, may be maintained in the books of the corporation or partnership in question, in order to comply with any contractual, commercial or statutory commitment of said entities, to be taken into account when making any kind of distribution by the Board of Directors of managing partner or directors of said corporations or partnerships, and subject as such to the discretion thereof, in terms of the source or origin of the monies to be distributed in the future by any such entities.</p> <p>1023.25(b) Tax applicable to constructive distributions. Any corporation has, within the periods provided in subsection (a) of this section, the authority to designate, as a constructive distribution, an amount up to the retained earnings and profits subject to the special tax provided in subsection (a) of this section, without having to distribute them during the temporary period.</p> <p>(1) Any corporation that designates an amount as a constructive distribution and submits the election and payment no later than April 30, 2015, shall be entitled to the special tax of five (5) percent.</p>	<p>PR Internal Revenue Code Section 1023.06 (j) and 1023.25(b)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 12 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 11</p>
-------------------------	----------------------------	--	--	--	--

			<p>(2) Any corporation that designates an amount as a constructive distribution and submits the election and payment after April 30, 2015 and no later than June 30, 2015, shall be entitled to the special tax of eight (8) percent.</p> <p>(3) Any corporation that designates an amount as a constructive distribution and submits the election and payment after September 30, 2015 and no later than December 31, 2015, shall be entitled to the eight (8) percent special tax; provided that, it shall not be necessary for the taxpayer to present the distribution described in this paragraph on its income tax return, provided that the taxpayer pays the tax on the forms provided by the Secretary for these purposes. The special tax provided in this paragraph shall not apply to taxpayers subject to the provisions of Section 1022.03(b)(2)(B) of this Code.</p> <p>(4) Any corporation that designates an amount as a constructive distribution taxed under Section 1062.13 and submits the election and payment during the periods set forth in paragraphs (1), (2) and (3) of this subparagraph may reduce the amount of earnings and profits as established in Section 1062.13 of the Code.</p>		
--	--	--	--	--	--

<p>TEB - 178</p>		<p>Distributions of Dividends or Benefits from Industrial Development Income of Exempt Businesses and in Liquidation under Act 73- 2008 and Act 135-1997</p>	<p>The distributions of dividends or profits of industrial development income of exempt businesses or in liquidation under the Economic Incentives for the Development of Puerto Rico Act (Act 73-2008) and the Tax Incentives Act of 1998 (Act 135-1997). For the treatment of such current or liquidation distributions, see Internal Revenue Circular Letter No. 09-06 of July 22, 2009.</p>	<p>Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 13 Act 73-2008 and Act 135-1997</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 13 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 12</p>
<p>TEB - 179</p>	<p><i>Business Tax</i></p>	<p>Rent of residential property under Act 132-2010</p>	<p>The distributions of dividends or profits of industrial development income of exempt businesses or in liquidation under the Economic Incentives for the Development of Puerto Rico Act (Act 73-2008) and the Tax Incentives Act of 1998 (Act 135-1997). For the treatment of such current or liquidation distributions, see Internal Revenue Circular Letter No. 09-06 of July 22, 2009.</p>	<p>Sec. 2 (a) Act 132-2010, as amended</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 14 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 13</p>
<p>TEB - 180</p>	<p><i>Business Tax</i></p>	<p>Income produced by a new business that operates under a special Act for the incentive and financing of young entrepreneurs (Act 135-2014)</p>	<p>(a) Granting of Tax Exemption.—The income earned by any Eligible Lessor from the leasing of a residential property shall be fully exempted from Puerto Rico’s income taxes, including the alternate basic tax and the minimum alternative tax provided in the Code. The tax exemption herein provided shall apply to the income earned with respect to leasing contracts entered into after the effective date of this Act, including those entered into after June 30, 2011, as well</p>	<p>Sec. 3 of Act 135- 2014</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 15 Corporate Income Tax Return 2020 (Form 480.2)</p>

			as those entered into at the time of the approval of this Act.		Schedule IE Corporation Part II Line 14
TEB - 181	<i>Business Tax</i>	Distributable share in the exempt income from pass-through entities (Forms 480.6 EC, 480.6 SE and 480.6 S)	The gross income, up to \$500,000, generated by a new business created by a young entrepreneur whose age fluctuates between 16 and 35 years. Such new business will have to be in the first three years of operation with a special agreement for the creation of young businesses. For additional details, refer to the Act 135-2014 (Act for the Incentives and Financing of Young Entrepreneurs).	Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 16	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 16 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 15
TEB - 182	<i>Business Tax</i>	Exempt income from rent under Act 165-1996	Exempt amount (90%) of the total of rent received from the rental housing program for elderly persons with low income according with the disposition of Act 165-1996, as amended.	Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 17	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 17
TEB - 183	<i>Business Tax</i>	Exempt income of bonafide farmer Act 225-1995	The Act establishes the requirements to qualify as a "bona fide" farmer and provide a 90% exemption from the payment of all kinds of taxes on movable and real property, municipal license tax, taxes, income taxes, excise taxes and all municipal and/or state taxes or fees.	Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 18	Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 18

<p>TEB - 184</p>	<p><i>Business Tax</i></p>	<p>Other payments reported in a Form 480.6D</p>	<p>The amount received from the distributable share in the exempt income from pass-through entities as informed in Forms 480.60 EC, Part III, line 13</p>	<p>Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 19 Instructions Booklet Income Tax Return 2020 of Taxable Corporations Schedule IE Corporation Part II Line 16</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 19 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 16</p>
<p>TEB - 185</p>	<p><i>Business Tax</i></p>	<p>Other payments not reported in a Form 480.6 D</p>	<p>Total amount of income reported in Box 19 of Form 480.6D. (Box 19 of Form 480.6D - Any other exempt income received during the year that is not included in the other boxes of 480.6D and that is not subject to alternate basic tax, as provided by Section 1021.02 of the Code.)</p>	<p>Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 20 Instructions Booklet Income Tax Return 2020 of Taxable Corporations Schedule IE Corporation Part II Line 27</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 20 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 17</p>

<p>TEB - 186</p>	<p><i>Business Tax</i></p>	<p>Other exemptions</p>	<p>(a) The following items of income shall be exempt from tax under this Subtitle: (6) Incentives received by farmers.- (A) In the case of any farmer, the incentives received from the Government of Puerto Rico for: (i) the purchase of farm machinery used for the production of sugar cane, coffee, vegetables, rice and food crops; (ii) the purchase of fertilizer, herbicide, fungicide and materials for land improvement, beekeeping, mariculture, aquaculture and otherwise as determined or added by the Secretary of Agriculture; (iii) the purchase of wire, posts, cattle fencing materials and otherwise as determined or added by the Secretary of Agriculture; and (iv) the construction of cattle, hog and poultry facilities and fishing vessels. (B) These incentives shall be deemed a reduction of costs or expenses, as the case may be, incurred by the farmer. The Secretary of Agriculture must submit to the Secretary each year, on or before January 31 of the year following the calendar year in which said incentives were granted, a list containing the following information: (i) name, account number and address of each farmer to whom the incentives have been granted, and (ii) item and amount of the incentives. (7) Improvements by lessee on lessor's property.-Income, other than rent, derived by a lessor of real property upon the termination of a lease, representing the value of such property attributable to buildings erected or other improvements made by the lessee.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(6), (7), (22), (31) and (35)(B), (C) Instructions Booklet Income Tax Return 2019 of Taxable Corporations Schedule IE Corporation Part II Line 21</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule IE Corporation Part II Line 21 Corporate Income Tax Return 2020 (Form 480.2) Schedule IE Corporation Part II Line 18</p>
-------------------------	----------------------------	--------------------------------	---	---	---

			<p>(22) Income earned by Caribbean Series participants.- Income earned by the nonresident players, managers, technical personnel and foreign teams participating in Caribbean Series Professional Baseball games held in Puerto Rico.</p> <p>(31) Income of international banking entities.- Income from any of the activities described in subsection (a) of Section 12 of Act No. 52 of August 11, 1989, as amended, known as the "International Banking Center Regulatory Act," carried on by any International Banking Entity authorized to carry on such activities under the provisions of said act, including the income derived from the liquidation or winding up of operations in Puerto Rico.</p> <p>(35) Miscellaneous items.-</p> <p>(B) income of the U.S. government, foreign governments and international organizations.- Income of the Government of the United States, foreign governments or international organizations, received from investments in Puerto Rico in shares, bonds or other domestic securities held by said governments or international organizations, or interest on deposits in banks in Puerto Rico on monies belonging to said governments or international organizations, or from any other source within Puerto Rico; (C) income of states, municipalities and other political subdivisions.- Income derived from any public utility company or the performance of any essential government function, accrued by any state, territory or the District of Columbia, or any political subdivision of a state or territory,</p>		
--	--	--	---	--	--

			or income accrued by the government of any U.S. possession or any political subdivision thereof.		
<i>Credits</i>					
Subject to Moratorium					

<p>TEB - 187</p>	<p><i>Business Tax</i></p>	<p>Credit attributable to losses or for investment in the Capital Investment Fund, Act - 46 , including purchases.</p>	<p>PR Internal Revenue Code Section 1051.08 (b) Credits subject to moratorium: (2) Subparagraph (a) of Article 14 of Act No. 46 of January 28, 2000, as amended, known as the Puerto Rico Investment Capital Investment Fund Act of 1999</p> <p>Act 46-2000: (a) Tax Credit.- The Administrator of the Fund shall be entitled to a tax credit equivalent to 25% of the sum of money received by the Fund as private proprietary interests in the Fund, which can be used solely as provided in subsection (b) and (d) of this Section. The tax credit shall be available at the time the Fund receives cash which qualifies it as an investment of private proprietary funds.</p>	<p>PR Internal Revenue Code Section 1051.12(a)(2) Act 46-2000</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 1 & Part IV Line 2 Corporate Income Tax Return 20120 (Form 480.2) Schedule B Part II Line 1 & Part IV Line 2</p>
<p>TEB - 188</p>	<p><i>Business Tax</i></p>	<p>Credit for investment in housing infrastructure (Act 98-2001, as amended) , including purchases.</p>	<p>PR Internal Revenue Code Section 1051.12(a) Credits subject to moratorium: (7) Subparagraphs (a) and (b) of Article 4 of Act No. 98 of August 10, 2001, as amended, known as the Housing Infrastructure Investment Tax Credit Act.</p> <p>Subject to the provisions of this Act, every petitioner may qualify for a Special Credit for Investment in Housing Infrastructure by the investment made in the construction of infrastructure. For the effect of the computation of credit provided under this Act, only that Special Investment in Housing Infrastructure recommended by the designated officials of the Department of Housing and the Treasury Department shall be taken into consideration, once the merits of the application for Investment Credits in Housing Infrastructure are analyzed. The</p>	<p>PR Internal Revenue Code Section 1051.012(a)(7)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 2 & Part IV Line 4 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 2 & Part IV Line 3</p>

			<p>Secretary of Housing, upon consultation with the Secretary of the Treasury, shall have the discretion, when merited by the best interest of the Commonwealth of Puerto Rico, to grant the credits provided in this Act with regard to extraordinary investments in infrastructure in projects begun between the first of January of 2001, and the date that the regulations referred to in Section 7 of this Act become effective.</p> <p>Tax credit consists of the equivalent of 100% of the total cost of the housing project, if not owned by the petitioner or 75% of the cost of social interest housing or 50% of middle class housing, that are owned by the petitioner. This credit is subject to the 25% limitation imposed by Section 1051.13. Article 4 (f) of Act 98-2001 provides for the transfer of the credit.</p>		
TEB - 189	<i>Business Tax</i>	Credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001) , including purchases.	<p>PR Internal Revenue Code Section 1051.12(a) Credits subject to moratorium: (6) Subparagraph (A) of Article 3 of Act No. 140 of October 4, 2001, as amended, known as the ""Social Housing Construction or Rehabilitation Investment Act,"" except for those credits allowed or pending final approval for social housing projects for sale or rent or elderly facilities meeting the following requirements: (1) to have a certificate of qualification, and (2) to have an amount of reserved credits." "Subject to the provisions of this Act, every owner of a rental housing project for low income families may qualify for a tax credit of \$.50 for each \$1.00 of</p>	<p>PR Internal Revenue Code Section 1051.12(a)(6)</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 3 & Part IV Line 5 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 3 & Part IV Line 4</p>

			Eligible Investment used in the new construction or substantial restoring of housing units to be rented to low or moderate income families. Act 140-2001 also provides a credit Affordable Housing projects for rent to the elderly. The credit in this case is 75% of every dollar used in an eligible investment. Article 1.6 (a) of Act 140-2001 provides for the transfer of the credit. "		
TEB - 190	<i>Business Tax</i>	Credit for construction investment in urban centers (Act 212-2012, as amended), including purchases.	PR Internal Revenue Code Section 1051.11 (b)(5(F)) Credits subject to moratorium: Paragraphs (E) and (F) of Article 4.03 and Article 4.04 of Act No. 212 of August 29, 2002, as amended, known as the Urban Center Revitalization Act; the moratorium shall apply as follows: Credits granted during Fiscal Years 2018-19 to 2023-24; only up to fifty (50) percent of the credit granted in tax years beginning after the end of the first semester of the fiscal year during which the tax credit is granted may be claimed; and any remanent in subsequent tax years. Act 212-2002: Section 4.03(F).- A tax credit shall be granted equal to 75% of the investment in the construction of a rehabilitation project of an urban center. In case that the project is located in an historical zone or around a public Plaza of the urban center, the credit shall be of 100%. This credit is subject to the 25% limitation imposed by Section 1051.13.	PR Internal Revenue Code Section 1051.11(a)(5)(F)	Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 4 & Part IV Line 7 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 4 & Part IV Line 6
TEB - 191	<i>Business Tax</i>	Credit for merchants affected by urban centers revitalization (Act	The amount of Tax Credit for Merchants Affected by Urban Center Revitalization. Every commercial entity established in the area affected by the construction of	Art. 4.04 (A) Act 212 - 2002	Corporate Income Tax Return 2019 (Form 480.2)

		212-2002, as amended)	the revitalization projects in urban centers, will be entitled to claim an 8% tax credit from 50% of the gross sales generated during the construction period		Schedule B Part II Line 5
TEB - 192	<i>Business Tax</i>	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products	<p>PR Internal Revenue Code Section 1051.09: (a) Any eligible business that purchases eligible products manufactured in Puerto Rico, including components and accessories, shall be entitled to claim a credit against the taxes provided in this Subtitle A, as provided in subsection (c) of this Section.</p> <p>(c) The credit granted under this section shall be computed as follows:</p> <p>(1) First, the amount of purchases of eligible products manufactured in Puerto Rico, made by the eligible business during the tax year shall be determined.</p> <p>(2) Then, the average purchases of eligible products manufactured in Puerto Rico made by the eligible business for the 3 of the 10 preceding tax years, reflecting minor purchases, shall be determined; i.e., excluding the 7 years when the amount of purchases was highest.</p> <p>(3) Amount of the Credit.</p> <p>(A) In general. The credit for purchases of eligible products shall be 10% of the excess purchases of said eligible products, as determined in paragraph (1), over the average determined in paragraph (2).</p> <p>(B) In the case of products manufactured in Puerto Rico by tuna processing plants, the credit shall be 10% of the total purchases of said eligible products, as determined in paragraph (1), without applying the limitations provided in subsection (b)(2)(B) of this Section. (C)</p>	PR Internal Revenue Code Section 1051.07 & 1051.09	Corporate Tax Return 2019 (Form 480.2) Schedule B Part II Line 6

			Credit limitation. The credit provided by this section may be used to reduce the tax of the eligible business levied under Subtitle A, by up to 25%. Any credit not used by the eligible business may be carried forward to subsequent tax years until used in full, subject to the preceding limitation.		
TEB - 193	<i>Business Tax</i>	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	PR Internal Revenue Code Section 1051.09: (b) Credits subject to moratorium: (4) Subparagraph (a) of Article 17 of Act No. 183 of December 27, 2001, as amended, known as the Puerto Rico Conservation Easement Act; Line 7 – Enter the amount of credit for the establishment and donation of a conservation easement, equal to 50% of the value of the eligible conservation easement.	PR Internal Revenue Code Section 1051.12(b)(4) Act 183-2001	Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 7 & Part IV Line 6 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 5 & Part IV Line 5
TEB - 194	<i>Business Tax</i>	Credits carried from previous years	The total of carryforward credits determined on line 27, Part II of Schedule B Corporation of the income tax return filed in the previous year, which are subject to moratorium under Sections 1051.11 and 1051.12 of the Code. The taxpayer must include with the return a detail that includes the taxable year in which the credit was originated, the amount of credit generated per taxable year, the amount of credit carried over per taxable year used in previous taxable years, the taxable year in which any balance of such credit was claimed and the balance of credit available for the current taxable year.	Instructions Booklet - Individual Income Tax Return 2019 & 2020 Schedule B Part II Line 9 & Line 7, respectively.	Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 9 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 7

<p>TEB - 195</p>	<p><i>Business Tax</i></p>	<p>Other credits not included on the preceding lines</p>	<p>The total of credits subject to moratorium that has not been included on the previous lines. Include with your return a schedule showing a breakdown of the credits included on this line. In addition, you must submit evidence of the credit that is being claimed:</p> <p>PR Internal Revenue Code Sections 1051.08 (1) Subparagraph (b) of Article 21 of Act No. 70 of June 23, 1978, as amended, known as the Puerto Rico Solid Waste Authority Act;</p>	<p>Instructions Booklet Income Tax Return 2019 & 2020 of Taxable Corporations Schedule B Part II Line 10 & Line 8, respectively.</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 10 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 8</p>
<p>TEB - 196</p>	<p><i>Business Tax</i></p>	<p>Purchase: Solid Waste Disposal (Act 159-2011)</p>	<p>The amount of the tax credit available for the taxable year corresponding to the act (or acts) under which you acquired the tax credit. Enter in the space provided. The limitation related to the credits subject to moratorium will be made over the total credits subject to moratorium included on line 8, Part II of this Schedule, and not over each credit included in this part. To claim any of the credits included in this part, the taxpayer must submit with the return a sworn statement notifying the Secretary of the Treasury the purchase or transfer of the credit.</p> <p>Act 159-2011: Section 4.– Tax Credit for Investment in Exempt Facilities. (a) Subject to the provisions of subsections (b), (c), and (e) of this Section, any investor shall be entitled to a credit for investment in exempt facilities equal to 50% of the eligible investment to be applied in two (2) installments: half of said credit shall be used during the year in which the exempt facility obtained the necessary financing for its total construction, and the balance thereof</p>	<p>Act 159-2011 Section 4 PR Internal Revenue Code Section 1051.12(a)(1)</p>	<p>Corporate Tax Return 2019 & 2020 (Form 480.2) Schedule B Part IV Line 1</p>

			shall be used in the subsequent year or years, as established by the Secretary in the administrative determination approving the granting of the credit. If an escrow account is opened and then closed because the financing needed for the total construction of the exempt facility was not obtained, the participants shall not be entitled to the credit.		
TEB - 197	<i>Business Tax</i>	Purchase: Santurce Theatrical District (Act 178-2000)	<p>The amount of the tax credit available for the taxable year corresponding to the act (or acts) under which you acquired the tax credit. Enter in the space provided. The limitation related to the credits subject to moratorium will be made over the total credits subject to moratorium included on line 8, Part II of this Schedule, and not over each credit included in this part. To claim any of the credits included in this part, the taxpayer must submit with the return a sworn statement notifying the Secretary of the Treasury the purchase or transfer of the credit.</p> <p>Act 178-2000: Section 11.- Tax credit for investing in theatrical businesses.- (a) Subject to the provisions of subsection (c) of this Section, all investors, including participants in a fund, shall be entitled to a credit for investing in theatrical businesses for a limit of up to \$5,000,000 per fiscal year and of \$2,000,000 per fiscal year for the rehabilitation of</p>	PR Internal Revenue Code Section 1051.12(a)(3)/ Act 178-2000, Section 11	Corporate Tax Return 2019 (Form 480.2) Schedule B Part IV Line 3

			existing structures of their eligible investment or their investment in securities of a Securities Fund, or Funds to be claimed in 2 installments: for up to half of said credit in the year in which the theatrical business obtained the necessary financing for its operation, should such a financing be required, and the balance of said credit, within the next 2 subsequent years.		
TEB - 198	<i>Business Tax</i>	Purchase: Other Credits	The amount of the tax credit available for the taxable year corresponding to the act (or acts) under which you acquired the tax credit. Enter in the space provided. The limitation related to the credits subject to moratorium will be made over the total credits subject to moratorium included on line 8, Part II of this Schedule, and not over each credit included in this part. To claim any of the credits included in this part, the taxpayer must submit with the return a sworn statement notifying the Secretary of the Treasury the purchase or transfer of the credit.	Instructions Booklet Income Tax Return 2019 & 2020 of Taxable Corporations Schedule B Part IV Line 8 & Line 7, respectively.	Corporate Tax Return 2019 & 2020 (Form 480.2) Schedule B Part IV Line 8 & Line 7, respectively.

Not subject to Moratorium

<p>TEB - 199</p>	<p><i>Business Tax</i></p>	<p>Credit for increase in investments</p>	<p>(a) The tax levied by this Subtitle on the dividends derived from industrial development income received by corporations organized under the laws of any U.S. state engaged in trade or business in Puerto Rico shall be credited by three (3) percent of the investment made by the subsidiary before January 1, 1993 in the acquisition, construction and enlargement of buildings and other structures used in the manufacture in excess of the investment in such properties possessed by the subsidiary as of March 31, 1977. In the case of corporations that have not enjoyed a tax exemption under Act No. 73 of May 28, 2008, known as the "Puerto Rico Economic Development Incentives Act," or any similar prior law or any other superseding or complementary law, for two (2) tax years, this credit shall be allowed to the parent corporation for the increase in investments made by the subsidiary after the termination of its second year of tax exemption. This credit may be carried forward to subsequent tax years. (b) Investments in real property made for the purpose of qualifying for the dispensation provided in paragraph (6) of subsection (a) of Section 4 of the Puerto Rico Tax Incentives Act, as amended, may not be used for purposes of this section.</p>	<p>PR Internal Revenue Code Section 1051.05</p>	<p>Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 14</p>
-------------------------	----------------------------	--	--	---	---

<p>TEB - 200</p>	<p><i>Business Tax</i></p>	<p>Credit for investment in film industry development (Act 27-2011), including purchases.</p>	<p>Act 27 - 2011 - (1) In the case of Film Projects, the credit granted in Article 7.3 (a) will be equal to: (A) Forty percent (40%) of the amounts certified by the Auditor as disbursed in relation to Production Expenses of Puerto Rico, not including payments made to Non-Resident Talent; and (B) twenty percent (20%) of the amounts certified by the Auditor as disbursed in relation to Production Expenses of Puerto Rico that consist of payments to Non-Resident Talent. The credits generated by Production Expenses of Puerto Rico consisting of payments to Non-Resident Talent will not be subject to the limitations imposed in Article 7.3 (b) (3). (2) In the case of Infrastructure Projects, the credit granted in Article 7.3 (a) shall be equivalent to twenty-five percent (25%) of the amounts certified by the Auditor as disbursed in relation to the development and / or expansion of the Infrastructure Project in question. Act 60 -2019 - The Tax Credit available is: (i) Up to forty percent (40%) of the amounts certified by an Auditor as disbursed in connection with Puerto Rico Production Expenditures, without including payments made to Foreign Persons; and (ii) Up to twenty percent (20%) of the amounts certified by an Auditor as disbursed in connection with Puerto Rico Production Expenditures, consisting of payments made to Foreign Persons; and (iii) Up to fifteen percent (15%) of the amounts certified by an Auditor as disbursed in connection with Puerto Rico Production Expenditures, without</p>	<p>Section 7.3 Act 27-2011 Instructions Booklet Income Tax Return 2018 of Taxable Corporations Schedule B Part II Line 15</p>	<p>Corporate Income Tax Return 2019 (Form 480.2) Schedule B Part II Line 15 & Part IV Line 11 Corporate Tax Return 2020 (Form 480.2) Schedule B Part IV Line 11 & Line 12</p>
-------------------------	----------------------------	--	--	---	---

			<p>including payments made to Foreign Persons, in feature films, television series, or documentaries in which a Domestic Producer is in charge of the Film Project and the director, cinematographer, editor, production designer, post- production supervisor, or line producer are Domestic Persons, up to a maximum of four million dollars (\$4,000,000) of Tax Credit per Film Project under this item.</p> <p>Tax Credits granted for payments made to Domestic Persons shall never exceed fifty-five percent (55%) of the total Puerto Rico Production Expenditures, without including payments made to a Foreign Person.</p> <p>In the case of Film Projects, the Tax Credit approved may be used in two (2) or more installments. Fifty percent (50%) of the Tax Credit may be used in the Taxable Year during which the activities covered by the Decree begin, subject to the posting of a Bond acceptable to the Secretary of the DEDC or Auditor's Certification as provided in subsection (d) of this Section, and the balance of said Tax Credit in subsequent years. Act60-2019 provides that the tax credits generated thereunder may be assigned, sold or otherwise transferred."</p>		
--	--	--	---	--	--

<p>TEB - 201</p>	<p><i>Business Tax</i></p>	<p>Credit to investors who acquire an exempt business that is in the process of closing its operations in Puerto Rico (Act 109-2001), including purchases.</p>	<p>Reduces the costs of acquiring exempted businesses covered under the industrial tax incentives laws which are undergoing the process of closing their operations in Puerto Rico by granting a tax credit of up to 50% of the amount of the cash investment. (a) General rule.—All investors may claim an industrial investment credit equal to 50% of their eligible investment made after the approval of this Act, to be taken in 2 installments: the first half of said credit, in the year in which the eligible investment is made; the second half, in subsequent years.</p>	<p>Art. 2(a) Act 109 - 2001 Instructions Booklet Income Tax Return 2018 of Taxable Corporations Schedule B Part II Line 16</p>	<p>Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 16 & Part IV Line 12</p>
<p>TEB - 202</p>	<p><i>Business Tax</i></p>	<p>Credit for contributions to: (33) Santa Catalina’s Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly</p>	<p>(a) Amount of the Credit.- Amount of Credit. - A credit will be granted against the contribution imposed by this Subtitle for the donations generated or managed as a result of the effort of the Patronage of the Santa Catalina Palace or the Patronage of the State Capitol of the Legislative Assembly. The amount of this credit will be one hundred percent (100%) of the amount donated during the taxable year. (b) This credit will be in lieu of the deduction for donations granted by Section 1033.15 (a) (3). The amount of credit that can not be claimed in the taxable year in which the donation is made may be carried forward to the following taxable years until it is fully used. (c) The tax credits to be granted may not exceed two million five hundred thousand dollars (\$ 2,500,000) in the aggregate, for any taxable year. (d) Verification.- Any individual, corporation or partnership that claims the credit herein provided shall attach with their income tax return a certification issued</p>	<p>PR Internal Revenue Code Section 1051.06</p>	<p>Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 17 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 14</p>

			by the Patronage of the Palace of Santa Catalina showing that the donation was made and accepted.		
TEB - 203	<i>Business Tax</i>	Credit for investment Act 73-2008, including purchases.	Section 6.—Credit for Industrial Investment.— (b) General Rule.— (1) Subject to the provisions of clause (2) of this subsection, any investor may claim a credit for industrial investment equal to 50% of his/her eligible investment made after the date of approval of this Act, to be taken in 2 or more installments: the first half of said credit, in the year in which the eligible investment is completed, and the balance of said credit, in the following years.	Section 6(b) Act 73 - 2008	Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 18 & Part IV Line 15 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 15 & Part IV Line 14
TEB - 204	<i>Business Tax</i>	Credit for investment Act 83-2010 (Green Energy Incentives)	Section 2.11.-Credits.- (c) Green Energy Source Research and Development Investment Credit- (1) Any exempt business that holds a decree granted under this Act may claim a research and development investment credit equal to 50% of the special eligible investment made in Puerto Rico.	Art. 2.11(c) Act 83 - 2010	Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 19 & Part IV Line 16 Corporate Tax Return 2020 (Form 480.2) Schedule B Part IV Line 15

<p>TEB - 205</p>	<p><i>Business Tax</i></p>	<p>Credits carried from previous years</p>	<p>The total of carryforward credits determined on line 27, Part II of Schedule B Corporation of the income tax return filed in the previous year which are not subject to moratorium under Sections 1051.11 and 1051.12 of the Code. The taxpayer must include with the return a breakdown including the taxable year in which the credit was originated, the amount of credit generated per taxable year, the amount of credit carried over per taxable year used in previous taxable years, the taxable year in which any balance of such credit was claimed and the balance of credit available for the current taxable year.</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 & 2020 Schedule B</p>	<p>Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 22 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 18</p>
<p>TEB - 206</p>	<p><i>Business Tax</i></p>	<p>Other credits not included on the preceding lines</p>	<p>Act No. 362 of December 24, 1999, as amended, Sections 5 and 6 of Act No. 73 of May 28, 2008 and Section 4050.10 Credit for Purchases of Products Manufactured in Puerto Rico, Section 1051.07 Credit for the Increase in Purchases of Puerto Rico Farm Products, Section 1052.03 Tax Credits Program for the Acquisition of Newly Constructed Dwellings, and Section 1052.04 Tax Credit Program for the Acquisition of Existing Dwellings" The total amount of other tax credits not subject to moratorium not included on the preceding lines, for example, the credit for contributions to former governors foundations, provided as follows. A credit equivalent to 100% of the amount contributed during the taxable year to former governors foundations is granted for its operating</p>	<p>Instructions Booklet - Individual Income Tax Return 2019 & 2020 Schedule B</p>	<p>Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 23 Corporate Income Tax Return 2020 (Form 480.2) Schedule B Part II Line 19</p>

			<p>expenses and those expenses related to the purposes for which they were created and/or those charitable contributions to a Depository of Files and Relics of Former Governors and Former First Ladies of Puerto Rico constituted according to the provisions of Act 290-2000 by itself or as a whole with public or private Higher Education entities, to pay for the construction, operation and all necessary expenses for the true fulfillment of the purposes of Act 290-2000 and Act 302-2012. The tax credits to be granted cannot exceed \$1,000,000 in the aggregate, for any taxable year.</p>		
TEB - 207	<i>Business Tax</i>	Purchase:Tourism Development (Act 78-1993)	<p>Act 78 provides 90% exemption on income from eligible tourism activities, including benefits and dividends distributed from the exempt business to his shareholders or partners, as well as distributions in liquidation. The exemption period will be for a period of 10 years.</p> <p>(a) General Rule.</p> <p>Subject to the provisions of subsection (c) of this Article, every investor (including a participant) will be entitled to a credit for tourism investment equal to 50% of their eligible investment or their investment in securities of a fund, to be taken in 2 terms: The first half of said credit in the year in which the exempt business obtained necessary financing for the total construction of the tourism project, and the balance of said credit, in the following year.</p>	Act 74-2010/ Act 78-1993 / Act 60 -2019, Section 3010.01	<p>Corporate Tax Return 2019 (Form 480.2) Schedule B Part IV Line 10</p> <p>Corporate Tax Return 2020 (Form 480.2) Schedule B Part IV Line 9 & Line 10</p>

<p>TEB - 208</p>	<p><i>Business Tax</i></p>	<p>Purchase: Economic Incentives (Research and Development) (Act 73-2008)</p>	<p>Credit for Investment in Research and Development, Clinical Tests, Toxicological Tests, Infrastructure, Renewable Energy, or Intangible Property.— (1) Any tax-exempt business that holds a decree granted under this Act or under preceding tax incentives laws may claim a credit for investment equal to fifty percent (50%) of the special eligible investment made in Puerto Rico after the date of approval of this Act by said tax-exempt business or by any entity affiliated thereto.</p>	<p>Sec. 5(c) of Act 73, 2008</p>	<p>Corporate Tax Return 2019 & 2020 (Form 480.2) Schedule B Part IV Line 13</p>
<p>TEB - 209</p>	<p><i>Business Tax</i></p>	<p>Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)</p>	<p>Credit for Investment in Strategic Projects.— (1) Any tax-exempt business that holds a decree granted under this Act or under preceding laws may claim a credit for investment equal to fifty percent (50%) of the eligible investment made in strategic projects in Puerto Rico after the approval of this Act by the tax-exempt business or by any entity affiliated to the taxexempt business.</p>	<p>Sec. 5(g) of Act 73, 2008</p>	<p>Corporate Tax Return 2019 (Form 480.2) Schedule B Part IV Line 14</p>

TEB - 210	<i>Business Tax</i>	Purchase: Other Credits	Other tax credits not subject to moratorium not included on the preceding lines.	PR Internal Revenue Code Section 1051.11(d) Instructions Booklet Income Tax Return 2018 of Taxable Corporations Schedule B Part IV Line 17	Corporate Tax Return 2019 & 2020 (Form 480.2) Schedule B Part IV Line 18
TEB - 211	<i>Business Tax</i>	Credit for Investment in Opportunity Zones, including Purchases	Every investor should be entitled to an investment credit equal to the eligible percentage of such investor’s eligible investment made taken in four (4) installments: twenty-five percent (25%) of said credit in the year in which the exempt business finished the total construction of the Priority Project or, if the Priority Project does not require construction, upon the eligible business commencement of operations, whichever is later, and twenty-five percent (25%) of the credit balance in the next three (3) years.	Act 21-2019 / Act 60 - 2019	Corporate Income Tax Return 2019 (Form 482.0) Schedule B Part II Line 20 & Part IV Line 17 Corporate Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 16 & Part IV Line 17
TEB - 212	<i>Business Tax</i>	Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14)	Any television channel that purchases or broadcasts programming made in Puerto Rico by independent producers, employing by 90% or more Puerto Rico resident artists, may claim a credit of 15% of the expenses paid by the television channel in the tax year for which the credit is claimed, for the purchase or broadcast of new programming, subject to certain requirements and limitations.	PR Internal Revenue Code Section 1051.14	Corporate Income Tax Return 2020 (Form 482.0) Schedule B Part II Line 12
TEB - 213	<i>Business Tax</i>	Purchases: Credit for investment in research and development	Act 60 - 2019 provides for a credit for investment in research and development equal to fifty percent (50%) of the special eligible investment made in Puerto Rico after the approval of this Act by said exempt business or by any affiliated entity thereof	Section 3030.01, Act 60-2019	Corporate Tax Return 2020 (Form 480.2) Schedule B Part IV Line 16

Table 5

BUSINESS TAX

Business Tax Expenditure

TEB ID	Tax Regime	Tax Expenditure	Full Description	Legal Citation	Data Source for Tax Expenditure Estimates
INCENTIVE ACT					
<i>Preferential Tax Rate</i>					
TEB - 214	<i>Business Tax</i>	Act 135 - 1997, Tax Incentives Law of 1998, Act 73 - 2008, Economic Incentives for the Development of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 6	Under Act 135 - 1997, tax-exempt businesses, in general, enjoy a fixed income tax rate not greater than seven percent (7%), but of not less than two percent (2%). Benefits are available for applications filed up to December 31, 2019 - Act No. 73 of 2008, known as the Economic Incentives Act for the Development of Puerto Rico, was established to provide the adequate environment and opportunities to continue developing a local industry, offer an attractive tax proposal, attract direct foreign investment and promote economic development and social betterment in Puerto Rico. Tax-exempt businesses, in general, enjoy a fixed income tax rate not greater than four percent (4%). Benefits under this Act are available for applications filed up to December 31, 2019. Act 60- 2019 substitutes Act 73- 2008. "The PR Incentives Code provides incentives to promote manufacturing activities. The benefits granted are valid for 15 years and can be	Act 135 - 1997 / Act 73 - 2008 / Act 60 - 2019	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Industrial Development (Form 480.30(II)DI, Schedule V Incentives, Schedule X Incentives. 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 4 Incentives

			<p>extended for an additional 15 years. Exempt businesses have the option of a general or an alternate fixed tax regime: General scenario: 4% income tax rate with a withholding tax rate on royalty payments of 12%. Alternate scenario: 8% income tax rate with a withholding tax rate on royalty payments of 2%. Under both scenarios, the withholding tax on royalty payments is creditable against the applicable income tax rate. Novel Pioneer Activities are eligible for a 1% income tax rate. Dividend distributions enjoy a 100% exemption. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent percent (4%), for the remaining period of the decree. Benefits under this Act are available for applications filed after December 31, 2019."</p>		
TEB - 215	<i>Business Tax</i>	Act 20 - 2012, Export Services & - Act 60 - 2019 Subtitle B Chapter 3	<p>The PR Incentives Code provides incentives to promote the exportation of services. The benefits granted are valid for 15 years and can be extended for an additional 15 years. In general, Income derived from the exportation of services is subject to a four percent (4%) tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent percent (4%), for the remaining period of the decree.</p>	Act 20 - 2012 - Act 60 - 2019	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Industrial Development (Form 480.30(II)DI Schedule AA Incentives. 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 1 Incentives
TEB - 216	<i>Business Tax</i>	Act 52 - 1983, Tourist Incentives Law of Puerto Rico Act 78 -	<p>The Tourism acts provides incentives for the development of world-class tourist industry. 90% exemption on income from eligible tourism activities, including benefits and</p>	Act-52-2012, Act-78-1993, Act 74-2010	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico

		1993, Tourism Development Law of Puerto Rico Act 74 - 2010,	dividends distributed from the exempt business to his shareholders or partners, as well as distributions in liquidation. The benefits granted under this law will be valid for 10 years from the time that the eligibility of the tourism project is established and if they are eligible they can be extended to apply to the operational phase for an additional 10 years.		Incentives Programs Tourism Development (Form 480.30(II)DT Schedule L Incentives.
TEB - 217	<i>Business Tax</i>	Act 118 - 2010 & Act 107 - 2020, Law of Incentives for Municipal Economic Development and Tourism	Businesses engaged in eligible activities may elect to benefit from incentives provided by Act No. 118 of 2010, also known as the "Municipal Economic Development and Tourism Incentives Act" ("Act 118"). Act 118 provides incentives to projects developed in municipalities that are economically distressed, including Vieques and Culebra, that show a decrease in municipal business taxes. Act 118 establishes a Selection Committee, comprised by the Secretary of Economic Development and Commerce, the Secretary of the Treasury, the Executive Director of the Tourism Company, the Municipal Affairs Commissioner and a public interest representative named by the Governor of Puerto Rico, with the consent of the Senate of Puerto Rico. This Selection Committee selects the projects eligible for the benefits under Act 118. These projects must have at least three basic components: a) A world-class hotel that holds at least a four (4) star rating; b) Varied commercial and recreational establishments; and c) Other entertainment facilities typical of a 4-star hotel, including a casino, as such facilities are defined in Act No. 221 of 1948, known as the "The Games of Chance Act". The preferred income tax rate available to the tourism business on its tourism gaming net revenue will depend on the concessionaire's total	Act 118 - 2010 / Act 107 - 2020	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Tourism Development (Form 480.30(II)DT Schedule Z Incentives

			<p>investment of private capital, as provided below:</p> <p>a) Investments of \$500,000,000 or more shall be granted a fixed, 25% tax rate;</p> <p>b) Investments of \$750,000,000 or more shall be granted a fixed, 15% tax rate;</p> <p>c) Investments of \$1,000,000,000 or more shall be granted a fixed, 10% tax rate; and</p> <p>d) Investments of \$1,250,000,000 or more shall be granted a fixed, 8% tax rate.</p>		
TEB - 218	<i>Business Tax</i>	Act 83 - 2010, Puerto Rico Green Energy Incentives Law & Renewal Energy and Infrastructure - Act 60 - 2019 Subtitle B Chapter 7	<p>Establishes standards to promote renewable energy, in accordance with short, medium and long-term compulsory targets, known as the Renewable Energy Portfolio. In general, eligible businesses that hold a decree under this Act should be subject to a fixed income tax rate of four percent (4%). Benefits under this Act are available for applications filed up to December 31, 2019. Act 60 -2019 substitutes Act 83 - 2010. The PR Incentives Code provides incentives to promote renewable energy and infrastructure. Exempt Businesses are subject to a four percent (4%) income tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent (4%), for the remaining period of the decree. Dividend distributions enjoy a 100% exemption. Benefits under this Act are available for applications filed after December 31, 2019.</p>	Act 83 - 2010 / Act 60-2019	<p>2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Green Energy (Form 480.30(II)EV Schedule Y Incentives. 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 5 Incentives</p>
TEB - 219	<i>Business Tax</i>	Act 362 - 1999, Law for the Development of the Film Industry	<p>Puerto Rico's Development of the Film Industry Act, Act No. 362 of December 24, 1999, allows producers of motion pictures and other films to substantially reduce their production costs while paying low or no taxes on their profits. The film entity also enjoys a reduced Puerto Rico income tax rate of 7% and its dividends and liquidating distributions</p>	Act 362 - 1999	<p>Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Film Industry (Form 480.30(II) C Schedule W Incentives</p>

			are exempt from taxation. The property used in the film project enjoys a 90% exemption from real and personal property taxes, and full exemption from municipal license taxes, excise taxes and hotel taxes. With careful tax planning, it may also be possible to enjoy full exemption on the income from the film project.		
TEB - 220	<i>Business Tax</i>	Act 27 -2011, Law of Economic Incentives for the Film Industry of Puerto Rico / Creative Activities - Act 60 - 2019 Subtitle B Chapter 9	Under Act No. 27 of 2011, as amended, known as the "Puerto Rico Film Industry Economic Incentives Act" ("Act 27"), film producers engaged in eligible activities may benefit from the following exemptions for a film project filmed in Vieques and/or Culebra. Tax exemptions for eligible production businesses, including film producers and studio operators, are the following: a) 4% fixed income tax rate on income derived from the production (6% to 10% fixed income tax rate in the case of studio operators); Benefits under this Act are available for applications filed up to December 31, 2019. Act 60 - 2019 substitutes Act 27 - 2011. The PR Incentives Code provides incentives to promote creative industries. The benefits granted are valid for 15 years and can be extended for an additional 15 years. Exempt Businesses are subject to a four percent (4%) tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent (4%), for the remaining period of the decree. Dividend distributions enjoy a 100% exemption. Benefits under Act 60- 2019 are available for applications filed after December 31, 2019.	Act 27 -2011 / Act 60 - 2019	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Film Industry (Form 480.30(II) C Schedule W Incentives. 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 7 Incentives
TEB - 221	<i>Business Tax</i>	Act 168 - 1968, Tax Incentives	Law 168 of 1968 grants incentives to persons dedicated to the operation of hospitals and /	Act 168 - 1968	2019 & 2020 Income Tax Return for

		Law for Hospital Facilities	or health houses in Puerto Rico and adjacent facilities; and to establish the conditions under which they will enjoy said incentives, as well as to exempt from the payment of contributions the bonds, promissory notes or other obligations and fifty (50) percent of the interest on them, that these entities issue to raise the funds or the capital necessary for its purposes.		Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE Schedule P Incentive
TEB - 222	<i>Business Tax</i>	Act 148 - 1988, Special Law for the Rehabilitation and Development of Santurce	In addition to any other incentives, the Law creates a set of special incentives for developers of rehabilitation projects or new construction of structures for housing or mixed uses in the Santurce neighborhood. To encourage economic activity in the Santurce neighborhood this law allows any business or industry that is established in said neighborhood, or that increases its employment, within a period of five (5) years counted from the effectiveness of this law, take as a deduction from income tax an amount equal to five percent (5%) of the minimum wage paid in each new job created, for a term of five (5) years. It also provides that any business or new industry in the categories mentioned, when calculating the tax, can deduct from its net income up to one hundred and ten percent (110%) of the rent paid for the premises it occupies, for a period of ten (10) years.	Act 148 - 1988	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE) Schedule P Incentive
TEB - 223	<i>Business Tax</i>	Act 75 - 1995, Special Law for the Rehabilitation and Development of Río Piedras	In addition to any other incentives, the Law creates a set of special incentives for developers of rehabilitation projects or new construction of structures for housing or mixed uses in the Santurce neighborhood. To encourage economic activity in the Santurce neighborhood this law allows any business or industry that is established in said neighborhood, or that increases its employment, within a period of five (5) years	Act 75 - 1995	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE Schedule P Incentive

			counted from the effectiveness of this law, take as a deduction from income tax an amount equal to five percent (5%) of the minimum wage paid in each new job created, for a term of five (5) years. It also provides that any business or new industry in the categories mentioned, when calculating the tax, can deduct from its net income up to one hundred and ten percent (110%) of the rent paid for the premises it occupies, for a period of ten (10) years. In addition, exempt businesses will be subject to a 25% tax rate on income generated from activities in the Rio Piedras Urban Center, for a period of 10 years.		
TEB - 224	<i>Business Tax</i>	Act 225 - 1995, Law on Agricultural Contributive Incentives of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 8	The Act establishes the requirements to qualify the "bona fide" farmers and exempt them from the payment of all kinds of taxes on movable and real property, municipal license tax, excise taxes and all municipal and/or state taxes or fees. It also provides for a 90% exemption on income taxes. Benefits under this Act are available for applications filed up to December 31, 2019. Act 60 - 2019 repeals Act 225 - 1995.	Act 225 - 1995 / Act 60 - 2019	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE Schedule P Incentives. 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 6 Incentives.
TEB - 225	<i>Business Tax</i>	Act 14 - 1996, Special Law for the Development of Castañer	In addition to any other incentives, any business or industry established or to be established in Castañer will be entitled to an additional deduction for wages paid, for the purpose of computing their income tax, equivalent to five percent (5%) of the applicable minimum wage of each new job, created after the approval of this Act. This deduction shall be in addition to any other granted by any law and shall be for a term of fifteen (15) years. Any business or industry	Act 14 - 1996	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE) Schedule P Incentive

			that is established in a Special Planning Zone in Castañer within a period of fifteen (15) years, from the date of designation of said Zone, shall be entitled to a special deduction for purposes of its income contribution. , equivalent to fifteen percent (15%) of the rent paid. This deduction will be in addition to any other granted by any law.		
TEB - 226	<i>Business Tax</i>	Act 178 - 2000, Special Law for the Creation of the Theater District of Santurce	Act 178 of 2000 creates a Theater District whose parameters shall cover from Calle Bolívar to Calle Ernesto Cerra in Santurce, as part of Development and Rehabilitation of Santurce, in order to establish a cultural activities center in Santurce, grant special incentives to stimulate the rehabilitation of the area and citizen participation; and create a Task Force under the Chairperson of Planning Board.	Act 178 - 2000	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE Schedule P Incentive
TEB - 227	<i>Business Tax</i>	Act 1 -2013, Employment Now Law	Act 1 of 2013 creates the "Jobs Now Act" in order to allow for the creation of fifty thousand (50,000) new jobs within a term of eighteen (18) months; establish an incentives program geared toward ensuring the permanence, stability, and continuity of existing businesses; foster economic opportunities to encourage the creation of small- and medium-sized businesses by giving them preferential treatment in the incentives program; grant an energy credit to participating businesses as a strategy to incentivize job creation and counteract the high operating expenses related to electric power consumption; create an alternate process to streamline the granting of permits without undermining environmental protection or the safety of our constituents; stimulate capital investment and economic development; revert the deterioration in economic indicators of both labor force participation and unemployment rates; set	Act 1 -2013	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE) Schedule P Incentive

			forth a wage subsidy for any business that hires employees who were laid off as a result of the application of Act No. 7-2009, as amended; establish the minimum content of the Special Job Creation Agreement so that businesses may benefit from the provisions of this Act.		
TEB - 228	<i>Business Tax</i>	Act 72 - 1962, The Dairy Industry Corporation of Puerto Rico Dairy Industry - Act 60 - 2019 Subtitle B Chapter 8	Law 72 -1962 exempts from the payment of property taxes and the contribution of income to the Dairy Industry Corporation of Puerto Rico, Inc., as long as the capital stock of said corporation belongs to the Milk Industry Development Fund created by Law no. 34 of June 11, 1957. Benefits under this Act are available for taxable years commenced prior to January 1, 2020. Act 60 - substitutes Act 72- 1962.	Act 72 - 1962 / Act 60 - 2019	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE Schedule P Incentives. 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 11 Incentives.
TEB - 229	<i>Business Tax</i>	Act 52 - 1989 - International Bank Center	This Act intends to expand the potential market of the International Banking Center of Puerto Rico and the promotion and knowledge of Puerto Rico through financial circles around the world will be significantly increased. The main benefits of an international banking center for Puerto Rico are the expansion of the service sector, the direct and indirect creation of jobs and the growth of economic activity. Among the Incentives provided in the law, the income from eligible activities derived from International Banking entities will be exempt for Income Tax purposes.	Act 52 - 1989	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Special Acts (Form 480.30(II)LE) Schedule P Incentive
TEB - 230	<i>Business Tax</i>	International Financial Center	Act No. 273, also known as the "International Financial Center Regulatory Act" (the "Act"). The Act provides tax exemptions to businesses engaged in eligible activities in Puerto Rico. To avail from such benefits, a	Act 273 - 2012 / Act 60 - 2019	2019 & 2020 4% Special Tax Return of an International Insurer or an International Financial

			business needs to become an International Financial Entity ("IFE") by applying for a permit and license and obtaining a tax exemption decree. The income will be subject to a 4% tax rate.		Entity - 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Industrial Development Form 480.30(II) Schedule 2 Incentives
TEB - 231	<i>Business Tax</i>	Opportunity Zones	Eligible businesses, in the opportunity zones under Law 60-2019, will be subject to a fixed rate of eighteen point five (18.5) percent on its net opportunity zone income.	Act 21-2019 / Act 60 - 2019	2019 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Industrial Development (Form 480.30(II)(DI) Schedule BB Incentives 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 9 Incentives
TEB - 232	<i>Business Tax</i>	International Insurer	The income derived by the International Insurer or a Holding Company of the International Insurer, subject to the provisions of Article 61.240 of the Puerto Rico Insurance Code, will be subject to a 4%.	Act 77 - 1957 / Act 60 - 2019	2019 & 2020 4% Special Tax Return of an International Insurer or an International Financial Entity 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Industrial Development Form 480.30(II) Schedule 2 Incentives

TEB - 233	<i>Business Tax</i>	Ocean Freight Carriers - Act 60 - 2019 Subtitle B Chapter 11	Tax exemption is available to entities that engage in the following eligible activities: 1) Transportation of cargo by sea between ports located in Puerto Rico and posts located in foreign countries. (2) The rental or leasing of vessels, used in such transportation, or property of any other kind, movable and immovable, that is used in the operation of such vessels, provided that the Secretary of the DDEC determines that the exemption is necessary and convenient for the promotion of the economy and well-being of the people of Puerto Rico.	Act 126-1966 / Act 60 - 2019	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 10 Incentives
TEB - 234	<i>Business Tax</i>	Public Carriers Air Transportation- Act 60 - 2019 Subtitle B Chapter 11	Tax exemption is provided to air transportation services as a public carrier.	Act 135 - 1945 / Act 60 - 2019	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 10 Incentives
TEB - 235	<i>Business Tax</i>	Rents from the Historic Zone	The amount of income received from the rental of buildings in historic areas as established by the Institute of Puerto Rican Culture or the Planning Board.	Act 60 - 2019	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 5 Incentives
TEB - 236	<i>Business Tax</i>	Tourism Industry - Act 60 - 2019 Subtitle B Chapter 5	The PR Incentives Code provides incentives to promote tourism activities. The benefits granted are valid for 15 years and can be extended for an additional 15 years. The Tourist Development Income derived from Exempt Businesses is subject to a four percent (4%) tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent percent (4%), for the remaining period of the decree. Dividend distributions enjoy a 100% exemption. Benefits under this Act are available for applications filed after December 31, 2019.	Act 60 - 2019	Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 3 Incentives

<i>Credits</i>					
Subject to Moratorium					
TEB - 237	<i>Business Tax</i>	Credit attributable to losses or for investment in the Capital Investment Fund, including purchases.	<p>This Act has the main purpose of facilitating the co-participation of the private and public sector in the formation of investment capital oriented towards high-risk projects. The Fund Administrator will be entitled to a tax credit equivalent to twenty-five (25) percent of the amount of money received by the Fund as private proprietary interests in the Fund. The investment funds were created with the purpose of providing for a complementary program in order to induce the economical development of Puerto Rico. Such programs allow the co-participation of the public and private sector in the formation of capital investment guided toward projects of:</p> <ol style="list-style-type: none"> 1. high risk, under the Capital Investment Fund Act (Act 3 of October 6, 1987, as amended), and the Puerto Rico Capital Investment Funds Act of 1999 (Act 46 of January 28, 2000); Allowed credit percentage 25% 2. tourism, under the Puerto Rico Tourism Development Act of 1993 (Act 78 of September 10, 1993, as mended); Allowed credit percentage 50% 3. agriculture, under the Puerto Rico Agricultural Tax Incentives Act (Act 225 of December 1, 1995, as mended); Allowed credit percentage 50% 4. solid waste disposal and/or handling facilities (Act 70 of June 23, 1978, as amended) , Allowed credit percentage 50%.; and 5. production of feature films, under Special Partnership (Section 1114.28 of the Puerto Rico Internal Revenue Code of 2011, as 	Act 46 - 2000	<p>2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 2</p> <p>2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 1</p> <p>2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 1</p>

			amended (Code)) , Allowed credit percentage 50%.		
TEB - 238	<i>Business Tax</i>	Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products	<p>Section 1051.07: The credit provided by this Section shall be not less than five (5) percent and up to a maximum of twenty (20) percent of the increase in the value of purchases of agricultural products harvested, produced and processed in Puerto Rico during the taxable year particular in which the credit is claimed, on the purchases of said products during the base period</p> <p>Section 1051.09 The credit for purchases of eligible products will be ten (10) percent of the excess of purchases of those eligible products</p>	PR Internal Revenue Code Section 1051.07 & 1051.09	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 4
TEB - 239	<i>Business Tax</i>	Credit for donation of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	<p>The final purpose of this measure is to achieve collaboration between the private sector, non-profit organizations and the Government to enable the conservation of areas of natural or cultural value through the establishment of conservation easements.</p> <p>In general, any person, natural or legal, that constitutes an eligible conservation easement or donates an eligible land in accordance with the provisions of this Law, may opt for a tax credit equal to fifty percent (50%) of the value of the eligible conservation easement or of the eligible land at the date of the donation, to be taken in two (2) terms:</p> <ol style="list-style-type: none"> 1. The first half of said credit in the year in which the establishment of the conservation easement or the donation of the eligible land occurs; 2. The balance of said credit, in the following year. 	Act 183 - 2001	2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 4 & Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 6 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 5 & Part III, Breakdown of the Purchase of Tax Credits, Credits subject to

					Moratorium, Line 5 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 5 & Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 5
TEB - 240	<i>Business Tax</i>	Credit for construction investment in urban centers (Act 212-2002, as amended), including purchases.	<p>Its purpose is to link the private sector in the rehabilitation process of urban centers, while receiving incentives that allow it to invest in our urban centers. It is necessary to create instruments that make private investment profitable in urban centers with a guarantee from the government that government procedures will be reduced as much as possible.</p> <p>Among the benefits to the private sector are the following:</p> <p>Any commercial entity established in the area affected by the construction of the Revitalization projects in the Urban Zones will be entitled to a tax credit of eight (8) percent of the fifty (50) percent of the gross sales generated during the period of construction.</p>	Act 212 - 2002	<p>2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 5 & Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 7 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 4 & Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 6 2020 Schedule B Incentives Code, Recapture of Credit</p>

					imed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 4 & Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 6
TEB - 241	<i>Business Tax</i>	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	<p>Its purpose is to link the private sector in the rehabilitation process of urban centers, while receiving incentives that allow it to invest in our urban centers. It is necessary to create instruments that make private investment profitable in urban centers with a guarantee from the government that government procedures will be reduced as much as possible.</p> <p>Among the benefits to the private sector are the following:</p> <p>(i) Tax Credit for Investment in Infrastructure (ii) Tax Credit for Investment in Construction in Urban Centers</p>	Act 212 - 2002	2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 8 & Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 7
TEB - 242	<i>Business Tax</i>	Other credits not included on the preceding lines	<p>Including, but not limited to, the credit for extraordinary investment in housing infrastructure, and credit for investment in new construction or substantial rehabilitation of rental housing units for low or moderate income families. Act 98-2001 grants a tax credit for infrastructure investment to developers of housing projects, recommended by the designated officials of the Housing department and the Department of the Treasury. It will be subject to the taxpayer's request and the approval by the Secretary of the Treasury of 2017 an</p>	2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 8 & Part III,	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 8 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 4

			<p>administrative determination under Act 98-2001 and the applicable regulations. Act 212-2002, as amended, and Regulation No. 7777 of November 30, 2009. Act 140-2001 provides that every owner of a rental housing project for low or moderate income families may qualify for a tax credit for investment in a new construction for substantial rehabilitation of such housing units.</p>	<p>Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 8 (2020 form is Line7) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 4 & Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 7</p>	
TEB - 243	<i>Business Tax</i>	Credits carried from previous years	<p>Include total of credits claimed but not used in previous years that are subject to moratorium under Sections 1051.11 and 1051.12 of the Code</p>	<p>PR Internal Revenue Code Sections 1051.11 and 1051.12</p>	<p>Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject to Moratorium, Line 10</p>

<p>TEB - 244</p>	<p><i>Business Tax</i></p>	<p>Purchase: Solid Waste Disposal (Act 159-2011)</p>	<p>This Act repeals Article 21 of Act No. 70, supra, which incorporates the credit for investment in facilities for reduction, disposal and / or treatment of solid waste, for the sole purpose of creating an exclusive law that contains the same legislative intention of Act No. 15, supra, as well as tempering its content to the current reality. In general, every investor shall be entitled to a credit for investment in exempt facilities equal to fifty percent (50%) of his eligible investment, to be taken in no less than two (2) installments: 1. Up to half of said credit in the year in which the exempt facility obtained the necessary financing for its total construction, and 2. The balance of said credit in the following year(s)</p>	<p>Act 159 - 2011</p>	<p>Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 1 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 1</p>
<p>TEB - 245</p>	<p><i>Business Tax</i></p>	<p>Purchase: Act 178 - 2000, Special Law for the Creation of the Theater District of Santurce</p>	<p>Act 178 of 2000 creates a Theater District whose parameters shall cover from Calle Bolívar to Calle Ernesto Cerra in Santurce, as part of Development and Rehabilitation of Santurce, in order to establish a cultural activities center in Santurce, grant special incentives to stimulate the rehabilitation of the area and citizen participation; and create a Task Force under the Chairperson of Planning Board. Any investor, including a participant in a fund, will be entitled to a credit for investment in theatrical businesses up to a limit of five (5) million dollars (\$ 5,000,000) per fiscal year, and two (2) million dollars (\$ 2,000,000) per fiscal year in rehabilitations of existing structures of the eligible investment or investment in securities of a Securities Fund, or Funds to be claimed in two (2) terms:</p>	<p>Act 178 - 2000</p>	<p>Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 3</p>

			<p>1. Up to half of said credit in the year in which the theatrical business obtained the financing necessary for its operation, if needed and</p> <p>2. The balance of said credit, in the next two (2) following years.</p>		
TEB - 246	<i>Business Tax</i>	Purchase: Credit for investment in housing infrastructure (Act 98-2001, as amended)	<p>(i) A tax credit will be granted to a Combined that is previously approved by the agency and by the Secretary of Housing in an amount equal to one hundred percent (100%) of the investment made, to carry out the design, development and construction of the Infrastructure of Regional or Municipal Impact to be transferred to the Commonwealth of Puerto Rico.</p> <p>(b) Through this Act, a tax credit equivalent to a portion of the investment in infrastructure that serves residential projects is created, in order to lower the construction costs of residential projects in Puerto Rico and in this way make homes more accessible to our residents.</p> <p>The Credit to be granted to the petitioner will be made up of two parts:</p> <p>(i) a credit for the extraordinary investment in infrastructure required by any agency that benefits housing projects and other projects that do not belong to the petitioner or in which the petitioner, its shareholders, partners or persons having an interest in it, do not have a majority ownership interest and</p> <p>(ii) a credit for the extraordinary investment in infrastructure that benefits the Housing Project of the petitioner.</p>	Art. 4(a)(i) and (b) of Act 98 - 2001	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 4 (Form 2020, Line 3) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 3
TEB - 247	<i>Business Tax</i>	Purchase: Credit for investment in the construction or rehabilitation	This Act aims to encourage private companies to build or rehabilitate housing unit projects for rent to low and moderate income persons or families. Through this	Art. 1.2(a) Act 140 - 2001	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax

		of rental housing projects for low or moderate income families (Act 140-2001)	<p>legislation, the Government of the Commonwealth of Puerto Rico will grant a tax credit for investment in the new construction or substantial rehabilitation of housing units to be rented to low-income families.</p> <p>As general rule, the Act provides that any owner of a rental housing project may qualify for a fifty cent (\$ 0.50) tax credit for every dollar (\$ 1.00) of Eligible Investment used in the new construction or substantial rehabilitation of housing units for rent to low-income families or moderate.</p>		<p>Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 5 (Form 2020, Line 4) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 4</p>
TEB - 248	<i>Business Tax</i>	Purchase: : Other	<p>The amount of the tax credit available for the taxable year corresponding to the act (or acts) under which you acquired the tax credit. Enter in the space provided. The limitation related to the credits subject to moratorium will be made over the total credits subject to moratorium included on line 8, Part II of this Schedule, and not over each credit included in this part. To claim any of the credits included in this part, the taxpayer must submit with the return a sworn statement notifying the Secretary of the Treasury the purchase or transfer of the credit.</p>	<p>Instructions Booklet Income Tax Return 2017 of Taxable Corporations Schedule B Part IV</p>	<p>Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 8 (Form 2020, Line 7) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits subject to Moratorium, Line 7</p>

Not subject to Moratorium					
TEB - 249	<i>Business Tax</i>	Credit for contributions to: (33) Santa Catalina's Palace Patronage and/or (34) Patronage of the State Capitol of the Legislative Assembly	A credit will be granted against the contribution imposed by this Subtitle for the donations generated or managed as a result of the effort of the Patronage of the Santa Catalina Palace or the Patronage of the State Capitol of the Legislative Assembly. The amount of this credit will be one hundred percent (100%) of the amount donated during the taxable year.	PR Internal Revenue Code Section 1051.06	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 15
TEB - 250	<i>Business Tax</i>	Credit for hospital units over payroll expenses	Tax credit of up to fifteen percent (15%) of the total eligible payroll expenses that may be used to cover up to fifty percent (50%) of the income tax	Art. 1(a) Act 168 - 1968	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 16
TEB - 251	<i>Business Tax</i>	Credit for purchases of products manufactured in Puerto Rico	The Act states that if an exempted business that has a decree granted under this Act or under the previous incentive laws, buys products manufactured in Puerto Rico, including components and accessories, it will be entitled to take a credit against the industrial development income tax provided in section (a) of Section 3 of this Act, or against the income tax under the previous incentive law applicable to you equal to twenty-five percent (25%) of the purchases of such products, during the taxable year in which take the referred credit, up to a maximum of fifty percent (50%) of the aforementioned contribution.	Section 5(a)(1), Act 73 - 2008 / Article 2.11(a), Act 83 - 2010 / Act 60-2019	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 17 2020 Schedule 4 Incentives, Computation of Tax Credits for Exempt Businesses Engaged in Manufacture, Part V, Line 2(a) 2019 & 2020 Schedule Y Incentives, Computation of Tax Credits for Exempt Business under Act 83-2010, Part II, Line 5(a) 2020 Schedule 5 Incentives, Computation of Tax

					Credits for Exempt Businesses Engaged in infrastructure, Part V, Line 2(a)
TEB - 252	<i>Business Tax</i>	Credit for investment in research and development, including purchases.	The Act 73-2008 provides for a credit for investment in research and development equal to fifty percent (50%) of the special eligible investment made in Puerto Rico after the approval of this Act by said exempt business or by any affiliated entity thereof	Section 5(c)(1), Act 73 - 2008 /Article 2.11(c), Act 83 - 2010 / Act 60-2019	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 18 2020 Incentives Code (480.30II) Schedule 4 Incentives, Computation of Tax Credits for Exempt Businesses Engaged in Manufacture, Part V, Line 2(b) 2019 & 2020 Schedule Y Incentives, Computation of Tax Credits for Exempt Business under Act 83-2010, Part II, Line 5(c) 2020 Schedule 5 Incentives, Computation of Tax Credits for Exempt Businesses Engaged in infrastructure, Part V, Line 2(b)
TEB - 253	<i>Business Tax</i>	Credit for investment in machinery and equipment	The Act 73-2008 provides for a credit for investment in machinery and equipment equal to fifty percent (50%) of the special eligible investment made in Puerto Rico after the approval of this Act by said exempt business or by any affiliated entity thereof	Section 5(d)(1), Act 73 - 2008	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 19

TEB - 254	<i>Business Tax</i>	Credit to reduce the cost of electric power	The Act 73-2008 states that every industrial client of the Electric Power Authority who has a decree granted under this Act or under any previous incentive Act, may take a credit only against the income tax under subsection (a) of Section 3 of this Act or the contribution on income applicable under previous incentive laws equal to three percent (3%) of the payments made to the Electric Power Authority for the net consumption of electric power in relation to the operation of the eligible business during the corresponding taxable year.	Section 5(e)(1), Act 73 - 2008	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 20
TEB - 255	<i>Business Tax</i>	Credit for investment in strategic projects, including purchases.	The Act 73-2008 provides for a credit for investment in strategic projects equal to fifty percent (50%) of the eligible investment in strategic projects made in Puerto Rico after the approval of this Act by the exempted business or by any affiliated entity of the exempt business.	Section 5(g)(1), Act 73 - 2008	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 21 and Part III Line 14 (2019)
TEB - 256	<i>Business Tax</i>	Credit for industrial investment, including purchases.	The Act 73-2008 provides for a credit for industrial investment equal to fifty percent (50%) of his eligible investment made after the approval of this Act, to be taken in two (2) or more installments: 1. The first half of said credit in the year in which the eligible investment is completed and 2. The balance of said credit, in the following years.	Section 6(b)(1), Act 73 - 2008	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 22
TEB - 257	<i>Business Tax</i>	Other credits not included on the preceding lines	Including, but not limited to, the credit for industrial investment in a exempt business that is in process of closing its operations in Puerto Rico, credit for contributions to former governors foundations and special credits granted as a result of an adjustment made by the Federal Internal Revenue Service or by means of a Closing Agreement (subject to the	ACT 109-2001 and other credits	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 25 (Form 2020, Line 26)

			<p>limitations established by the tax exemption grant, Closing Agreement or any pronouncement made by the Secretary of the Treasury). Act 109-2001 provides that every investor may claim a credit for industrial investment in an exempt business that is in process of closing its operations in Puerto Rico, equal to 50% of its eligible investment to be claimed in two installments: the first half in the year that the eligible investment was made and the balance in subsequent years.</p> <p>Also, a credit equivalent to 100% of the amount contributed during the taxable year to former governors foundations is granted for its operating expenses and those expenses related to the purposes for which they were created and/or those charitable contributions to a Depository of Files and Relics of Former Governors and First Ladies of Puerto Rico constituted according to the provisions of Act 290-2000 by itself or as a whole with public or private Higher Education entities, to pay for the construction, operation and all necessary expenses for the true fulfillment of the purpose of Act 290-2000 and Act 302-2012. The tax credits to be granted cannot exceed \$1,000,000 in the aggregate, for any taxable year.</p>		<p>2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits subject Not to Moratorium, Line 18</p>
TEB - 258	<i>Business Tax</i>	Credits carried from previous years	<p>Include the total of credits claimed but not used in previous years which are not subject to moratorium under Sections 1051.11 and 1051.12 of the Code.</p>	<p>Sections 1051.11 and 1051.12</p>	<p>2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 26 (Form 2020, Line 25) 2020 Schedule B Incentives Code, Recapture of Credit</p>

					Claimed In Excess and Tax Credits, Part II, Credits subject Not to Moratorium, Line 17
TEB - 259	<i>Business Tax</i>	Purchase: Tourism Development (Act 78-1993)	The Act 73-2008 provides for a credit for industrial investment equal to fifty percent (50%) of his eligible investment or investments in fund securities made after the approval of this Act, to be taken in two (2) or more installments: 1. Up to half of said credit in the year in which the exempt facility obtained the necessary financing for its total construction, and 2. The balance of said credit in the following year(s)	Act 78 - 1993	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 9 and Line 10 (Form 2020) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not Subject to Moratorium, Line 9
TEB - 260	<i>Business Tax</i>	Purchase: Film Industry Development (Act 27-2011)	In the case of Film Projects, the credit granted shall be equal to: (A) Forty percent (40%) of those amounts certified by the Auditor as disbursed in connection with all Puerto Rico Production Expenditures, except for payments made to Nonresident Talent; and (B) twenty percent (20%) of those amounts certified by the Auditor as disbursed in connection with Puerto Rico Production Expenditures consisting of payments to Nonresident Talent. Credits generated by Puerto Rico Production Expenditures consisting of payments to Nonresident Talent	Act 27 - 2011	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 11 and Lines 11 and 12 (Form 2020) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In

			shall not be subject to the limitations imposed in Section 7.3(b)(3). Subject by limitations imposed in this Act		Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not Subject to Moratorium, Line 11 and Line 12
TEB - 261	<i>Business Tax</i>	Purchase: Acquisition of an Exempt Business that is in the Process of Closing its Operations in Puerto Rico (Act 109-2001)	The Act 109-2008 provides for a credit for industrial investment equal to fifty percent (50%) of his eligible investment made after the approval of this Act to be taken in two (2) or more installments: 1. Up to half of said credit in the year in which the investment is made, and 2. The balance of said credit in the following year(s)	Act 109 - 2011	2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 12
TEB - 262	<i>Business Tax</i>	Purchase: Economic Incentives (Research and Development) (Act 73-2008)	The Act 73-2008 provides for a credit for investment in research and development equal to fifty percent (50%) of the special eligible investment made in Puerto Rico after the approval of this Act by said exempt business or by any affiliated entity thereof	Act 73 - 2008	2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 13 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 13 & 16 2020 Schedule B Incentives Code,

					Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not Subject to Moratorium, Line 13 & 16
TEB - 263	<i>Business Tax</i>	Purchase: Economic Incentives (Industrial Development) Act 73-2008	The Act 73-2008 provides for a credit for industrial investment equal to fifty percent (50%) of his eligible investment made after the approval of this Act, to be taken in two (2) or more installments: 1. The first half of said credit in the year in which the eligible investment is completed and 2. The balance of said credit, in the following years.	Act 73 - 2008	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 15 (Form 2020, Line 14) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not Subject to Moratorium, Line 14
TEB - 264	<i>Business Tax</i>	Purchase: Green Energy Incentives (Research and Development) (Act 83-2010)	The Act 83 - 2010 provides for businesses that purchase products manufactured in Puerto Rico, including components and accessories, to be entitled to take a credit against the IEV tax provided in this Act equal to twenty-five percent (25%) of the purchases of such products, during the taxable year with respect to which the referred credit is taken, up to a maximum of fifty percent (50%) of the aforementioned	Act 83 - 2010	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 16

			contribution. This credit will be granted only for purchases of products that have been manufactured by companies not related to said exempt business.		(Form 2020, Line 15) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not Subject to Moratorium, Line 15
TEB - 265	<i>Business Tax</i>	Purchase: Other	The amount of the tax credit available for the taxable year corresponding to the act (or acts) under which you acquired the tax credit. Enter in the space provided. The limitation related to the credits subject to moratorium will be made over the total credits subject to moratorium included on line 8, Part II of this Schedule, and not over each credit included in this part. To claim any of the credits included in this part, the taxpayer must submit with the return a sworn statement notifying the Secretary of the Treasury the purchase or transfer of the credit.	Instructions Booklet Income Tax Return 2017 of Taxable Corporations Schedule B, Part III, Line 17	2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 18 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Credits subject Not to Moratorium, Line 18
TEB - 266	<i>Business Tax</i>	Credit for Investment in Opportunity Zones	Every investor should be entitled to an investment credit equal to the eligible percentage of such investor's eligible investment made taken in four (4) installments: twenty-five percent (25%) of said credit in the year in which the exempt business finished the total construction of the Priority Project or, if the Priority Project does not require construction, upon the eligible business commencement of operations, whichever is later, and twenty-five percent	Act 21-2019 / Act 60 - 2019	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 23 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and

			(25%) of the credit balance in the next three (3) years.		Tax Credits, Part II, Credits subject Not to Moratorium, Line 15
TEB - 267	<i>Business Tax</i>	Purchase: Credit for Investment in Opportunity Zones	Act 21-2019 and Act 60-2019 provide that the Reaserch & Development tax credit generated thereunder may be assigned, sold or otherwise transferred.	Act 21-2019 / Act 60 - 2019	Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not subject to Moratorium, Line 17 (Form 2020, Line 17) 2020 Schedule B Incentives Code, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Breakdown of the Purchase of Tax Credits, Credits Not Subject to Moratorium, Line 17
TEB - 268	<i>Business Tax</i>	Credit for products manufactured in Puerto Rico	The Act 135 - 1997 provides for exempt business that possesses a decree granted under this Act or under previous incentive laws that purchase products manufactured in Puerto Rico, including components and accessories, may take a credit against the tax on industrial development income, equal to twenty-five percent (25%) of the purchases of such products, during the taxable year in which said credit is taken, reduced by the average of the purchases of said products during the three (3) previous taxable years, or that part of said period that was applicable, up to a maximum of twenty-five percent (25%) of the aforementioned contribution	Act 135 - 1997	2019 & 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Programs Industrial Development (Form 480.30(II)DI) Schedule V Incentives, Part III, Line 4(b)

TEB - 269	<i>Business Tax</i>	Credit for increase in investments	Credits attributable to dividends received from industrial development income corresponding to 3% of the investment made by the subsidiary in the acquisition, construction and expansion of buildings and other structures used in manufacture, in excess of the investment in such properties owned by the subsidiary as of March 31, 1977. In those cases of corporations which have not benefited from tax exemption under Act No. 8 of 1987 for two taxable years, this credit will be granted to the parent company for the increase in investments made by the subsidiary after the end of its second year of tax exemption. To be entitled to the credit, the investment should have been made prior to January 1, 1993. This credit can be carried forward to the following taxable years. Nevertheless, investments made in real property to obtain the waiver indicated in paragraph 6, subsection (a) of Section 4 of Act No. 8 of 1987, cannot be used for purposes of this credit.	1051.05 PRIRC / Act No. 8 of 1987	2019 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part III, Credits Not subject to Moratorium, Line 13
Credits - Other Incentives Acts					
TEB - 270	<i>Business Tax</i>	Credit for taxes withheld on royalty payments	Act 135-1997 creates the Tax Incentives Act of 1998 to, among others, determine which operations shall be eligible for tax incentives under this Act and define the nature, extent and scope thereof. This Act provides a partial credit in the payment of royalties, rents and license fees. Exempted businesses may request the Secretary of State, prior express consent of the Secretary and the Executive Director of the Industrial Development Company, to authorize them to accredit the excess over one hundred million dollars (\$100,000,000) of annual tax withheld on royalties, rents and license fees, with respect to high technology products against the tax	Act 135-1997 (Section 5(c))	2019 & 2020 Form 480.30(II)DI, Schedule V Incentives,Part III, Line 4 (d)

			imposed under of this law on such high-tech products.		
TEB - 271	<i>Business Tax</i>	Special credits granted	<p>Act 109-2001 provides that every investor may claim a credit for industrial investment in an exempt business that is in process of closing its operations in Puerto Rico, equal to 50% of its eligible investment to be claimed in two installments: the first half in the year that the eligible investment was made and the balance in subsequent years.</p> <p>Also, a credit equivalent to 100% of the amount contributed during the taxable year to former governors foundations is granted for its operating expenses and those expenses related to the purposes for which they were created and/or those charitable contributions to a Depository of Files and Relics of Former Governors and First Ladies of Puerto Rico constituted according to the provisions of Act 290-2000 by itself or as a whole with public or private Higher Education entities, to pay for the construction, operation and all necessary expenses for the true fulfillment of the purpose of Act 290-2000 and Act 302-2012. The tax credits to be granted cannot exceed \$1,000,000 in aggregate, for any taxable year."</p> <p> In said line, the taxpayer must include the total amount of other tax credits not subject to moratorium not included on preceding lines, including, but not limited to, the credit for industrial investment in a exempt</p>	Act 109-2001 / Act 290-2000 / Act 302-2012 / Among Others	2019 & 2020 INCOME TAX FOR EXEMPT BUSINESSES UNDER ACT 135-1997 2017, Form 480.30(II)DI, Schedule V Incentives,Part III, Line 4 (a)

			business that is in process of closing its operations in Puerto Rico, credit for contributions to former governors foundations and special credits granted as a result of an adjustment made by the Federal Internal Revenue Service or by means of a Closing Agreement .		
TEB - 272	<i>Business Tax</i>	Credit for losses of United States parent company	Act 135-1997 creates the Tax Incentives Act of 1998 to, among others, determine which operations shall be eligible for tax incentives under this Act and define the nature, extent and scope thereof. This Act provides a credit for losses of the parent company. An exempted business that holds a decree granted under this Act which is a subsidiary of a United States parent company, which, after consolidating the income of the exempted business shows a loss on their consolidated Federal income tax return (applying the amount of any operating loss carry-over through an accounting method acceptable to the Secretary of the Treasury) for a specific taxable year, or has availed itself of a bankruptcy procedure under applicable Federal statutes, may be granted an incentive in the form of a credit against the payment of the fixed income tax rate applicable to the industrial development income derived during the taxable year of the loss.	Act 8 - 1987 Section 3(a) / Act 135-1997 (Section 5(a))	2019 & 2020 Form 480.30(II)DI, Schedule V Incentives,Part III, Line 4 (c) 2019 & 2020 Schedule B Incentives, Recapture of Credit Claimed In Excess and Tax Credits, Part II, Credits Not subject to Moratorium, Line 14 (2019) -Line 13 (2020)
TEB - 273	<i>Business Tax</i>	Credit for intellectual property transfer	Act 73-2008 establish the "Economic Incentives Act for the Development of Puerto Rico," to provide the adequate environment and opportunities to continue developing a local industry; offer an attractive tax proposal to attract direct foreign investment and promote economic development and social betterment in Puerto Rico. This Act provides a credit for investment equal to fifty percent (50%) of the special eligible investment	Act 73 - 2008 / Act 83 - 2010 / Act 60 - 2019	2019 & 2020 Form 480.30(II)DI, Schedule X Incentives,Part IV, Line 5(f) 2019 & 2020 Form 480.30(II)EV Schedule Y Incentives,Part II,

			made in Puerto Rico after the date of approval of this Act by said tax-exempt business or by any entity affiliated thereto. The credit is for investment in research and development, clinical tests, toxicological tests, infrastructure, renewable energy, or intangible property (including intellectual property).		Line 5(d) 2020 Income Tax Return for Exempt Businesses under the Puerto Rico Incentives Code Form 480.30(II) Schedule 4, Part V, Line 2(c)
TEB - 274	<i>Business Tax</i>	Credit for job creation	Act 73-2008 establish the "Economic Incentives Act for the Development of Puerto Rico," to provide the adequate environment and opportunities to continue developing a local industry; offer an attractive tax proposal to attract direct foreign investment and promote economic development and social betterment in Puerto Rico. This Act provides a credit for the creation of jobs. Any tax-exempt business that begins operations after July 1, 2008, shall be granted a credit for each job created during its first year of operations. The amount of this credit shall depend on the industrial development zone where the operations of said tax-exempt business are located.	Section 5 (b), Act 73 - 2008 / Article 2.11(b), Act 83 - 2010	2019 & 2020 Form 480.30(II)DI, Schedule X Incentives,Part IV, Line 5(b) 2019 & 2020 Form 480.30(II)EV,Schedule Y Incentives, Computation of Tax Credits for Exempt Businesses Engaged in infrastructure, Part II, Line 5(b)
TEB - 275	<i>Business Tax</i>	Other applicable credits	Refers to Line 4n, Part III, Schedule V Incentives of Form 480.30(II)DI. Said line must include any other credit that the taxpayer is entitled to claim. An investor who buys an exempt business that is in the process of closing its operations in Puerto Rico may claim, with certain limitations, a credit equal to 50% of the eligible investment, in two installments: half in the year that the eligible investment is realized and the balance in subsequent years. This line must also include the credit claimed for contributions made to the Santa Catalina's Palace Patronage and the credit for contributions to former governors' foundations.	Act 290-2000 / Act 109-2001 / Act 302-2012	INCOME TAX FOR EXEMPT BUSINESSES UNDER ACT 135-1997 2017, Form 480.30(II)DI, Schedule V Incentives,Part III, Line 4 (n)

<i>Deductions</i>					
TEB - 276	<i>Business Tax</i>	Special deductions, Payroll deduction	In general, Act 135-1997 states that in addition to any other deduction provided by law, any exempt business that possesses a decree granted under this law dedicated to manufacturing and that generates a net income from its exempt operations, shall be granted a special deduction for payroll equivalent to fifteen percent (15%) of the production payroll of the exempt business, up to fifty percent (50%) of your income from industrial development.	Section 4(a), Act 135 - 1997	Schedule V Incentives , Partially Exempt Income Under Act 8 of 1987 & Income Tax for Exempt Business Act 135-1997, Part I & Part II, Special deductions Line 6 a) Line 6 a)
TEB - 277	<i>Business Tax</i>	Special deductions, Human resources training and improvement expenses deduction	In general, any exempt business that possesses a decree granted under this law or under previous tax incentive laws, in addition to any other deduction provided by law, will be granted a special deduction equal to the amount of training expenses to improve productivity and quality control, promote total quality management, and improve communication skills of employees, incurred in excess of the annual average of said expenses incurred during the three (3) tax years completed before the effective date of this law .	Act 135 - 1997	Schedule V Incentives , Partially Exempt Income Under Act 8 of 1987 & Income Tax for Exempt Business Act 135-1997, Part I & Part II, Special deductions Line 6 b) Line 6 b)
TEB - 278	<i>Business Tax</i>	Special deductions, Research and development expense deduction	As a general rule the Act 135-1997 states that any exempt business that possesses a decree granted under this law shall be granted any other deduction provided by law, or under previous tax incentive laws, in addition to any other deduction provided by law, a special deduction equal to the amount of the expenses incurred in the research and development of new products or industrial processes, or the improvement thereof, that is deductible in the taxable year as established by the Internal Revenue Code of Puerto Rico, excluding any amount received as a donation, subsidy or incentive from the Government of Puerto Rico	Act 135 - 1997	Schedule V Incentives , Partially Exempt Income Under Act 8 of 1987 & Income Tax for Exempt Business Act 135-1997, Part I & Part II, Special deductions Line 6 c) Line 6 c)

TEB - 279	<i>Business Tax</i>	Special deductions, Investment on buildings, structures, machinery and equipment deduction	In General, Act 135-1997 states that any exempt business that possesses a decree granted under this law or under previous tax incentive laws shall be granted the choice to deduct in the taxable year in which it incurs them, instead of any capitalization of expenses required by the Internal Revenue Code of Puerto Rico, the total expenses incurred in the purchase, acquisition or construction of buildings, structures, machinery and equipment, provided that said buildings, structures, machinery and equipment: (i) have not been previously used or depreciated by any other business or person in Puerto Rico, and (ii) are used to manufacture the products or perform the services for which the benefits provided under this law were granted.	Act 135 - 1997 / Act 73 - 2008 / Act 83 - 2010 / Act 60 - 2019	Schedule V Incentives, Schedule X Incentives, Schedule Y Incentives, Schedule 4 Incentives, Schedule 5 Incentives - Partially Exempt Income Under Act 8 of 1987, Income Tax for Exempt Business Act 135-1997, Income Tax for Exempt Business under Act 73-2008 & Income tax for Exempt Business under Act 60-2019 Part I & Part II, Special deductions Line 6 d), Line 6 d), Part II & Part III (Sch X) line 6 and Line 6, Part I (Sch Y) Line 4, & Part IV (Sch 4 &5 Incentives) Line 6
TEB - 280	<i>Business Tax</i>	Special deductions, Deduction for purchases of products manufactured in Puerto Rico	Any exempt business under this law, or under previous incentive laws, will be granted a deduction, in alternative, for the purchase of products manufactured in Puerto Rico, equivalent to fifteen percent (15%) of purchases of such products, subject to limitations.	Act 135 - 1997	Schedule V Incentives, Income Tax for Exempt Business Act 135-1997, Part I & Part II, Line 8
<i>Deferrals</i>					
TEB - 281	<i>Business Tax</i>	Incentives corporations - Deferrals	PR-TER 2018 estimates the deduction for the tax regime.	Depreciation Model	

Table 5

BUSINESS TAX

Business Tax Expenditure

B ID	Tax Regime	Tax Expenditure	Full Description	Legal Citation	Data Source for Tax Expenditure Estimates
NON CORPORATE BUSINESS					
<i>Deduction</i>					
TEB - 282	<i>Business Tax</i>	Exempt amount under Act 135-2014 (Young Entrepreneurs Act)	The first \$500,000 of gross income generated by a new business created by a young entrepreneur whose age ranges between 16 and 35 years. Such new business should have granted a Special Agreement for the Creation of Young Businesses (Agreement) with the Puerto Rico Trade and Export Company, in order to enjoy the exemption during the first 3 years beginning on the date on which the Agreement is signed. In order to claim this exemption, copy of the Agreement must be included with the income tax return. This benefit is limited to one new business for every young entrepreneur and cannot benefit from any other economic or fiscal incentive provided by any act to promote a commercial, industrial or touristic operation in Puerto Rico. Any amount in excess of \$500,000 will pay taxes at the ordinary rates. For purposes of determining the first \$500,000 of gross income generated by the new business, add the gross income of a	Sec. 8 of Act 135- 2014 or Act 60-2019	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Part VIII Line 24 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Part VIII Line 22

			<p>controlled group of corporations and a group of related entities according to Sections 1010.04 and 1010.05 of the Code, respectively. --Section 6070.20.- Section 17 of Act 35-2014, as amended by Act 60-2019, "Effectiveness- This Act shall take effect immediately after its approval, and shall be effective for taxable years beginning after December 31, 2013, and before January 1, 2020."</p>		
--	--	--	--	--	--

<p>TEB - 283</p>	<p><i>Business Tax</i></p>	<p>Deduction under Act 185-2014 ("Private Equity Funds Act")</p>	<p>In case of taxpayers that, pursuant to Act 185-2014, as amended, are considered as accredited investors, will be able to claim a deduction for their initial investment in a private equity fund (PEF) or in a private equity fund Puerto Rico (PEF-PR). For these purposes, a corporation will be considered an accredited investor if at the moment of the initial investment in a PEF or a PEF-PR is: 1) a bank, insurance company, registered investment company, business development company, investment company in small enterprises, International Banking Entity ("IBE") or International Financial Entity ("IFE"). It will be understood that the IBE and the IFE may be Accredited Investors irrespectively of what is established by the International Banking Center Regulatory Act and the International Financial Center Regulatory Act, respectively; 2) a nonprofit organization, corporation or association with assets in excess of five million dollars (\$5,000,000); and 3) a business in which all capital owners are accredited investors.</p>	<p>Sec. 5 of Act 185-2014, as amended or Act 60-2019</p>	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Part XII Line 2 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Part XII Line 2</p>
<p>TEB - 284</p>	<p><i>Business Tax</i></p>	<p>Charitable contributions</p>	<p>The following deductions shall be allowed in the computation of net income:(10) Charitable gifts and other contributions by corporations and partnerships, as provided in Section 1033.10. (a) In the case of a corporation (1) contributions or gifts payment of which is made within the tax year to or for use by: (A) the Government of Puerto Rico, the</p>	<p>Puerto Rico Internal Revenue Code of 2011, as amended Section 1033.10 Section 1031.04(a)(10)</p>	<p>Informative Income Tax Return 2019 (Form 480.2 (EC)) Part II Line 23 (Partnerships) Part IX Line 57 (Special Partnerships and Corporations of</p>

			<p>United States, any state, territory, or any political subdivision thereof, the District of Columbia, or any U.S. possession, for exclusively public purposes; or (B) an entity described in Section 1101.01(a)(1) and (2) created or organized in Puerto Rico, the United States or any of its possessions or any state or territory, organized and operating exclusively for the purposes described therein, but in the case of contributions or donations to a trust, common fund, fund or foundation, only if such contributions or donations are for use in Puerto Rico, the United States or any of its possessions exclusively for such purposes, provided that no part of its net earnings inures to the benefit of any shareholder or individual in particular. For the disallowance of certain charitable or other deductions otherwise allowable under this paragraph, see Sections 1083.02(e) and 1102.06; or (C) veteran posts or organizations, or supporting units of or trusts or foundations for any such post or organization, if such posts, organizations, units, trusts or foundations are organized in Puerto Rico, the United States or any possession thereof, provided that no part of its net earnings inures to the benefit any shareholder or individual in particular, or (D) other entities enumerated in subparagraph (C) of paragraph (3) of subsection (a) of Section 1033.15, up to an amount not exceeding ten (10) percent of the</p>		<p>Individuals), Sch L Part IV-L-57, Sh V Part V L-57, Sch W Part IV L-57, Sch X Part VI L-57, Sch Y Part IV L-57, Sch Z Part IV L-57, Sch AA Part V L-57 Informative Income Tax Return 2020 (Form 480.2 (EC)) Part II Line 23 (Partnerships) Part IX Line 56 (Special partnetships and Corporations of Individuals) Sch L Part V-L-55, Sh V Part V L-55, Sch W Part IV L-55, Sch X Part VI L-55, Sch Y Part IV L-55, Sch Z Part IV L-55, Sch AA Part V L-55</p>
--	--	--	---	--	--

			net income of the taxpayer, computed without the benefit of this subsection.		
TEB - 285	<i>Business Tax</i>	Special deductions, Payroll deduction	:In addition to any other deduction provided by law, any exempt business that possesses a decree granted under this law, that generates a net income from its exempt operations, shall be granted a special deduction for payroll, equivalent to 15% of the production payroll of the exempt business, up to 50% of the income from industrial development.	Section 4(a), Act 135 - 1997	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through, Part II, Line 6(a)
TEB - 286	<i>Business Tax</i>	Special deductions, Human resources training and improvement expense deduction	In general, any exempt business that possesses a decree granted under this law, will be granted, in addition to any other deduction provided by law, a special deduction equal to the amount of training expenses to improve productivity and quality control, promote total quality management, and improve communication skills of employees, incurred in excess of the annual average of said expenses incurred during the three (3) tax years completed before the effective date of this law .	Section 4(b), Act 135 - 1997	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through, Part II, Line 6(b)
TEB - 287	<i>Business Tax</i>	Special deductions, Research and development expense deduction	A special deduction will be allowed equal to the expenses incurred in the research and development of new products or industrial processes, or the improvement of said products and processes, that are deductible in the taxable year under the Code (subject to certain limitations).	Section 4(c), Act 135 - 1997	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under

					ACT 135-1997, Schedule V Pass-Through, Part II, Line 6(c)
TEB - 288	<i>Business Tax</i>	Special deductions, Investment on buildings, structures, machinery and equipment deduction	Any exempt business that possesses a decree granted under this law shall be granted the choice to deduct in the taxable year in which it incurs them, instead of any capitalization of expenses required by the Internal Revenue Code of Puerto Rico, the total expenses incurred in the purchase, acquisition or construction of buildings, structures, machinery and equipment, provided that said buildings, structures, machinery and equipment: (i) have not been previously used or depreciated by any other business or person in Puerto Rico, and (ii) are used to manufacture the products or perform the services for which the benefits provided under this law were granted.	Section 4(e), Act 135 - 1997	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through, Part II, Line 6(d)
TEB - 289	<i>Business Tax</i>	Special deductions, Deduction for purchases of products manufactured in Puerto Rico	Enter the amount of the deduction for the purchase of products manufactured in Puerto Rico equal to 15% of the purchases of such products, reduced by the average of the purchases of such products made during the year 2000. This deduction is granted only for the purchases of products that had been manufactured by businesses not related to the exempt business. For purposes of the previous calculation, such purchases to non related businesses will be excluded from the total purchases of products	Section 4(f), Act 135 - 1997	Informative Income Tax Return 2019 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through, Part II, Line 8 Informative Income Tax Return 2020 (Form 480.2 (EC))

			<p>manufactured in Puerto Rico made by the exempt business. This deduction will be used only in the taxable year in which you earn the industrial development income against which the deduction is claimed and it cannot be carried forward to subsequent taxable years.</p>		<p>Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through, Part II, Line 8</p>
TEB - 290	<i>Business Tax</i>	Special deductions, Investment on buildings, structures, machinery and equipment deduction	<p>Any exempt business shall be granted the choice to deduct in the taxable year in which it incurs them, instead of any capitalization of expenses required by the Internal Revenue Code of Puerto Rico, the total expenses incurred in the purchase, acquisition or construction of buildings, structures, machinery and equipment, provided that said buildings, structures, machinery and equipment:</p> <p>(i) have not been previously used or depreciated by any other business or person in Puerto Rico, and</p> <p>(ii) are used to manufacture the products or perform the services for which the benefits provided under this law were granted.</p>	<p>Section 4(b), Act 73 - 2008 Art. 2.10(b) Act 83 - 2010 and Sections 2062.06 and 2072.06 Act 60-2019</p>	<p>Informative Income Tax Return 2019 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 73-2008, Schedule X Pass-Through, Part II, Line 6 and Determination of Net Income and Income Tax for Exempt Business Under ACT 83-2010, Schedule Y Pass-Through, Part I, Line 4 Informative Income Tax Return 2020 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 73-2008, Schedule X Pass-Through, Part II, Line 6 and</p>

					Determination of Net Income and Income Tax for Exempt Business Under ACT 83-2010, Schedule Y Pass-Through, Part I, Line 4
Deferrals					
TEB - 291	<i>Business Tax</i>	Non Corporate Business - Deferrals			Depreciation Model
TEB - 292	<i>Business Tax</i>	Current Depreciation	Section 1031.04(a)The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income. Section 1033.07(a) Current Depreciation.-There shall be allowed as a reasonable allowance for depletion, wear and tear, including a reasonable allowance for obsolescence, (1) of property used in trade or business.	PR Internal Revenue Code Section 1031.04(a)(7) and 1033.07	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (a) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (a)
TEB - 293	<i>Business Tax</i>	Flexible Depreciation	(a) Flexible Depreciation Deduction.- (1) General rule.- In the case of flexibly depreciable property with respect to which the option provided in subsection (b) is effective for the tax year, a taxpayer, in computing his net income for said tax year, may deduct the whole or any part, or no part, of the flexibly adjusted basis of said property, except that the amount of the deduction under this	PR Internal Revenue Code Section 1040.11(a)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (b) Informative Income Tax Return Pass-

			subsection shall not exceed the net benefit (determined without taking into consideration the deduction provided herein, but after taking into consideration the deduction provided in Section 1033.07) of the business or commercial activity in which the flexibly depreciable property is used.		Trough Entity 2020 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (b)
TEB - 294	<i>Business Tax</i>	Accelerated Depreciation	(a) Election to use Accelerated Depreciation Cost Recovery Method.- (1) The election to use the accelerated depreciation method shall be made with the return corresponding to the first tax year in which the deduction is claimed, in the form and manner established by regulation. The election to use the accelerated depreciation method may be exercised only with respect to property to has been acquired by "purchase" (as defined in Section 1033.07) during tax years beginning after June 30, 1995.	PR Internal Revenue Code Section 1040.12(a)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (c) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (c)
TEB - 295	<i>Business Tax</i>	Amortization (i.e. Goodwill)	Section 1031.04(a)The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income, as provided in Section 1033.07. Section 1033.07(a)(1) (C) constituting goodwill acquired by purchase during tax years beginning after June 30, 1995, using the straight-line method and a useful life of fifteen (15) years, or	PR Internal Revenue Code Section 1031.04(a)(7) or 1033.07(a)(1)(c) and (d)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (d) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2

			(D) constituting intangible property, other than goodwill, acquired by purchase or developed, using the straight-line method and a useful life of fifteen (15) years or the useful life of such intangible property, whichever automobile.		(EC) Depreciation, Schedule E Line 1 (d)
TEB - 296	<i>Business Tax</i>	Automobiles	<p>Section 1031.0(a) The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income, as provided in Section 1033.07.</p> <p>Section 1033.07(a)(3)(Limitation on the total depreciation deduction on automobile properties.- (A) General rule.- In the case of property that is an automobile, as defined in subparagraph (B), the amount of the deduction allowance under this subsection shall not exceed six thousand (6,000) dollars per year per automobile, up to a maximum of thirty thousand (30,000) dollars for the useful life of the automobile.</p> <p>(i) In the case that the taxpayer is a salesman, the amount of the deduction allowance under this subsection shall not exceed ten thousand (10,000) dollars per year per automobile up to a maximum of thirty thousand (30,000) dollars for the useful life of the automobile.</p> <p>(ii) Limitation for personal use of the automobile.- In the event an automobile is used by the taxpayer in his trade or business or for the production of income and is also</p>	PR Internal Revenue Code Section 1031.04(a)(7) and Section 1033.07(a)(3)	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Depreciation Schedule E Line 1 (e)</p> <p>Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 E</p>

			used for personal purposes, the amount of the depreciation deduction determined under subparagraph (A) shall be reduced by the amount corresponding to the personal use of the automobile.		
TEB - 297	<i>Business Tax</i>	Computer Systems		PR Internal Revenue Code Section 1033.07(a)(1)(G)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Depreciation for Business with Volume of \$3,000,000 or Less, Schedule E1 Line 1 (a) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2) Depreciation for Business with Volume of \$3,000,000 or Less, Schedule E1 Corporation Line 1 (a)

<p>TEB - 298</p>	<p><i>Business Tax</i></p>	<p>Ground transportation equipment, except automobiles</p>		<p>PR Internal Revenue Code Section 1033.07(a)(1)(H)</p>	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2(EC)) Schedule E1 Corporation Line 1 (b) Informative Income Tax</p>
					<p>Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule E1 Corporation Line 1 (b)</p>
<p>TEB - 299</p>	<p><i>Business Tax</i></p>	<p>Machinery and equipment, furniture and fixtures, and any other fixed asset to be used in the industry or business</p>		<p>PR Internal Revenue Code Section 1033.07(a)(1)(K)</p>	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Depreciation for Business with Volume of \$3,000,000 or Less, Schedule E1 Corporation Line 1 (c) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Depreciation for Business with Volume of \$3,000,000 or</p>

					Less, Schedule E1 Corporation Line 1 (c)
TEB - 300	<i>Business Tax</i>	Vehicles under financial lease	(a) The following deductions shall be allowed in the computation of net income: (7) Depreciation and amortization, not claimed as a deduction in the determination of adjusted gross income, as provided in Section 1033.07. Section 1033.07(a)(3)(D) D) Automobile leases essentially equivalent to purchase.- An automobile lease shall	PR Internal Revenue Code Section 1031.04(a)(7) and 1033.07(a)(3)(D)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC))Depreciation, Schedule E Line 1 (f) Informative Income Tax Return Pass-
			be deemed essentially equivalent to purchase if, under the lease contract, one of the following requirements is met: (i) if title to the property is transferred to the lessee under the lease contract. (ii) if the lease contract contains an option to purchase at a cost substantially lower than the fair market value of the automobile at the time the option is exercised. (iii) if the lease term is equal to or more than seventy-five (75) percent of the useful life of the leased automobile. (iv) if the present value of the minimum lease payments, excluding administrative expenses, is equal to or greater than ninety (90) percent of the fair market value of the leased automobile.		Trough Entity 2020 (Form 480.2 (EC)) Depreciation, Schedule E Line 1 (f)
<i>Preferential Tax Rate</i>					

TEB - 301	<i>Business Tax</i>	Net short-term capital gain (or loss)	1034.01(a)(6) The term "net short-term capital gain" means the excess of short-term capital gains for the tax year over the short-term capital losses for said year; (7) The term "net short-term capital loss" means the excess of short-term capital losses for the tax year over the short-term capital gains for said year.	PR Internal Revenue Code Section 1034.01(a)(6) or (7)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part I Line 5 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part I Line 5
TEB - 302	<i>Business Tax</i>	Net long-term capital gain	1034.01(a)(8) The term "net long-term capital gain" means the excess of long-term capital gains for the tax year over the long-term capital losses for said year; 1034.01(a)(9) The term "net long-term capital loss" means the excess of long-term capital losses for the tax year over the long-term capital gains for said year.	PR Internal Revenue Code Section 1034.01(a)(8) and (9)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part II Line 10 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part II Line 10
TEB - 303	<i>Business Tax</i>	Long-Term Capital Assets Gains and Losses Realized under Special Legislation	Long-term capital gain and loss derived from the sale of shares or other property of a business that operates with a decree granted under any special act, or that operates and	Any Special Act which a special tax rate is provided in lieu of the tax imposed by the PR Internal Revenue Code.	Informative Income Tax Return Pass-Trough Entity 2019 (Form

			benefits from any special act, in which a special tax rate is provided in lieu of the tax imposed by the Code.		480.2 (EC) Schedule D Pass-Trough Entity, Part III Line 11, 12 and 13 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part III Line 11, 12 and 13
TEB - 304	<i>Business Tax</i>	Gain (or Loss) from Property Used in the Business Other than Capital Asset	Property that is used in the trade or business that is subject to the allowance for current depreciation, held for more than 1 year, and real property used in the trade or business held for more than 1 year, which is property not included in the taxpayer's inventory if in existence at the close of the taxable year, or property held by the taxpayer primarily for the sale to customers in the ordinary course of its trade or business.	PR Internal Revenue Code Section 1034.01(h)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part IV Line 14 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part IV Line 14
TEB - 305	<i>Business Tax</i>	Gains (or Losses) from Property Used in the Business and Taxable as Long-term Capital Gain	Gain or Loss derived from the sale or exchange of property used in the trade or business for which an election was made to be taxed as a long-term capital gain.	Instructions Booklet Income Tax Return Pass Through Entity 2018 Schedule D Pass-Through Entity Part V Line 15	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule D Pass-Trough

					Entity, Part V Line 15 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part V Line 15
TEB - 306	<i>Business Tax</i>	Net Gain (or Loss) on Sale or Exchange of Substantially all Assets Dedicated to an Activity under Act 78-1993, Including purchases.	Gain or loss derived from the sale or exchange of substantially all the assets used in the business under the provisions of Act 78-1993.	Act 78-1993	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part VI Line 16 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule D Pass-Trough Entity, Part VI Line 16
TEB - 307	<i>Business Tax</i>	Act 135 - 1997, Tax Incentives Law of 1998	Tax-exempt businesses that have operations exempted under Act No. 135 of December 2, 1997, as amended, enjoy a fixed income tax rate not greater than 7%, but of not less than 2%, on their net industrial development income.	Act 135-1997	Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997 2017,

					Schedule V Pass-Through Entity, Part III, Line 2
TEB - 308	<i>Business Tax</i>	Act 27 -2011, Law of Economic Incentives for the Film Industry of Puerto Rico / Creative Activities - Act 60 - 2019 Subtitle B Chapter 9	Under Act No. 27 of 2011, as amended, known as the "Puerto Rico Film Industry Economic Incentives Act" ("Act 27"), film producers engaged in eligible activities may benefit from the following exemptions for a film project filmed in Vieques and/or Culebra. Tax exemptions for eligible production businesses, including film producers and studio operators, are the following: a) 4% fixed income tax rate on income derived from the production (6% to 10% fixed income tax rate in the case of studio operators); Benefits under this Act are available for applications filed up to December 31, 2019. Act 60 - 2019 substitutes Act 27 - 2011. The PR Incentives Code provides incentives to promote creative industries. The benefits granted are valid for 15 years and can be extended for an additional 15 years. Exempt Businesses are subject to a four percent (4%) tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent (4%), for the remaining period of the decree. Dividend distributions enjoy a 100% exemption. Benefits under Act 60-2019 are available for applications filed after December 31, 2019.	Act 27 -2011 / Act 60 - 2019	Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Film Entity Under Act 362-199 or Act 27-2011 Schedule W Pass-Through, Part II, Line 5 2020 Informative Income Tax Return (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 60-2019 Schedule CI Pass-Through Part V, Line 1

<p>TEB - 309</p>	<p><i>Business Tax</i></p>	<p>Act 83 - 2010, Puerto Rico Green Energy Incentives Law & Renewal Energy and Infrastructure - Act 60 - 2019 Subtitle B Chapter 7</p>	<p>Establishes standards to promote renewable energy, in accordance with short, medium and long-term compulsory targets, known as the Renewable Energy Portfolio. In general, eligible businesses that hold a decree under this Act should be subject to a fixed income tax rate of four percent (4%). Benefits under this Act are available for applications filed up to December 31, 2019. Act 60 -2019 substitutes Act 83 - 2010. The PR Incentives Code provides incentives to promote renewable energy and infrastructure. Exempt Businesses are subject to a four percent (4%) income tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent percent (4%), for the remaining period of the decree. Dividend distributions enjoy a 100% exemption. Benefits under this Act are available for applications filed after December 31, 2019.</p>	<p>Act 83 - 2010 / Act 60-2019</p>	<p>2019 & 2020 Informative Income Tax Return (Form 480.2 (EC)) Determination of Net Income and Income Tax For Exempt Businesses Under Act 83-2010, Schedule Y Pass-Through Entity Part II, Line 9 2020 Informative Income Tax Return (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 60-2019 Schedule CI Pass-Through Part V, Line 1</p>
<p>TEB - 310</p>	<p><i>Business Tax</i></p>	<p>Act 118 - 2010 & Act 107 - 2020, Law of Incentives for Municipal Economic Development and Tourism</p>	<p>Usinesses engaged in eligible activities may elect to benefit from incentives provided by Act No. 118 of 2010, also known as the "Municipal Economic Development and Tourism Incentives Act" ("Act 118"). Act 118 provides incentives to projects developed in municipalities that are economically distressed, including Vieques and Culebra, that show a decrease in municipal business taxes. Act 118 establishes a Selection Committee, comprised by the</p>	<p>Act 118 - 2010 / Act 107 - 2020</p>	<p>Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC)) Determination of Net Income and Income Tax For Exempt Businesses Under Act 118-2010, Act 120-2014, Act 14-2017 and other</p>

			<p>Secretary of Economic Development and Commerce, the Secretary of the Treasury, the Executive Director of the Tourism Company, the Municipal Affairs Commissioner and a public interest representative named by the Governor of Puerto Rico, with the consent of the Senate of Puerto Rico. This Selection Committee selects the projects eligible for the benefits under Act 118. These projects must have at least three basic components: a) A world-class hotel that holds at least a four (4) star rating; b) Varied commercial and recreational establishments; and c) Other entertainment facilities typical of a 4-star hotel, including a casino, as such facilities are defined in Act No. 221 of 1948, known as the "The Games of Chance Act". The preferred income tax rate available to the tourism business on its tourism gaming net revenue will depend on the concessionaire's total investment of private capital, as provided below:</p> <p>a) Investments of \$500,000,000 or more shall be granted a fixed, 25% tax rate;</p> <p>b) Investments of \$750,000,000 or more shall be granted a fixed, 15% tax rate;</p> <p>c) Investments of \$1,000,000,000 or more shall be granted a fixed, 10% tax rate; and</p> <p>d) Investments of \$1,250,000,000 or more shall be granted a fixed, 8% tax rate.</p>		<p>Special Acts, Schedule Z Pass-Through Entity Part II, Line 5</p>
--	--	--	--	--	---

<p>TEB - 311</p>	<p><i>Business Tax</i></p>	<p>Act 14 - 1996, Special Law for the Development of Castañer</p>	<p>Any business or industry established in Castañer will be entitled to an additional deduction for wages paid, for the purposes of computing their income tax, equivalent to 5% of the applicable minimum wage of each new job, created after the approval of this Act. This deduction shall be in addition to any other granted by any law and for a term of 15 years. Any business or industry that is established in a Special Planning Zone in Castañer within a period of 15 years, from the date of designation of said Zone, shall be entitled to a special deduction for purposes of its income contribution, equivalent to 15% of the rent paid. This deduction will be in addition to any other granted by any law. It also provides for a 90% tax exemption on income generated from the sale of tickets for activities performed within the a specified zone and that meet certain requirements.</p>	<p>Act 14 - 1996</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax For Exempt Businesses Under Act 118-2010, Act 120-2014, Act 14-2017 and other Special Acts, Schedule Z Pass-Through Entity, Part II, Line 5</p>
<p>TEB - 312</p>	<p><i>Business Tax</i></p>	<p>Act 120 -2014, "SMBs Job Creation and Retention Incentives Act"</p>	<p>Act 120 of 2014 creates the "SMBs Job Creation and Retention Incentives Act" to foster economic opportunities to encourage the creation of small- and medium-sized businesses by providing wage incentives for the creation and retention of employment and preferential tax rates during a 3 year period, among other incentives.</p>	<p>Act 120 -2014</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 118-2010, Act 120-2014, Act 14-2017 and Other Special Acts</p>

					Schedule Z Pass-Through, Part II, Line 5
TEB - 313	<i>Business Tax</i>	Act 60 - 2019 / Act 73 - 2008 / Act 135 - 1997, Economic Incentives for the Development of Puerto Rico	Under Act 135 - 1997, tax-exempt businesses, in general, enjoy a fixed income tax rate not greater than seven percent (7%), but of not less than two percent (2%). Benefits are available for applications filed up to December 31, 2019. Act No. 73 of 2008, known as the Economic Incentives Act for the Development of Puerto Rico, was established to provide the adequate environment and opportunities to continue developing a local industry, offer an attractive tax proposal, attract direct foreign investment and promote economic development and social betterment in Puerto Rico. Tax-exempt businesses, in general, enjoy a fixed income tax rate not greater than four percent (4%). Benefits under this Act are available for applications filed up to December 31, 2019. Act 60- 2019 substitutes Act 73- 2008. "The PR Incentives Code provides incentives to promote manufacturing activities. The benefits granted are valid for 15 years and can be extended for an additional 15 years. Exempt businesses have the option of a general or an alternate fixed tax regime: General scenario: 4% income tax rate with a withholding tax rate on royalty payments of 12%. Alternate scenario: 8% income tax rate with a withholding tax rate on royalty payments of 2%. Under both	Act 73 - 2008 / Act 135 - 1997 / Act 60 - 2019	Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through Entity, Part III, Line 2 Informative Income Tax Return 2019 & 2020 (Form 480.2(EC)) Determination of Net Income and Income Tax for Exempt Business Under Act 73-2008 2020 Informative Income Tax Return (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 60-2019 Schedule CI Pass-Through Part V, Line 1 Schedule X Pass-

			<p>scenarios, the withholding tax on royalty payments is creditable against the applicable income tax rate.</p> <p>Novel Pioneer Activities are eligible for a 1% income tax rate.</p> <p>Dividend distributions enjoy a 100% exemption. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent percent (4%), for the remaining period of the decree.</p> <p>Benefits under this Act are available for applications filed after December 31, 2019."</p>		Through, Part IV, Line 2
TEB - 314	<i>Business Tax</i>	Act 20 - 2012, Export Services & - Act 60 - 2019 Subtitle B Chapter 3	<p>The PR Incentives Code provides incentives to promote the exportation of services. The benefits granted are valid for 15 years and can be extended for an additional 15 years. In general, Income derived from the exportation of services is subject to a four percent (4%) tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent percent (4%), for the remaining period of the decree.</p>	Act 20 - 2012 - Act 60 - 2019	<p>Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC))</p> <p>Determination of Net Income and Income Tax for Exempt Business Under Act 20-2012 Schedule AA Pass-Through, Part III, Line 3</p> <p>2020 Informative Income Tax Return (Form 480.2 (EC))</p> <p>Determination of Net income and Income Tax for Exempt Business Under Act 60-2019 Schedule</p>

					CI Pass-Through Part V, Line 1
TEB - 315	<i>Business Tax</i>	Act 185 - 2014, Private Equity Fund	Accredited investors may claim a deduction for their initial investment in a private equity fund or in a Puerto Rico private equity fund. If the initial investment was made in a PEF, the maximum amount of deduction will be 30% of the initial investment provided that such amount will not exceed 15% of the net income before the deduction. If the initial investment was made in a PEF-PR, the maximum amount of deduction will be 60% of the initial investment provided that such amount will not exceed 30% of the net income before the deduction.	Act 185 - 2014	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part VIII Line 31.
TEB - 317	<i>Business Tax</i>	Act 14 - 2017 / Act 60 - 2019, Profesional Physicians		Section 2022.04 Act 60 - 2019 / Act 14 - 2017	Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 118-2010, Act 120-2014, Act 14-2017 and Other Special Acts Schedule Z Pass-Through, Part II, Line 5 and 2020 Schedule CI Pass-Through Part V, Line 1
TEB - 317	<i>Business Tax</i>	Aplicable Credits		Instructions Booklet Income Tax Return	Informative Income Tax

				Pass Through Entity 2020 Schedule CI Pass- Through Part IV Line 4	Return 2020 (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 60- 2019 Schedule CI Pass- Through Part V, Line 4
TEB - 318	<i>Business Tax</i>	Tourism Industry - Act 60 - 2019 Subtitle B Chapter 5	The PR Incentives Code provides incentives to promote tourism activities. The benefits granted are valid for 15 years and can be extended for an additional 15 years. The Tourist Development Income derived from Exempt Businesses is subject to a four percent (4%) tax rate. An Exempt Business that is a New PYME will be subject to a two percent (2%) fixed income tax rate for a period of five (5) years and four percent percent (4%), for the remaining period of the decree. Dividend distributions enjoy a 100% exemption. Benefits under this Act are available for applications filed after December 31, 2019.	Act 60 - 2019	Informative Income Tax Return 2020 (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 60- 2019 Schedule CI Pass- Through Part V, Line 1
TEB - 319	<i>Business Tax</i>	Infrastructure - Act 60-2019 Subtitle B Chapter 7		Section 2072.01 Act 60 - 2019	Informative Income Tax Return 2020 (Form 480.2 (EC)) Determination of Net income and Income Tax for Exempt Business Under Act 60- 2019 Schedule CI Pass-

					Through Part V, Line 1
<i>Exclusions</i>					
TEB - 320	<i>Business Tax</i>	Life insurance	Gross income shall not include: (A) Amounts under a life insurance contract, paid by reason of the death of the insured, whether in a lump sum or in installments, but if said amounts are withheld by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income; and upon prior authorization by the Secretary, the amounts received in life under a life insurance contract, paid by reason of a terminal illness of the insured that, as certified by a competent medical authority, leaves him less than one year of life.	PR Internal Revenue Code Section 1031.01(b)(1)(a)	Informative Income Tax Return Pass-Through Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part I Line 1 Informative Income Tax Return Pass-Through Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part I Line 1
TEB - 321	<i>Business Tax</i>	Donations, bequest and inheritances	Gross income shall not include the value of property acquired by donation, gift, devise or inheritance. Income derived from said property, or in the case that the donation, gift, devise or inheritance consists of income derived from property the amount of said income, shall not be excluded from gross income under this paragraph. For the purposes of this paragraph, if under the terms of the donation, gift, devise or inheritance, the payment, credit or distribution thereof is to be made in installments, they shall be deemed a donation, gift, devise or inheritance of income from property up to the amount paid, credited or distributed as income derived from property.	PR Internal Revenue Code Section 1031.01(b)(2)	Informative Income Tax Return Pass-Through Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part I Line 2, Informative Income Tax Return Pass-Through Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part I Line 2

<p>TEB - 322</p>	<p><i>Business Tax</i></p>	<p>Plantation insurance</p>	<p>The amounts received under any plantation insurance, excluding fire insurance as a result of losses incurred by the insured.</p>	<p>PR Internal Revenue Code Section 1031.01(b)(8)</p>	<p>Informative Income Tax Return Pass-Trough 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part I Line 3 Informative Income Tax Return Pass-Trough 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part I Line 3</p>
<p>TEB - 323</p>	<p><i>Business Tax</i></p>	<p>Other exclusions</p>	<p>(b) Exclusions from Gross Income.- The following items shall be excluded from the definition of gross income: (3) Compensation for injury or illness. (4) Death benefits received by heirs or beneficiaries of members of certain retirement systems. (5) Scholarships. (6) Literary, journalistic, scientific and artistic prizes, and prizes for industrial, agricultural, or professional development. (7) Federal social security for old-age and survivors. (9) Basic subsidies to foster homes. (11) The compensation or indemnities received by an employee by reason of severance, without it being necessary to determine just cause, up to a maximum amount equal to the indemnity that the employee could receive under Act</p>	<p>PR Internal Revenue Code Section 1031.01 (b), (4), (5), (6), (7), (9), (11), (12), (13), (14)</p>	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part I Line 5 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part I Line 9</p>

			<p>No. 80 of May 30, 1976, as amended.</p> <p>(12) Sales and Use Tax Inspection Plan prizes.</p> <p>(13) Any amount distributed by an Eligible Variable Annuity Contract on which an election was made and for which the tax was paid under Section 1023.10(a) of this Act or Section 1012C of the Puerto Rico Internal Revenue Code of 1994, as amended.</p> <p>(14) Interest on mortgages on residential property located in Puerto Rico granted after January 1, 2014 (including mortgages that are newly built and have been granted contemporarily with the first transmission of the mortgaged property to a new owner), and insured or guaranteed under the provisions of the National Housing Act "National Housing Act", adopted on 27 June 1934, as amended, or under the provisions of the Act Resetting the Service Members 1944 "Servicemen's Readjustment Act of 1944", as amended.</p>		
TEB - 324	<i>Business Tax</i>	Income derived from discharge of debts	<p>(10) Income derived from the forgiveness of debts</p> <p>(A) Exclusion Income derived from the forgiveness of debts, in whole or part, shall not be subject to the income tax under this Subtitle if said forgiveness is by reason of any of the following cases:</p> <p>(i) The forgiveness is the filing of a bankruptcy petition in an action under the provisions of Title 11 of the United States Code and said forgiveness is approved by a court</p>	PR Internal Revenue Code Section 1031.01(b)(10)	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity,, Part I Line 4 Informative Income Tax Return Pass-Trough Entity</p>

			<p>with jurisdiction to hear such petition.</p> <p>(ii) The forgiveness occurs when the taxpayer is insolvent, in which case the amount excluded under this subparagraph shall not exceed the amount by which the taxpayer is insolvent. For purposes of this subparagraph: (I) the term "insolvent" means the excess of debts over the fair market value of assets, and (II) debtor insolvency shall be determined based on the assets and debts of the taxpayer immediately before the forgiveness.</p> <p>(iii) The forgiven debt is a student loan and the forgiveness is in accordance with a provision of said loan allowing the forgiveness, in whole or part, if the taxpayer works for a determined period of time in certain professions or for determined employers (other than the lender).</p> <p>(iv) Forgiven debt is the product of a reorganization of a mortgage loan secured by the taxpayer's qualified residence. The term "qualified residence" shall have the meaning provided in Section 1033.15(a)(1)(D), except that, for purposes of this clause, the residence must be located in Puerto Rico. For purposes of this subsection: (I) The original mortgage loan debt cannot exceed one million (1,000,000) dollars.</p>		<p>2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part I Line 4</p>
TEB - 325	<i>Business Tax</i>	Act 74 - 2010 / Act 78 - 1993 / Act 52 - 1983, Tourism Development	90% exemption on income from eligible tourism activities, including benefits and dividends distributed from the exempt business to his	Act 74 - 2010	Informative Income Tax Return 2019 7 2020 (Form 480.2

			shareholders or partnes, as well as distributions in liquidation. The exemption period will be for a period of ten (10) years.		(EC)) Partially Exempt Income , Schedule L Pass-Through,Part I, Line 4
TEB - 326	<i>Business Tax</i>	Act 225 - 1995, Law on Agricultural Contributive Incentives of Puerto Rico & Act 60 - 2019 Subtitle B Chapter 8	The Act establishes the requirements to qualify the "bona fide" farmers and exempt them from the payment of all kinds of taxes on movable and real property, municipal license tax, excise taxes and all municipal and/or state taxes or fees. It also provides for a 90% exemption on income taxes. Benefits under this Act are available for applications filed up to December 31, 2019. Act 60 - 2019 repeals Act 225 - 1995.	Act 225 - 1995 / Act 60 - 2019	Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC)) Schedule L Pass-Through, Part I, Line 4 Schedule CI Pass-Through Part V, Line 1 and Schedule BB Pass-Through Part IV, Line 6
TEB - 327	<i>Business Tax</i>	Act 132-2010- "Law of Stimulus to the Real Estate Market" Exemption	Exemption from income earned by any Eligible Landlord from the rental of residential property will be totally exempt from the payment of Puerto Rico income taxes, including the basic alternative tax and the minimum alternative tax provided in the Code. ("Law 132-2010")	Act 132-2010	Informative Income Tax Return 2018 (Form 480.2 (EC)) Schedule L Pass-Through, Part I, Line 4
TEB - 328	<i>Business Tax</i>	Act 47-1987 - "Law of Coparticipation of the Public and Private Sector for the New Housing Operation"	Income tax exemption would be granted derivatives in the sale or rental of such homes	Act 47-1987	Informative Income Tax Return 2018 (Form 480.2 (EC)) Schedule L Pass-Through, Part I, Line 4
Exemptions					
TEB - 329	<i>Business Tax</i>	Obligations from the United States Government, any of its states, territories or political subdivisions	(a) The following items of income shall be exempt from tax under this Subtitle: (3) Tax-exempt interest.- Interest on:	PR Internal Revenue Code Section 1031.02 (a)(3)(A)	Informative Income Tax Return 2019 (Form 480.2 (EC)) Schedule IE Pass-Through

			(A) the obligations of the United States, any U.S. state or territory, or any political subdivision thereof and the District of Columbia;		Entity, Part II Line 1 (A) Informative Income Tax Return 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (A)
TEB - 330	<i>Business Tax</i>	Obligations from the Commonwealth of Puerto Rico	(a) The following items of income shall be exempt from tax under this Subtitle: (3) Tax-exempt interest.- Interest on: (B) the obligations of the Government of Puerto Rico or any of its instrumentalities or political subdivisions;	PR Internal Revenue Code Section 1031.02(a)(3)(B)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (B) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (B)
TEB - 331	<i>Business Tax</i>	Securities under Agricultural Loans Act	(C) securities issued under the provisions of the Federal Farm Loans Act of 1971, or by virtue of the provisions of said Act as it may be amended, including obligations issued by any subsidiary of the Farm Credit Banks of Baltimore directly or indirectly engaged in financing loans to farms and farmers in Puerto Rico with said funds, including loans to rural residents to finance rural housing, loans to cooperatives	PR Internal Revenue Code Section 1031.02(a)(3)(C)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (C) Informative Income Tax Return Pass-Trough Entity

			owned and controlled by farmers and engaged in marketing or distributing farm produce, the purchase of materials, or the provision of services to farm businesses and the acquisition of loans or discounts of notes previously granted;		2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (C)
TEB - 332	<i>Business Tax</i>	Certain Mortgages	The interest income received from any of the following mortgages: secured by the National Housing Act of 1934, as amended, that has been issued no later than February 15, 1973 and possessed by residents of Puerto Rico on May 5, 1973 and issued within the 180 days following February 15, 1973 to be acquired by a resident of Puerto Rico; on residential property located in Puerto Rico issued after June 30, 1983 and before August 1, 1997 secured by the National Housing Act of 1934 or the Servicemen's Readjustment Act of 1944, as amended; on new residential property located in Puerto Rico issued after July 31, 1997 and before January 1, 2014 and secured by the National Housing Act of 1934 or the Servicemen's Readjustment Act of 1944. For those granted after January 1, 2014, see instructions for Part I, line 4 of this Schedule; originated to provide permanent financing for the construction or acquisition of social interest housing; and secured under the Bankhead-Jones Farm Tenant Act of 1937, as amended.	PR Internal Revenue Code Section 1031.02(a)(3)(D), (E) (F), (G) and (H)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (D) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (D)
TEB - 333	<i>Business Tax</i>	Loans granted by a commercial bank to	The income received from interests on loans issued by a commercial	PR Internal Revenue Code	Informative Income Tax

		an employee owned special corporation for certain purposes	bank or any banking or financial organism established in Puerto Rico to an employees-owned special corporation, which proceeds are used by such special corporation for one of the following purposes: finance the acquisition, development, construction, expansion, rehabilitation or improvement of real property located in Puerto Rico to be used for commercial purposes by the special corporation, provided that the loan does not exceed the cost of the property or the improvements to be made on it; finance the acquisition of machinery or other tangible personal property to be used for commercial purposes by the special corporation in its business operations in Puerto Rico, provided that the loan does not exceed the purchase price of such property; or finance the acquisition of capital stocks in a corporation that is treated for Puerto Rico income tax purposes as a purchase of the assets of that corporation.	Section 1031.02(a)(3)(M)	Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (E) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (E)
TEB - 334	<i>Business Tax</i>	Loans granted by a commercial bank in Puerto Rico for acquisition and payment of membership certificates in an employee owned special corporation	The income received from interests on loans issued by a commercial bank or any banking or financial organism established in Puerto Rico to a person for the acquisition and payment of membership certificates as an ordinary, extraordinary or corporate member, as applicable, in an employees-owned special corporation.	PR Internal Revenue Code Section 1031.02(a)(3)(N)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (F) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC))

					Schedule IE Pass-Through Entity, Part II Line 1 (F)
TEB - 335	<i>Business Tax</i>	Loans granted by a commercial bank in Puerto Rico for the purchase or investment in preferred stocks of an employees owned special corporation	The income received from interests on loans issued by a commercial bank or any banking or financial organism established in Puerto Rico to a person for the purchase or investment in itself and for itself of preferred shares of an employeesowned special corporation.	PR Internal Revenue Code Section 1031.02(a)(3)(O)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (G) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (G)
TEB - 336	<i>Business Tax</i>	Loans for the establishment or expansion of small and medium businesses up to \$250,000	The income received from interests on loans of up to \$250,000 in the aggregate per exempt business granted to small and medium businesses as that term is defined in Act 73-2008, known as the "Economic Incentives for the Development of Puerto Rico Act" for its establishment or expansion, provided that the loan meets the requirements of the act known as the Community Reinvestment Act of 1977, as amended, Pub Law 95-128, 91 Stat. 1147, as amended, and those requirements established by the Commissioner of Financial Institutions by regulations.	PR Internal Revenue Code Section 1031.02(a)(3)(P)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (H) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (H)
TEB - 337	<i>Business Tax</i>	Loans for the capitalization of	The income received from interests on loans of up to \$250,000 in the	PR Internal Revenue Code	Informative Income Tax

		small and medium businesses up to \$250,000	aggregate per exempt business granted to shareholders of exempt businesses to be used in the initial capitalization or a subsequent capital requirement of a small or medium business which enjoys tax exemption, as such term is defined in Section 2(i) of Act 73-2008, known as the Economic Incentives for the Development of Puerto Rico Act.	Section 1031.02(a)(3)(Q)	Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (I) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (I)
TEB - 338	<i>Business Tax</i>	Other interest reported in Form 480.6D	Schedule IE, Part II Line 1 (K) The amount of other interests reported in Box 10 of Form 480.6D. Submit Form 480.6D. Items subject to to alternate basic tax. (Form 480.6D- Box 10 – Other Interest Subject to Alternate Basic Tax: Include the amount of interests paid or accrued that were not included in the other boxes of Form 480.6D and that are subject to alternate basic tax, as provided by Section 1021.02 of PR Internal Revenue Code.)	Instructions Booklet Pass Through Entity 2019 Schedule IE Pass-Through Part II Line 1(K) Instructions Booklet Pass Through Entity 2020 Schedule IE Pass- Through Part II Line 1(K)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (K) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (K)
TEB - 339	<i>Business Tax</i>	Other interest not subject to alternate basic tax reported in a Form 480.6D	Schedule IE, Part II Line 1 (L) – Total amount of other interests not subject to alternate basic tax reported in Box 11 of Form 480.6D. Provide Form 480.6D. (Box 11 – Other Interest Not Subject to Alternate Basic Tax: Include the amount of interests paid or accrued	Instructions Booklet Pass Through Entity 2019 Schedule IE Pass-Through Part II Line 1(L) Instructions Booklet Pass Through Entity 2020 Schedule IE	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line

			that were not included in the other boxes of Form 480.6D and that are not subject to alternate basic tax, as provided by Section 1021.02 of the Code.)	Pass- Through Part II Line 1(L)	1 (L) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (L)
TEB - 340	<i>Business Tax</i>	Obligations issued by the Conservation, Housing and Human Development Trust, the San Juan Monument' s Patronage and SER of Puerto Rico	(L) obligations issued by (i) the Conservation Trust of Puerto Rico, as created and operated under Deed No. 5 of January 23, 1970, granted before Notary Public Luis F. Sanchez Vilella; (ii) Housing and Human Development Trust of Puerto Rico, as created and operated under Deed No. 135 of May 15, 2004, granted before Notary José Orlando Mercado Gelys; and iii) the Board of Monuments in San Juan, as long as it obtains and maintains an exemption under Section 1101.01 of the Code, and whose purpose is to raise funds for the restoration and maintenance of the Iglesia San Jose in Old San Juan; (iv) Education and Rehabilitation Society of Puerto Rico (SER de Puerto Rico), provided that it obtains and maintains an exemption under Section 1101.01 of the Code. The exclusion from gross income and exemption from taxation of the interest generated by the obligations specified in this subsection (L) will not be affected by the fact that the source of funds for the payment of these interests arise directly or indirectly from other obligations or financial instruments that do not	PR Internal Revenue Code Section 1031.02(a)(3)(L)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (L) Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 1 (L)

			benefit from tax treatment similar to the obligations referred to in this subsection (L).		
TEB - 341	<i>Business Tax</i>	Other Interest subject to alternate basis tax not reported on a Form 480.6D	Schedule IE Pass- Through Entity, Part II Line 1 (M) – Total amount of other interests subject to alternate basic tax not reported on Form 480.6D. Provide the form or document in which they were reported. This item is subject to the payment of alternate basic tax. The taxpayer must include with the return a detail with a breakdown of the name of the person who made the payment, the employer identification number of such person, the account number (if applicable) and the amount of interests received during the year which are subject to the payment of alternate basic tax and were not reported on a Form 480.6D.	Instructions Booklet Pass Through Entity 2019 Schedule IE Pass- Through Entity Part II Line 1(M) Instructions Booklet Pass Through Entity 2020 Schedule IE Pass- Through Entity Part II Line 1(M)	Informative Income Tax Return Pass- Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 1 (M) Informative Income Tax Return Pass- Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 1 (M)
TEB - 342	<i>Business Tax</i>	Other interests not subject to alternate basic tax not reported on a Form 480.6D	Schedule IE, Part II Line 1 (N)-Total amount of other interests not subject to alternate basic tax not reported on Form 480.6D. The taxpayer must provide the form or document in which they were reported. The taxpayer must include with the return a detail with a breakdown of the name of the person who made the payment, the employer identification number of such person, the account number (if apply) and the amount of interests received during the year which are not subject to the payment of alternate basic tax and were not reported on a Form 480.6D.	Instructions Booklet Pass Through Entity 2019 Schedule IE Pass- Through Entity Part II Line 1(N) Instructions Booklet Pass Through Entity 2020 Schedule IE Pass- Through Entity Part II Line 1(N)	Informative Income Tax Return Pass- Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 1 (N) Informative Income Tax Return Pass- Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 1 (N)

<p>TEB - 343</p>	<p><i>Business Tax</i></p>	<p>Industrial development income derived from certain interests</p>	<p>Distributions of dividends or profits from industrial development income of exempt businesses or in liquidation under the Economic Incentives for the Development of Puerto Rico Act (Act 73-2008) and the Tax Incentives Act of 1998 (Act 135-1997).</p>	<p>Act 73-2008 and Act 135-1997</p>	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line13 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line12</p>
<p>TEB - 344</p>	<p><i>Business Tax</i></p>	<p>International Insurer or Holding Company of the International Insurer</p>	<p>D) Dividends of an International Insurance Company or International Insurance Holding Company.- Distributions of dividends by an International Insurance Company or International Insurance Holding Company under the provisions of Article 61.240 of the Puerto Rico Insurance Code. The amount of other exempt dividends reported in Box 16 of Form 480.6D. Submit Form 480.6D.</p>	<p>PR Internal Revenue Code Section 1031.02(a)(4)(D)</p>	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 7 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 7</p>
<p>TEB - 345</p>	<p><i>Business Tax</i></p>	<p>Other dividends reported in a Form 480.6D</p>	<p>The distributions of dividends reported in Boxes 12 and 17 of Form 480.6D. Provide Form 480.6D. This item is subject to the payment of alternate basic tax.</p>	<p>Instructions Booklet Informative Income Tax Return Pass-Trough Entity 2019 Schedule IE Corporation</p>	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2</p>

			<p>Form 480.6D-Box 12 – Dividends from Cooperative Associations: Include in this box the total amount of distributed dividends from domestic cooperative associations if the taxpayer that received such dividends is considered a Puerto Rico resident entity. This income is subject to alternate basic tax, as provided by Section 1021.02 of PR Internal Revenue Code. Box 17 – Other Dividends Subject to Alternate Basic Tax: Include in this box the amount of dividends paid that were not included in the other boxes of this form and that are subject to alternate basic tax, as provided by Section 1021.02 of the Code. The amount of other exempt dividends reported in a Form 480.6D Line 2(C) - Enter the amount of dividends not reported on Form 480.6D and that are subject to the payment of alternate basic tax.</p>	<p>Part II Line 2 A Instructions Booklet Informative Income Tax Return Pass-Trough Entity 2020 Schedule IE Corporation Part II Line 2 A</p>	<p>(EC)) Schedule IE Pass-Trough Entity, Part II Line 2 A Informative Income Tax Return Pass- Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 2 (A)</p>
TEB - 346	<i>Business Tax</i>	Other dividends not reported in a Form 480.6D	<p>The amount of dividend distributions not reported on Form 480.6D and that are not subject to the payment of alternate basic tax.</p>	<p>Instructions Booklet Informative Income Tax Return Pass-Trough Entity 2019 Schedule IE Corporation Part II Line 2 (D) Instructions Booklet Informative Income Tax Return Pass-Trough Entity 2020 Schedule IE Corporation Part II Line 2 (D)</p>	<p>Informative Income Tax Return Pass- Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 2 (D) Informative Income Tax Return Pass- Trough Entity 2020 (Form 480.2 (EC)) Schedule IE</p>

					Pass- Through Entity, Part II Line 2 (D)
TEB - 347	<i>Business Tax</i>	Recapture of bad debts, prior taxes, surcharges and other items	(8) Recovery of bad debts, prior taxes, and surcharges.-Income attributable to the recovery during the tax year of a bad debt, prior tax, surcharge, or other item, to the extent of the amount of the recovery exclusion with respect to such debt, surcharge or amount.	PR Internal Revenue Code Section 1031.02(a)(8)	Informative Income Tax Return Pass-Through Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 3 Informative Income Tax Return Pass-Through Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 3
TEB - 348	<i>Business Tax</i>	Income from news agencies or unions	The income from news agencies or unions or other press services, received from journalism or broadcasting companies, for rents or royalties for the use or publication or the right to use or publish in Puerto Rico, literary or artistic property of such agencies or unions.	PR Internal Revenue Code Section 1031.02(a)(11)	Informative Income Tax Return Pass-Through Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 4 Informative Income Tax Return Pass-Through Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Through Entity, Part II Line 4
TEB - 349	<i>Business Tax</i>	Certain income related to the operation of an	(17) Certain income related to the operation of special employee-owned corporations.- The following income	PR Internal Revenue Code Section 1031.02(a)(17)	Informative Income Tax Return Pass-

		<p>employees owned special corporation</p>	<p>is exempt from tax: (A) The income of special employee-owned corporations that is credited to the collective reserve account and to the social fund. For contributions to the social fund to qualify for the exclusion herein granted, it shall be necessary that the benefits of the social fund are accessible to all residents of the municipality where the special employee-owned corporation has established its principal office, except for regular and corporate members of the corporation. In addition, it should be demonstrated to the Secretary of the Treasury that the social fund is used for the purposes provided in Article 1507 of Act No. 144 of August 10, 1995, as amended. (B) The portion of notices of credit for productivity and patronage that special employee-owned corporations capitalize in the internal capital accounts of regular and special members and that cannot be distributed or paid until the regular or special member ends all relations with the special employee-owned corporation. Any amount so excluded from gross income and later distributed to the member while he remains in a relationship with the special corporation shall be subject to a penalty of ten (10) percent of the amount distributed and shall be included in gross income for that year. The ten (10) percent penalty shall be withheld by the special employeeowned corporation and</p>		<p>Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 5 Informative Income Tax Return Pass- Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass- Through Entity, Part II Line 5</p>
--	--	---	---	--	--

			remitted immediately to the Secretary. (C) Ninety (90) percent of the income received by a person as rent for real and personal property of any kind, used by a special employee-owned corporation in its development, organization, construction, establishment or operation.		
TEB - 350	<i>Business Tax</i>	Income received or earned in relation to the celebration of sports games organized by international associations or federations	<p>(21) Income received or earned with respect to games organized by international associations or federations.-</p> <p>Income of any kind received or earned by teams of members of international associations or federations or associations or entities affiliated with said teams, and income of any kind earned by entities contracted by said teams, associations or affiliates to organize and manage the operation, promotion or administration of said games in Puerto Rico.</p>	PR Internal Revenue Code Section 1031.02(a)(21)	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC))Schedule IE Pass-Trough Entity, Part II Line 6</p> <p>Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 6</p>
TEB - 351	<i>Business Tax</i>	Income derived by the International Insurer or Holding Company of the International Insurer	The income derived by the International Insurer or a Holding Company of the International Insurer, subject to the provisions of Article 61.240 of the Puerto Rico Insurance Code, including the income derived from the liquidation or dissolution of the operations in Puerto Rico.	PR Internal Revenue Code Section 1031.02(a)(23)	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 7</p> <p>Informative Income Tax Return Pass-Trough Entity</p>

					2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 7
TEB - 352	<i>Business Tax</i>	Rents from the Historic Zone	<p>Rent from the Historic Zone. For taxable years beginning before January 1, 2020, subject to the requirements of Act No. 7 of March 4, 1955, as amended, and any other law that substitutes or complements it, up to the limit established in such laws, the rents earned for leasing existing buildings in the Historic Zone of the city of San Juan the Baptist of Puerto Rico or in any historic zone established in Puerto Rico by the Institute of Puerto Rican Culture, or the Planning Board that has been improved, restored, restructured, or substantially reconstructed or of new construction in accord with the norms established by the Institute of Puerto Rican Culture to harmonize with the characteristics of the historic zone where they are located, and having obtained the corresponding permits from the pertinent agencies and a certificate from the Institute of Puerto Rican Culture establishing its conformity with the structure just as it has been finished.</p> <p>Substituted by Act 60-2019 as of January 1, 2020- Section 2072.01(a) Preferential flat tax rate of four percent (4%).- The income of an Eligible Business derived from eligible activities described hereinbelow shall be subject to a preferential flat income tax rate of four percent (4%)</p>	PR Internal Revenue Code Section 1031.02(a)(28)	<p>Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 8</p> <p>Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 7</p>

			in lieu of any other income tax provided by the Puerto Rico Internal Revenue Code or any other law; provided, that the requirements applicable to its eligible activity are met: (1) Rents received for the rental of buildings in the Historic Zones of Puerto Rico; provided, that they meet the requirements of Act No. 7 of March 4, 1955, as amended, known as the "Historic Zones Tax Exemption".		
TEB - 353	<i>Business Tax</i>	Income from vessels owner's associations and mutual protection and indemnity	(a) The following items of income shall be exempt from tax under this Subtitle: (35) Miscellaneous items.- (D) receipts of vessel owner and mutual protection and indemnity associations	PR Internal Revenue Code Section 1031.02(a)(35)(D)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 9 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 8
TEB - 354	<i>Business Tax</i>	Income from buildings rented to the Commonwealth of Puerto Rico for public hospitals or schools, or health homes (Contracts in force as of November 22, 2010)	The income derived from buildings leased to the Government of Puerto Rico for public hospitals, convalescence or nursing homes and public schools, exclusively for those buildings that had a lease contract in effect as of November 22, 2010.	PR Internal Revenue Code Section 1031.02(a)(35)(F)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 10 Informative Income Tax Return Pass-

					Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 9
TEB - 355	<i>Business Tax</i>	Income derived by the taxpayer from the resale of personal property or services which acquisition was subject to tax under Section 3070.01 or Section 2101 of the Internal Revenue Code of 1994	(G) Income derived by the taxpayer from the resale of personal property or services which acquisition by said taxpayer was subject to tax under section 3070.01 of this Code or Section 2101 of Act 120 of October 31, 1994, as amended, known as the Internal Revenue Code of 1994, as amended.	PR Internal Revenue Code Section 1031.02(a)(35)(G)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 11 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 10
TEB - 356	<i>Business Tax</i>	Distributions of Amounts Previously Notified as Deemed Eligible Distributions under Sections 1023.06(j) and 1023.25(b)	(Correct Title do not include and 1023.25(b))-Transitional Provisions - The amount of any eligible distribution made by a corporation or partnership during the period between July 1, 2006 and December 31, 2006, subject to a special tax rate of five (5) percent of the total amount received by any eligible person, in lieu of the special tax established under subsection (b), and not currently distributed to the shareholders or partners of said entities, may be maintained in the books of the corporation or partnership in question, in order to comply with any contractual,	PR Internal Revenue Code Section 1023.06 (j)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 12 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 11

			commercial or statutory commitment of said entities, to be taken into account when making any kind of distribution by the Board of Directors of managing partner or directors of said corporations or partnerships, and subject as such to the discretion thereof, in terms of the source or origin of the monies to be distributed in the future by any such entities.		
TEB - 357	<i>Business Tax</i>	Distributions of Dividends or Benefits from Industrial Development Income of Exempt Businesses and in Liquidation under Act 73- 2008 and Act 135-1997	The distributions of dividends or profits of industrial development income of exempt businesses or in liquidation under the Economic Incentives for the Development of Puerto Rico Act (Act 73-2008) and the Tax Incentives Act of 1998 (Act 135-1997). For the treatment of such current or liquidation distributions, see Internal Revenue Circular Letter No. 09-06 of July 22, 2009.	Act 73-2008 and Act 135-1997	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 13 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 12
TEB - 358	<i>Business Tax</i>	Rent of residential property under Act 132-2010	The distributions of dividends or profits of industrial development income of exempt businesses or in liquidation under the Economic Incentives for the Development of Puerto Rico Act (Act 73-2008) and the Tax Incentives Act of 1998 (Act 135-1997). For the treatment of such current or liquidation distributions, see Internal Revenue Circular Letter No. 09-06 of July 22, 2009.	Act 73-2008 and Act 135-1997	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 14 Informative Income Tax Return Pass-Trough Entity

					2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 13
TEB - 359	<i>Business Tax</i>	Income received by designers and translators up to \$6,000 under Act 516-2004	Income received by designers or translators for its work in the preparation of books up to \$6,000, under Act 516-2004.	Section 8 of Act 516-2004	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity, Part II Line 15 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Pass-Trough Entity , Part II Line 14
TEB - 360	<i>Business Tax</i>	Income produced by a new business that operates under a special Act for the incentive and financing of young entrepreneurs (Act 135-2014)	The first \$500,000 of gross income generated by a new business created by a young entrepreneur whose age ranges between 16 and 35 years. Such new business should have granted a Special Agreement for the Creation of Young Businesses (Agreement) with the Puerto Rico Trade and Export Company, in order to enjoy the exemption during the first 3 years beginning on the date on which the Agreement is signed. In order to claim this exemption, copy of the Agreement must be included with the income tax return.	Act 135-2014	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Part VIII Line 24 and Schedule IE Pass-Trough Entity, Part II Line 16 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Part VIII Line 22 and

					Schedule IE Pass-Trough Entity , Part II Line 15
TEB - 361	<i>Business Tax</i>	Distributable share in the exempt income from pass-through entities (Forms 480.6 EC, 480.6 SE and 480.6 S)	<p>Section 1071.02(a)-When determining his tax liability, each partner shall separately take into consideration (subject to the conditions and limitations provided in this Chapter) his distributive share in the partnership for any tax year thereof, ending within or concurrently with the partner's tax year, with respect to: items (1)(2)(3)(4)(5)(6)(7)(8)(9)(10) and (11).</p> <p>Section 1114.06 -In determining a partner's income tax liability, each partner must separately take into account (subject to the conditions and limitations provided by this Subtitle) his distributive share in the special partnership for any tax year thereof that ends within or simultaneously with the partner's tax year, with respect to: items (1)(2)(3)(4)(5)(6)(7)(8)(9)(10) and (11).</p> <p>Section 1115.04 Determination of the Shareholders' Tax Liability. In determining the tax of a shareholder pursuant to this Subtitle for the tax year of a shareholder within which the tax year of the corporation of individuals closes (or for the last tax year of a shareholder who dies before the end of the corporation's tax year), there shall be considered the pro rata share of a shareholder of the income, losses, or credits to</p>	PR Internal Revenue Code Sections 1071.02, 1114.06 and 1115.04	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE, Part II Line 17 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE, Part II Line 16

			be included separately as determined in subsections (b) and (d) that may affect the tax liability of any shareholder.		
TEB - 362	<i>Business Tax</i>	Other payments reported in a Form 480.6 D	Any other exempt income received during the year that is not included in the other boxes of this form and that is subject to alternate basic tax, as provided by Section 1021.02 of the Code.	PR Internal Revenue Code Section 1021.02 Instructions Booklet Income Tax Return Pass-Trough Entity 2019 & 2020 Schedule IE Pass-Trough Entity	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE, Part II Line 18 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE, Part II Line 17
TEB - 363	<i>Business Tax</i>	Other payments not subject to alternate basic tax reported on a Form 480.6D	Total amount of income reported in Box 21 of Form 480.6D. (Box 19 of Form 480.6D - Any other exempt income received during the year that is not included in the other boxes of 480.6D and that is not subject to alternate basic tax, as provided by Section 1021.02 of the Code.)	PR Internal Revenue Code Section 1021.02 Instructions Booklet Income Tax Return Pass-Trough Entity 2019 & 2020 Schedule IE Pass-Trough Entity	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE, Part II Line 19 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE, Part II Line 18
TEB - 364	<i>Business Tax</i>	Other exemptions subject to alternate basic tax not reported on a Form 480.6D	The amount of other exemptions from gross income for which a specific line is not provided on this Schedule, even if the same are granted by special acts, that are	PR Internal Revenue Code Section 1021.02 Instructions Booklet Income Tax Return	Informative Income Tax Return Pass-Trough 2019 (Form 480.2 (EC))

			subject to alternate basic tax and were not reported on Form 480.6D. Provide the form or document in which they were reported.	Pass-Trough Entity 2019 & 2020 Schedule IE Pass-Trough Entity	Schedule IE, Part II Line 20 Informative Income Tax Return Pass-Trough 2020 (Form 480.2 (EC)) Schedule IE, Part II Line 19
TEB - 365	<i>Business Tax</i>	Other exemptions	<p>a) The following items of income shall be exempt from tax under this Subtitle:</p> <p>(6) Incentives received by farmers.-</p> <p>(A) In the case of any farmer, the incentives received from the Government of Puerto Rico for:</p> <p>(i) the purchase of farm machinery used for the production of sugar cane, coffee, vegetables, rice and food crops;</p> <p>(ii) the purchase of fertilizer, herbicide, fungicide and materials for land improvement, beekeeping, mariculture, aquaculture and otherwise as determined or added by the Secretary of Agriculture;</p> <p>(iii) the purchase of wire, posts, cattle fencing materials and otherwise as determined or added by the Secretary of Agriculture; and</p> <p>(iv) the construction of cattle, hog and poultry facilities and fishing vessels.</p> <p>(B) These incentives shall be deemed a reduction of costs or expenses, as the case may be, incurred by the farmer. The Secretary of Agriculture must submit to the Secretary each year, on or before January 31 of the year following the calendar year in</p>	Internal Revenue Code Sections 1021.02, 1031.02(a)(6), 1031.02(a)(7), 1031.02(a)(22) and 1031.02(a)(35)	Informative Income Tax Return Pass-Trough Entity 2019 (Form 480.2 (EC)) Schedule IE Trough Entity, Part II Line 21 Informative Income Tax Return Pass-Trough Entity 2020 (Form 480.2 (EC)) Schedule IE Trough Entity, Part II Line 20

			<p>which said incentives were granted, a list containing the following information:</p> <p>(i) name, account number and address of each farmer to whom the incentives have been granted, and</p> <p>(ii) item and amount of the incentives.</p> <p>(7) Improvements by lessee on lessor's property.-Income, other than rent, derived by a lessor of real property upon the termination of a lease, representing the value of such property attributable to buildings erected or other improvements made by the lessee.</p> <p>(22) Income earned by Caribbean Series participants.- Income earned by the nonresident players, managers, technical personnel and foreign teams participating in Caribbean Series Professional Baseball games held in Puerto Rico.</p> <p>(31) Income of international banking entities.- Income from any of the activities described in subsection (a) of Section 12 of Act No. 52 of August 11, 1989, as amended, known as the "International Banking Center Regulatory Act," carried on by any International Banking Entity authorized to carry on such activities under the provisions of said act, including the income derived from the liquidation or winding up of operations in Puerto Rico. No aparece excluida bajo la Seccion 1021.02</p> <p>(35) Miscellaneous items.-</p>		
--	--	--	---	--	--

			(B) income of the U.S. government, foreign governments and international organizations.- Income of the Government of the United States, foreign governments or international organizations, received from investments in Puerto Rico in shares, bonds or other domestic securities held by said governments or international organizations, or interest on deposits in banks in Puerto Rico on monies belonging to said governments or international organizations, or from any other source within Puerto Rico; (C) income of states, municipalities and other political subdivisions.- Income derived from any public utility company or the performance of any essential government function, accrued by any state, territory or the District of Columbia, or any political subdivision of a state or territory, or income accrued by the government of any U.S. possession or any political subdivision thereof.		
<i>Credits</i>					
<i>Subject to Moratorium</i>					
TEB - 366	<i>Business Tax</i>	Credit attributable to losses or for investment in the Capital Investment Fund, Act - 46 , including purchases.	PR Internal Revenue Code Section 1051.08 (b) Credits subject to moratorium: (2) Subparagraph (a) of Article 14 of Act No. 46 of January 28, 2000, as amended, known as the Puerto Rico Investment Capital Investment Fund Act of 1999 Act 46-2000: (a) Tax Credit.- The Administrator of the Fund shall be entitled to a tax credit equivalent to	PR Internal Revenue Code Section 1051.12(b)(2) Act 46-2000	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 1 and Part VI Line 2

			25% of the sum of money received by the Fund as private proprietary interests in the Fund, which can be used solely as provided in subsection (b) and (d) of this Section. The tax credit shall be available at the time the Fund receives cash which qualifies it as an investment of private proprietary funds.		
TEB - 367	<i>Business Tax</i>	Credit for construction investment in urban centers (Act 212-2012, as amended), including purchases.	Act 212-2002: Section 4.03 (F).- A tax credit equal to 75% of the investment in the construction of a rehabilitation project of an urban center. In the case the project is located in a historical zone or around the plaza of the urban center, the credit should be 100%. This credit is subject to the 25% limitation imposed by Section 1051.13.	PR Internal Revenue Code Section 1051.12(b)(5) Act 212-2012	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 2 and Part VI Line 7
TEB - 368	<i>Business Tax</i>	Credit for merchants affected by urban centers revitalization (Act 212-2002, as amended)	Act 212-2002: Section 4.04 - The amount of Tax Credit for Merchants Affected by Urban Center Revitalization. Every commercial entity established in the area affected by the construction of the revitalization projects in urban centers, will be entitled to claim an 8% tax credit from 50% of the gross sales generated during the construction period	Act 212-2012, Section 4.04	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 3
TEB - 369	<i>Business Tax</i>	Credits carried from previous years, Total of Credits for Agricultural Products	Section 1051.07 credit not used in prior years to due to the 25% limitation of the tax liability	Section 1051.07	Informative Income Tax Return 2018 (Form 480.2 (EC)) Schedule B1 Pass Through Part I Line 2
TEB - 370	<i>Business Tax</i>	Credit for Increase in Purchases of Puerto Rican	This credit was available for taxable years commenced before January 1, 2018. Any amount claimed is related	PR Internal Revenue Code Section 1051.07	Informative Income Tax

		Agricultural Products (Section 1051.07), Total credit for purchases of Puerto Rican agricultural products	to the carryforward of the credit generated in prior years.		Return 2018 (Form 480.2 (EC)) Schedule B1 Pass-Through Entity Part I Line 1
TEB - 371	<i>Business Tax</i>	Credit for Purchase of Products Manufactured in Puerto Rico and Tuna Processing (Section 1051.09)	<p>PR Internal Revenue Code Section 1051.09: (a) Any eligible business that purchases eligible products manufactured in Puerto Rico, including components and accessories, shall be entitled to claim a credit against the taxes provided in this Subtitle A, as provided in subsection (c) of this Section.</p> <p>(c) The credit granted under this section shall be computed as follows: (1) First, the amount of purchases of eligible products manufactured in Puerto Rico, made by the eligible business during the tax year shall be determined. (2) Then, the average purchases of eligible products manufactured in Puerto Rico made by the eligible business for the 3 of the 10 preceding tax years, reflecting minor purchases, shall be determined; i.e., excluding the 7 years when the amount of purchases was highest. (3) Amount of the Credit. (A) In general. The credit for purchases of eligible products shall be 10% of the excess purchases of said eligible products, as determined in paragraph (1), over the average determined in paragraph (2). (B) In the case of products manufactured in Puerto Rico by tuna</p>	PR Internal Revenue Code Section 1051.09	Informative Income Tax Return 2018 (Form 480.2 (EC)) Schedule B1 Pass-Through, Part III, Line 2 and Line 3

			processing plants, the credit shall be 10% of the total purchases of said eligible products, as determined in paragraph (1), without applying the limitations provided in subsection (b)(2)(B) of this Section. (C) Credit limitation. The credit provided by this section may be used to reduce the tax of the eligible business levied under Subtitle A, by up to 25%. Any credit not used by the eligible business may be carried forward to subsequent tax years until used in full, subject to the preceding limitation.		
TEB - 372	<i>Business Tax</i>	Credits carried from previous years of Products Manufactured in Puerto Rico and Tuna Processing	Section 1051.09 credit not used in prior years to due to the 25% limitation of the tax liability.	PR Internal Revenue Code Section 1051.09	Informative Income Tax Return 2018 (Form 480.2 (EC)) Schedule B1 Pass-Through Part III Line 4
TEB - 373	<i>Business Tax</i>	Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended), including purchases.	In general, any person, natural or legal, that constitutes an eligible conservation easement or donates an eligible land in accordance with the provisions of this Law, may opt for a tax credit equal to fifty percent (50%) of the value of the eligible conservation easement or of the eligible land at the date of the donation, to be taken in two (2) terms: 1. The first half of said credit in the year in which the establishment of the conservation easement or the donation of the eligible land occurs; 2. The balance of said credit, in the following year.	PR Internal Revenue Code Section 1051.12(b)(4) Act 183-2001	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 5 and Part VI Line 6

<p>TEB - 374</p>	<p><i>Business Tax</i></p>	<p>Credit for investment in housing infrastructure (Act 98-2001, as amended) , including purchases.</p>	<p>Subject to the provisions of this Act, every petitioner may qualify for a Special Credit for Investment in Housing Infrastructure by the investment made in the construction of infrastructure. For the effect of the computation of credit provided under this Act, only that Special Investment in Housing Infrastructure recommended by the designated officials of the Department of Housing and the Treasury Department shall be taken into consideration, once the merits of the application for Investment Credits in Housing Infrastructure are analyzed. The Secretary of Housing, upon consultation with the Secretary of the Treasury, shall have the discretion, when merited by the best interest of the Commonwealth of Puerto Rico, to grant the credits provided in this Act with regard to extraordinary investments in infrastructure in projects begun between the first of January of 2001, and the date that the regulations referred to in Section 7 of this Act become effective. Tax credit consists of the equivalent of 100% of the total cost of the housing project, if not owned by the petitioner or 75% of the cost of social interest housing or 50% of middle class housing, that are owned by the petitioner. This credit is subject to the 25% limitation imposed by Section 1051.13.</p>	<p>PR Internal Revenue Code Section 1051.12(b)(7) Act 98-2001</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 15</p>
<p>TEB - 375</p>	<p><i>Business Tax</i></p>	<p>Credit for investment in the</p>	<p>Subject to the provisions of this Act, every owner of a rental housing</p>	<p>PR Internal Revenue Code</p>	<p>Informative Income Tax</p>

		construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001) , including purchases.	project for low income families may qualify for a tax credit of \$.50 for each \$1.00 of Eligible Investment used in the new construction or substantial restoring of housing units to be rented to low or moderate income families. Act 140-2001 also provides a credit Affordable Housing projects for rent to the elderly. The credit in this case is 75% of every dollar used in an eligible investment.	Section 1051.12(b)(6) Act 140-2001	Return 2018 (Form 480.2 (EC)) Part IV Line 16
TEB - 376	<i>Business Tax</i>	Solid Waste Disposal	Tax Credit for Investment in facilities for reducing, disposition and/or treatment of solid waste Facilities. Any investor shall be entitled to a credit for investment in exempt facilities equal to 50% of the eligible investment. Eligible investment is the amount of cash that has been contributed to an exempt facility for use in an facility free of solid waste in exchange for: (i) shares in the corporation, if the exempted facility is a corporation, or (ii) participation, or increase in participation, in a joint venture or company.	Act 159-2011 Section 4 PR Internal Revenue Code Section 1051.12 (a)(1)	Informative Income Tax Return 2015 (Form 480.2 (EC)) Part VI Line 1
TEB - 377	<i>Business Tax</i>	Santurce Theatrical District	This credit was available for taxable years commenced before Janury 1, 2013. Any amount claimed is related to the carryforward of the credit generated in prior years. Tax credit for investing in theatrical businesses - investors shall be entitled to a credit for investing in theatrical businesses for a limit of up to \$5,000,000 per fiscal year and of	PR Internal Revenue Code Section 1051.12(a)(3) Act 178-2000, Section 11.	Informative Income Tax Return 2015 (Form 480.2 (EC)) Part VI Line 3

			\$2,000,000 per fiscal year for the rehabilitation of existing structures		
Not Subject to Moratorium					
TEB - 378	<i>Business Tax</i>	Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987)	The owners of an entity will be entitled to claim, according to the percentage applicable to the distributable share in the entity, a credit as established in Section 4(b) Act 8-1987, against the tax due for the year in which the entity received as an investor, a distribution from Industrial Development income.	Act No. 8 of 1987	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 6
TEB - 379	<i>Business Tax</i>	Credit for increase in investments	This credit was available for taxable years commenced before January 1, 2018. Any amount claimed is related to the carryforward of the credit generated in prior years. Credit against the tax imposed to dividends received from industrial development income corresponding to 3% of the investment made by the subsidiary in the acquisition, construction and expansion of buildings and other structures used in manufacture, in excess of the investment in such properties owned by the subsidiary as of March 31, 1977. In the case of corporations that have not benefited from tax exemption under Act No. 73 -2008 for two taxable years, this credit will be granted to the parent company for the increase in investments made by the subsidiary after the end of its second year of tax exemption. To be entitled to the credit, the investment should have been made prior to January 1, 1993. This credit can be carried forward to the following taxable years.	Section 1051.05	Informative Income Tax Return 2019 (Form 480.2 (EC)) Part IV Line 11

			Nevertheless, investments made in real property to obtain the waiver indicated in paragraph 6, subsection (a) of Section 4 of Act No. 8 of 1987, cannot be used for purposes of this credit.		
TEB - 380	<i>Business Tax</i>	Credit for investment in film industry development Act 27-2011/ Act 60 - 2019, including purchases.	<p>Credit available to film industry is as follows:</p> <p>(1) In the case of Film Projects, the credit will be equal to:</p> <p>(A) Forty percent (40%) of the amounts certified by the Auditor as disbursed in relation to Production Expenses of Puerto Rico, not including payments made to Non-Resident Talent; and</p> <p>(B) twenty percent (20%) of the amounts certified by the Auditor as disbursed in relation to Production Expenses of Puerto Rico that consist of payments to Non-Resident Talent. The credits generated by Production Expenses of Puerto Rico consisting of payments to Non-Resident Talent will not be subject to the limitations imposed in Article 7.3 (b) (3).</p> <p>(2) In the case of Infrastructure Projects, the credit granted in Article 7.3 (a) shall be equivalent to twenty-five percent (25%) of the amounts certified by the Auditor as disbursed in relation to the development and / or expansion of the Infrastructure Project in question.</p>	Act 27-2011 / Act 60 - 2019	<p>Informative Income Tax Return 2019 (Form 480.2 (EC)) Part IV Line 12 and Part VI Line 11</p> <p>Informative Income Tax Return 2020 (Form 480.2 (EC)) Part IV Line 10 and Part V Line 11 and Line 12</p>
TEB - 381	<i>Business Tax</i>	Credit for the purchase or transmission of television programming made	Any television channel that purchases or broadcasts programming made in Puerto Rico by independent producers, employing by 90% or more Puerto Rico resident artists, may claim a credit of 15% of the	PR Internal Revenue Code Section 1051.14	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 9</p>

		in P.R. (Section 1051.14)	expenses paid by the television channel in the tax year for which the credit is claimed, for the purchase or broadcast of new programming, subject to certain requirements and limitations.		
TEB - 382	<i>Business Tax</i>	Credit for contributions to former governors' foundations	Tax credit for contributions to former governors' foundations equivalent to 100% of the amount contributed during the taxable year to such foundations for its operating expenses and those expenses related to the purposes for which they were created, and/or those charitable contributions to a Depository of Files and Relics of Former Governors and Former First Ladies of Puerto Rico constituted according to the provisions of Act 290-2000 by itself or as a whole with public or private Higher Education entities, to pay for the construction, operation and all necessary expenses for the true fulfillment of the purposes of Act 290-2000 and Act 302-2012. The tax credits to be granted cannot exceed \$1,000,000 in aggregate, for any taxable year.	PR Internal Revenue Code Section 1051.10 Act 290-2000 and Act 302-2012	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 10
TEB - 383	<i>Business Tax</i>	Credit for contributions to Santa Catalina's Palace Patronage and/or Patronage of the State Capitol of the Legislative Assembly	This credit was available for taxable years commenced before January 1, 2018. Any amount claimed is related to the carryforward of the credit generated in prior years. Credit was for donations to the Santa Catalina's Palace Patronage or to the Patronage of the State Capitol of the Legislative Assembly. The amount of this credit was 100% of the amount donated during the taxable year.	PR Internal Revenue Code Section 1051.06	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 12

<p>TEB - 384</p>	<p><i>Business Tax</i></p>	<p>Industrial investment Credit (Act 73-2008) / (Act 109-2001), including purchases</p>	<p>(1) Subject to the provisions of paragraph (2) of this section, any investor may claim a credit for industrial investment equal to fifty percent (50%) of his eligible investment made after the approval of this Act, to be taken in two (2) or more installments: the first half of said credit in the year in which the eligible investment is completed and the balance of said credit, in the following years. The amount of credit to be claimed for industrial investment under Section 6 of Act 73-2008. This amount must be equal to 50% of the eligible investment to be claimed in two or more installments: the first half in the year in which the eligible investment is completed and the balance in the subsequent years.</p>	<p>Section 6(b) Act 73 - 2008 / Act 109-2001</p>	<p>Informative Income Tax Return 2019 (Form 480.2 (EC)) Part IV Line 17 and Part VI Line 15 Informative Income Tax Return 2020 (Form 480.2 (EC)) Part IV Line 14 and Part V Line 14 Informative Income Tax Return 2019 (Form 480.2 (EC)) Part IV Line 15 and Part VI, Line 12</p>
<p>TEB - 385</p>	<p><i>Business Tax</i></p>	<p>Research and Development Credit Green Energy, including purchases</p>	<p>Any exempt business that holds a decree granted under this Act may claim a research and development investment credit equal to 50% of the special eligible investment made in Puerto Rico.</p>	<p>Art. 2.11(c) Act 83 - 2010</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Part IV Line 14</p>

TEB - 386	<i>Business Tax</i>	Credit for Investment in Opportunity Zones, including purchases	Act 21-2019 / Act 60 - 2019	Informative Income Tax Return 2019 (Form 480.2 (EC)) Part IV Line 19 Informative Income Tax Return 2020 (Form 480.2 (EC)) Part IV Line 15 and Part V Line 17
------------------	---------------------	--	-----------------------------	---

Not subject to Moratorium

TEB - 387	<i>Business Tax</i>	Tourism Investment Credit, Purchases	<p>"Any person who acquires an equity interest in an entity that develops an exempt tourism business, or who invests in a condohotel, will be entitled to a Tourism Investment Tax Credit equal to 50% of the cash paid for such equity investment. Nonetheless, the total amount of the credit which may be taken by all investors cannot exceed 10% of the total cost of the tourist project. Alternate Tourism Investment Tax Credit (ATITC)</p> <ul style="list-style-type: none"> • Section 5(b)(1)-credit equal to 40% of the Eligible Investment. This credit can be taken in three (3) equal installments, commencing on the Exempt Business' second year of operations. or • Section 5(b)(2) - credit equal to 30% of the Eligible Investment. In this case, the exempt business can take 10% of said Eligible Investment 	Act 74-2010/ Act 78-1993/ Act 60- 2019	Informative Income Tax Return 2019 (Form 480.2 (EC)) Part VI Line 10 Informative Income Tax Return 2020 (Form 480.2 (EC)) Part V Line 9 and Line 10
------------------	---------------------	---	---	--	--

			<p>as a credit on the year that it secured the financing for the construction of the tourism project, with remaining balance being taken in three (3) equal installments as follows: 1/3 when the exempt business receives its first paying guest; and the remaining 2/3 on subsequent years, in equal 1/3 portions.</p> <p>The total amount of ATITC's available to the exempt business under Sections 5(b)(1) and (2) will be limited to the 40% and 30%, respectively, of the Total Project Cost.</p> <p>Act 78-1993 - "The amount of credit for tourism investment. Every investor may claim a credit for tourism investment equal to 50% of its eligible investment. The credit may be claimed in two installments: the first half in the year in which the financing for the total construction of the tourism project was obtained and the balance of the credit, in the following years. To claim this credit you must include with your return Schedules Q and Q1 duly completed. You must submit with the return copy of the notification by sworn statement issued by said agency, where the distribution of the credit is informed. You must also include copy of the Certification issued by the pertinent agencies.</p>		
TEB - 388	<i>Business Tax</i>	Purchase: Economic Incentives (Research and	Any exempt business with a tax exemption decree may claim a credit for investment equal to 50% of the	Sec. 5(c) of Act 73 2008	Informative Income Tax

		Development) (Act 73-2008)	special eligible investment made in Puerto Rico after the approval of Act 73- 2008. The term eligible special investment means the amount of cash used by the exempt business with a decree issued under any Puerto Rico incentives act, or any entity affiliated to said exempt business in research and development activities, including operating expenses, clinical trials, toxicology tests, infrastructure, renewable energy or intellectual property.		Return 2019 (Form 480.2 (EC)) Part VI Line 13 Informative Income Tax Return 2020 (Form 480.2 (EC)) Part V Line 13 & Line 16
TEB - 389	<i>Business Tax</i>	Purchase: Economic Incentives (Strategic Projects) (Act 73-2008)	Credit for Investment in Strategic Projects.— (1) Any tax-exempt business that holds a decree granted under this Act or under preceding laws may claim a credit for investment equal to fifty percent (50%) of the eligible investment made in strategic projects in Puerto Rico after the approval of this Act by the tax-exempt business or by any entity affiliated to the taxexempt business.	Sec. 5(g) of Act 73 2008	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part VI Line 12
TEB - 390	<i>Business Tax</i>	Purchase: Other Credits	Other tax credits not included on the preceding lines.	PR Internal Revenue Code Section 1051.11(d)	Informative Income Tax Return 2018 (Form 480.2 (EC)) Part VI Line 15
TEB - 391	<i>Business Tax</i>	Other Credits, including Purchases	Total amount of other tax credits subject and not subject to moratorium not included on the preceding lines.	Instructions Booklet Income Tax Return Pass-Through Entity 2019 & 2020 Schedule B Pass-Through Entity	Informative Income Tax Return 2019 (Form 480.2 (EC)) Part IV Line 21 (No moratory) & Line 8 (moratory), Part Vi Line 17 (No

					moratory) & Line 8 (Moratory), Informative Income Tax Return 2020 (Form 480.2 (EC)) Part IV Line 17 (no moratory & Line 7 (moratory), Part V Line 18 (No moratory) & Line 7 (Moratory)
TEB - 392	<i>Business Tax</i>	Credits used against Optiona Tax to Partnerships and Corporation of Individuals Section 1071.10 and 1115.11		Instructions Booklet Informative Income Tax Return 2019 & 2020 (Form 480.2 (EC)) Schedule BB Pass-Through Entity, Line 2 and Line 4, respectively.	Informative Income Tax Return 2019 (Form 480.2 (EC)) Schedule BB Pass-Through Entity, Part II, Line 2 Informative Income Tax Return 2020 (Form 480.2 (EC)) Schedule BB Pass-Through Entity, Part II, Line 4
Credits - Other Incentives Acts					
TEB - 393	<i>Business Tax</i>	Special credits granted	Credit granted as a result of an adjustment made by the Federal Internal Revenue Service or by means of Closing Agreement. In the case of credits of foreign entities which operations were covered by Section 936 of the Federal Internal Revenue Code of 1986, as amended, they are limited to 50% of the tax	Tax Coordination Agreement between the United States of America and Puerto Rico. Internal Revenue Circular Letter 06-04	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under

			determined for each year. Also includes credits granted by means of Closing Agreement as a result of a mutual agreement procedure between the competent authorities of the corresponding jurisdictions. In the case of credits granted by means of Closing Agreement, they will only be claimed up to the limit established in the Closing Agreement.		ACT 135-1997, Schedule V Pass-Through, Part III, Line 3(a)
TEB - 394	<i>Business Tax</i>	Credit for losses of United States parent company	Any exempt business with a decree granted under Act 135- 1997, that is a subsidiary of a U.S. parent company, that reflects a loss in the consolidated federal return or is under bankruptcy proceedings under federal regulations, will be allowed to claim a credit against the fixed tax applicable to the industrial development income (IDI) earned during the taxable year of the loss. For additional information, refer to Section 5(a) of Act 135-1997.	Section 5(a) Act 135-1997	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through, Part III, Line 3(b)
TEB - 395	<i>Business Tax</i>	Credit for taxes withheld on royalty payments	Some exempt businesses may request authorization to credit the excess of a hundred million dollars (\$100,000,000) of annual taxes withheld over royalty payments, rents, royalties and license fees, with respect to certain high technology products, against the tax imposed by Section 3 of Act 135-1997 over such high technology products. In order to identify the exempt businesses which qualify for the credit and the definition of high technology products and additional information, refer to Section 5(C) of Act 135-1997.	Section 5(c) Act 135-1997	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule V Pass-Through, Part III, Line 3(c)

<p>TEB - 396</p>	<p><i>Business Tax</i></p>	<p>Credit for purchases of products manufactured in Puerto Rico</p>	<p>An exempt business will be entitled to claim a credit against the income tax for the purchases of products manufactured in Puerto Rico, including component parts and accessories, equal to 25% of the purchases of said products during the taxable year in which the credit is claimed, or 35% if the products are made from recycled materials or recycled raw materials. This credit may be claimed up to a maximum of 50% of the income tax liability.</p>	<p>Section 5(a) Act 73 - 2008, Section 5(b) Act 135-1997 and Art. 2.11(a) Act 83 - 2010</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under ACT 135-1997, Schedule X Pass-Through, Part III, Line 3(a), Schedule V Pass-Through, Part III, Line 3(d) and Schedule Y Pass-Through, Part II, Line 3(a)</p>
<p>TEB - 397</p>	<p><i>Business Tax</i></p>	<p>Credit to reduce the cost of electric power</p>	<p>Any exempt business that is an industrial customer of the Electric Power Authority (AEE) with an exemption decree, may claim the following credits only against the income tax: (a) Base credit equal to 3% of the payments made to the AEE for net consumption of electric power regarding the eligible business operation during the taxable year. (b) If the business maintained an average of 25 employees or more during the taxable year, it may claim an additional credit of 3.5% of the payments made to the AEE regarding the operation of the eligible business. (c) If the business has maintained an average payroll of \$500,000 or more during the taxable year, it may claim an additional credit of 3.5% of the</p>	<p>Section 5(e) Act 73 - 2008</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under Schedule X Pass-Through Part IV, Line 3(e) and Schedule V Pass-Through, Part III, Line 3(g)</p>

			<p>payments made to the AEE regarding the operation of the eligible business. Any business that complies with the requirements provided in paragraphs b and c above, may claim both credits along with the base credit for an annual maximum credit of 10% of the payments made to the AEE regarding the operation of the eligible business.</p> <p>The maximum credit to be claimed starting in 2013 shall be reduced on a 1% basis per year.</p> <p>The total credit for energy costs not used in the taxable year in which it was originated may be carried forward to subsequent taxable years.</p>		
TEB - 398	<i>Business Tax</i>	Credit for job creation	<p>Every exempt business , will be entitled to claim a credit only against the exempt operations income tax, for each job created during its first year of operations. The amount of the credit will depend on the development zone where the exempt business operations are located.</p>	<p>Section 5(b) Act 73 - 2008 and Art. 2.11(b) Act 83 - 2010</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under Act 73-2008 Schedule X Pass Through Part IV, Line 3(b) and Schedule Y Pass-Through, Part II, Line 3(b)</p>
TEB - 399	<i>Business Tax</i>	Research and Development Tax Credit (Act 73-2008)	<p>Any exempt business with a tax exemption decree may claim a credit for investment equal to 50% of the special eligible investment made in Puerto Rico. For purposes of Act 73-2008, the term eligible special investment means the amount of</p>	<p>Section 5(c) Act 73 - 2008 Art. 2.11(c) Act 83 - 2010</p>	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for</p>

			cash used by the exempt business with a decree issued under any Puerto Rico incentives act, or any entity affiliated to said exempt business in research and development activities, including operating expenses, clinical trials, toxicology tests, infrastructure, renewable energy or intellectual property. Also, for purposes of Act 83-2010, eligible investment means the amount of cash used by the exempt business, or any entity affiliated to said exempt business, in research and development activities directly related with the production of green energy, including operating expenses, infrastructure or intellectual property, incurred or used directly in said activities.		Exempt Business Under Act 73-2008 Schedule X Pass-Through, Part IV, Line 3(c), Schedule V Pass-Through, Part III, Line 3(e) and Schedule Y Pass-Through, Part II, Line 3(c)
TEB - 400	<i>Business Tax</i>	Credit for investment in Machinery and Equipment for the generation and efficient use of energy	Any exempt business with a tax exemption decree may claim a credit against the income tax of 50% of its eligible investment. For purposes of this credit, eligible investment means, in general terms, the amount of cash used for the acquisition of machinery and equipment to generate energy from alternate sources to fuel oil. In case of an eligible investment made by an exempt business to generate energy for its own consumption, the credit shall not exceed 25% of the income tax. On the other hand, an eligible investment made by an exempt business engaged in the production, whether on a commercial scale or not, of energy for consumption in	Section 5(d) Act 73 - 2008	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under Act 73-2008 Schedule X Pass-Through, Part IV, Line 3(d) and Schedule V Pass-Through, Part III, Line 3(f)

			<p>Puerto Rico, through the use of natural gas or coal, or through the use of renewable sources (businesses under Section 2(d)(1)(H) of Act 73-2008 or a similar provision under previous incentives acts) in order to establish or make a substantial expansion in its energy generating operations, the maximum amount of credit that can be granted will be eight millions dollars (\$8,000,000) per establishment or substantial expansion. In the case of an additional eligible investment made by the same exempt business, such maximum amount will be reduced by the amount of credit claimed by the exempt business in a previous taxable year regarding any previous eligible investment.</p>		
TEB - 401	<i>Business Tax</i>	Credit for intellectual property transfer		Section 5(f) Act 73 - 2008 and Art. 2.11(d) Act 83 - 2010	<p>Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under Act 73-2008 Schedule X Pass-Through, Part IV, Line 3(f) and Schedule Y Pass-Through, Part II, Line 3(d)</p>
TEB - 402	<i>Business Tax</i>	Credit for investment in strategic projects	<p>Credit for Investment in Strategic Projects.— (1) Any tax-exempt business that holds a decree granted under this Act</p>	Sec. 5(g) of Act 73, 2008	<p>Informative Income Tax Return 2018 (Form 480.2 (EC))</p>

			or under preceding laws may claim a credit for investment equal to fifty percent (50%) of the eligible investment made in strategic projects in Puerto Rico after the approval of this Act by the tax-exempt business or by any entity affiliated to the taxexempt business.		Determination of Net Income and Income Tax for Exempt Business Under Act 73-2008 Schedule X Pass-Through, Part IV, Line 3(g) and Schedule V Pass-Through, Part III, Line 3(h)
TEB - 403	<i>Business Tax</i>	Industrial investment Credit (Act 73-2008), including purchases	Any investor may claim a credit for industrial investment equal to 50% of his eligible investment. Eligible investment is the amount of cash used in the purchase of a majority of the equity interests, or of the operational assets of an exempted business that is in the process of closing operations in Puerto Rico, to continue operating it, or the cash contributed to such business in exchange for corporate stock or partnership interest that is used by the exempted business for: (i) construction or improvements of the physical facilities and (ii) purchase of machinery and equipment.	Section 6 Act 73-2008	Informative Income Tax Return 2018 (Form 480.2 (EC)) Determination of Net Income and Income Tax for Exempt Business Under Act 73-2008 Schedule X Pass-Through, Part IV, Line 3(h) and Schedule V Pass-Through, Part III, Line 3(i)

Table 5

EXCISE TAX

Excise Tax Expenditure

EXC ID	Tax Regime	Tax Expenditure	Full Description	Legal Citation	Data Source for Tax Expenditure Estimates
VEHICLES					
<i>Credits</i>					
435	<i>Excise</i>	Refund of Excise Taxes on Vehicles Powered by Alternative or Combined Energy	A reimbursement of the payment of excise taxes levied by this Subtitle shall be granted to motor vehicles powered by alternative or combined energy, introduced into or manufactured in Puerto Rico.	PR Internal Revenue Code Section 3030.03	Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico

<i>Exemptions</i>				
TEB - 436	<i>Excise</i>	Exemption Public Carriers for the First Vehicle Including School Transportation and Heavy Vehicles	When the carrier is the owner of more than one motor vehicle that shall be used in the transportation of passengers for pay, the owner shall have the right to enjoy the exemption from the payment of excise tax on the first registered motor vehicle, but not on the others. Such first motor vehicle shall continue to enjoy the exemption herein granted in the case of a sale, alienation, or transfer, provided that the original buyer used it for the transportation of paying passengers for a minimum period of three (3) years. Motor vehicles used for the transportation of school students shall also be exempt.	PR Internal Revenue Code Section 3030.05 Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico
TEB - 437	<i>Excise</i>	Consular Officers and Employees Exemptions	There shall be exempt from the excise tax established in Section 3020.07 of Chapter 2 of this Subtitle, vehicles acquired or introduced in Puerto Rico for the personal use of consular officers and employees of foreign countries in Puerto Rico, provided said countries extend a like privilege to representatives of the United States of America in accordance with the 1961 Vienna Convention on Consular Relationships Treaty and to officers who occupy positions in offices of the Government outside Puerto Rico.	PR Internal Revenue Code Section 3030.06 Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico

<p>TEB - 438</p>	<p><i>Excise</i></p>	<p>Exemptions for Handicapped Persons</p>	<p>(a) Any person who may have had both hands or feet amputated or who may be permanently paraplegic, or any person with a permanent disability of a similar nature, is eligible for an exemption from the payment of excise taxes established in Section 3020.08 with respect to one (1) motor vehicle especially prepared and equipped to supply the associated necessities for his or her impediment, pursuant to the regulations adopted thereby.</p>	<p>PR Internal Revenue Code Section 3030.07</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>
<p>TEB - 439</p>	<p><i>Excise</i></p>	<p>Church Exemptions Vehicles which hold twelve (12) or more passengers</p>	<p>Vehicles which hold twelve (12) or more passengers, excluding the driver, which are registered for the first time in Puerto Rico, that are acquired and used exclusively by churches for the transportation of their parishioners to the religious services, shall be exempt from the payment of the excise taxes mentioned in Section 3020.07 of Chapter 2 of this Subtitle</p>	<p>PR Internal Revenue Code Section 3030.08</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>

<p>TEB - 440</p>	<p><i>Excise</i></p>	<p>Exemptions for Donations to the Puerto Rico Police and the Police of the Municipal Governments</p>	<p>An exemption is granted from the payment of the excise taxes provided by this Subtitle for new vehicles and motorcycles acquired by a nonexempt natural or legal person, for the only purpose of donating them to the Puerto Rican Police and Municipal Governments for vigilance, crime prevention, the protection of property and other public services rendered by the Municipal Guard.</p>	<p>PR Internal Revenue Code Section 3030.09</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>
<p>TEB - 441</p>	<p><i>Excise</i></p>	<p>Exemptions on Articles for Manufacturing</p>	<p>Any raw material to be used in Puerto Rico for the manufacture of finished products, excluding hydraulic cement, as well as truck tractors, trucks or bulk carriers that are exclusively and permanently used within the manufacturing plant, shall be exempt from the taxes stipulated in this Subtitle, according to the provisions defined in Section 3020.08.</p>	<p>PR Internal Revenue Code Section 3030.10</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>

<p>TEB - 442</p>	<p><i>Excise</i></p>	<p>Exemption on the first five thousand (5,000) dollars of the excise tax on any non-luxury automobile for Nonprofit Charitable Institutions</p>	<p>The first five thousand (5,000) dollars of the excise tax on any non-luxury automobile, provided that this exemption shall apply to two automobiles per calendar year, except in the case of vehicles known as "vans" or "minivans", which shall not be subject to this limitation,</p>	<p>PR Internal Revenue Code Section 3030.15</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>
<p>TEB - 443</p>	<p><i>Excise</i></p>	<p>Exemption over Articles Acquired by Government Agencies</p>	<p>Any article acquired for official use by the agencies and instrumentalities of the Government of the United States of America shall be exempt from the payment of the excise taxes levied in this Subtitle</p>	<p>PR Internal Revenue Code Section 3030.16</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>

<p>TEB - 444</p>	<p><i>Excise</i></p>	<p>Exemption on Articles Belonging to Persons in Government Service</p>	<p>Persons in the service of the Government of the United States of America or of the Government of Puerto Rico who are officially transferred to render services in Puerto Rico, shall be entitled to introduce to the island one (1) vehicle, exempt from taxes, provided such introduction is the result of and contemporaneous with the transfer order.</p>	<p>PR Internal Revenue Code Section 3030.17</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>
<p>TEB - 445</p>	<p><i>Excise</i></p>	<p>Category III ambulances</p>	<p>(12) Category III ambulances shall be exempt from the tax contained in this section, in which case no amount of excise tax shall be levied or collected. For purposes of this Code, "Category III Ambulance" shall refer to any ambulance intended for the transportation of ill, injured, wounded, disabled, handicapped or invalid persons, pursuant to the regulations established by the Public Service Commission for said category. In addition, ambulances in this category are especially designed, build and equipped with a mobile emergency room. Said ambulances shall be operated by medical emergency technicians authorized by the Secretary of Health.</p>	<p>PR Internal Revenue Code Section 3020.08 (a)(12)</p>	<p>Data Entry System of the Office of Excise Taxes, Motor Vehicles, Treasury Department of Puerto Rico</p>

CIGARRETES

Exemptions

TEB - 446	<i>Excise</i>	Tourists and Residents of Puerto Rico Traveling Abroad	The introduction of two hundred (200) cigarettes is allowed entry without levying tax as stipulated in this Subtitle. Any excess over two hundred (200) cigarettes shall be subject to the payment of excise taxes. The cost of the exempted cigarettes shall be understood as included within the amount of the exemption.	PR Internal Revenue Code Section 3030.13	n.d.a.
------------------	---------------	---	---	--	--------

<p>TEB - 447</p>	<p><i>Excise</i></p>	<p>Exemption on Tobacco Products sold or transferred to military stores, canteens or other facilities operated by the trust-building of the Puerto Rico National Guard or your dealer.</p>	<p>(a) Exempt from tax set at this Subtitle, cigarettes, cigars, tobacco loose, cigarette paper, tubes of cigarette, chewing tobacco, tobacco powder, electronic cigarettes, nicotine cartridges and vaporizers, sold or transferred to the ships of foreign license plates and the United States of America and those sold to the war ships of foreign countries and to vessels from foreign countries in courtesy visit in Puerto Rico. This exemption shall be granted only when the delivery of cigarettes, cigars, tobacco loose, cigarette paper, tubes of cigarette, chewing tobacco, tobacco powder, electronic cigarettes, nicotine cartridges and vaporizers, is done according to the rules and procedures established by the Registrar and his violation will entail the obligation of payment of the taxes that are part of the introducer or distributor, as the case may be. All introducer or distributor wishing to take advantage of this exemption shall provide a guarantee to answer for the payment of such means.</p> <p>(b) Also, shall be exempt from payment of means cigarettes, cigars, tobacco loose, cigarette paper, tubes of cigarette, chewing tobacco, tobacco powder, electronic cigarettes, nicotine cartridges and vaporizers that, after they have been removed from the factories or ports, are taken out of the market by reason of being unfit for normal consumption, always and when they are destroyed under the supervision of the Registrar. In such a</p>	<p>PR Internal Revenue Code Section 3030.18</p>	<p>n.d.a.</p>
-------------------------	----------------------	---	--	---	---------------

			<p>case, the Secretary shall reimburse or credited the tax to the person who has paid.</p> <p>(c) In addition, shall be exempt from tax established in this Subtitle cigarettes, cigars, tobacco loose, cigarette paper, tubes of cigarette, chewing tobacco, tobacco powder, electronic cigarettes, nicotine cartridges and vaporizers, where they are sold or transferred to the users as defined in the Law 23-1991, as amended, of the military stores, canteens or other facilities operated by the trust-building of the Puerto Rico National Guard or your dealer.</p> <p>(d) Are exempted from the tax set in this subtitle, cigarettes, cigars, loose tobacco, cigarette, cigarette, chewing tobacco, pipe tobacco powder, electronic cigarettes, cartridges of nicotine and vaporizers introduced or manufactured in Puerto Rico for exportation, subject to those requirements or conditions imposed by the Secretary by regulation, provided that this exemption shall not apply to cigarettes ", cigars, loose tobacco, chewing tobacco, tobacco powder, paper of cigarette, cigarette tubes, electronic cigarettes, nicotine cartridges and sprays that are sold in shops and Terminal air or maritime people who don't leave the customs territory of the United States."</p>		
--	--	--	--	--	--

FUEL

Exemptions

<p>TEB - 448</p>	<p><i>Excise</i></p>	<p>Excludes natural gas of "Other Fuel"</p>	<p>(b) Excluded from the term gasoline, for purposes of this section, shall be liquid gases such as propane, butane, ethane, ethylene, propylene, butylenes and any mixture thereof. To the purposes of this section the term "any other fuel" excludes natural gas, propane gas and their byproducts or gases of similar nature.</p>	<p>PR Internal Revenue Code Section 3020.06 (b)</p>	<p>Puerto Rico Electric Power Authority (PREPA), Fuels Office</p>
<p>TEB - 449</p>	<p><i>Excise</i></p>	<p>Residual Fuel number 6, when it is acquired by the Puerto Rico Electric Power Authority</p>	<p>(d) The excise tax provided in subsection (a) of this section shall not apply to the residual Fuel number 6, when it is acquired by the Puerto Rico Electric Power Authority for the generation of electricity. This subsection shall apply if the specific gravity of said fuel does not exceed 24.9 degrees API with a corrected temperature to sixty degrees Fahrenheit (60°F).</p>	<p>PR Internal Revenue Code Section 3020.06 (d)</p>	<p>Puerto Rico Electric Power Authority (PREPA), Fuels Office</p>

<p>TEB - 450</p>	<p><i>Excise</i></p>	<p>Residual Fuel number 6, when it is acquired by industries and businesses when it is used for their management of production</p>	<p>(e) The excise tax provided in subsection (a) of this section shall not apply to residual Fuel number 6, when it is acquired by industries and businesses established in Puerto Rico when it is used for their management of production. This subsection shall apply if the specific gravity of said combustible does not exceed 24.9 degrees API with a corrected temperature to sixty degrees Fahrenheit (60°F).</p>	<p>PR Internal Revenue Code Section 3020.06 (e)</p>	<p>Tax on Imports Monthly Return Form AS 2915.1 D: B. Raw material, machinery, and equipment (Manufacturing process) (Section 4030.06)</p>
-------------------------	----------------------	---	---	---	--

<p>TEB - 451</p>	<p><i>Excise</i></p>	<p>Aviation gasoline and any combustible product in the case it was for use and consumption in propelling air transportation vehicles, destined to be consumed in air trips between Puerto Rico and other places or in air trips within the territorial. (2 cent)</p>	<p>(g) In accordance with Act Number 82 of June 26, 1959, as amended, the levying and collection of excise taxes on gasoline fixed in paragraph (1) of subsection (a) of this section shall be suspended in the case of aviation gasoline and any combustible product for use and consumption in propelling air transportation vehicles, destined to be consumed in air trips between Puerto Rico and other places or in air trips within the territorial limits of Puerto Rico, provided, that, in lieu of said tax levied in this section, the Ports Authority imposes a duty on said products of two (2) cents per gallon or fraction of a gallon and collects it from the suppliers operating in the airports of Puerto Rico.</p>	<p>PR Internal Revenue Code Section 3020.06 (g)</p>	<p>Based on partial information provided by the Port Authority, Oficina Asuntos Tarifarios y Estudios Económicos Puerto Rico, Port Authority of Puerto Rico</p>
-------------------------	----------------------	---	---	---	---

CRUDE OIL AND PETROLEUM PRODUCTS

Exclusions

<p>TEB - 452</p>	<p><i>Excise Tax</i></p>	<p>Generation of the Electric Power Authority or Other entity</p>	<p>(h) Exemptions. The tax levied in this section shall not apply to: (1) Crude oil, unfinished oils, products derived from petroleum , or any other hydrocarbon mixture (including natural gas) used to generate electricity by: (B) any generating plant solely only relating to that portion of natural gas used to generate electricity sold to the Electric Power Authority or any successor entity;"</p>	<p>PR Internal Revenue Code Section 3020.07(h)(1)(A) and 3020.07A (h)(1)(A)</p>	<p>Puerto Rico Electric Power Authority (PREPA), Fuels Office</p>
<p>TEB - 453</p>	<p><i>Excise Tax</i></p>	<p>Natural gas used to generate electricity sold to the Electric Power Authority or any successor entity</p>	<p>h) Exemptions. The tax levied in this section shall not apply to: (1) Crude oil, unfinished oils, products derived from petroleum , or any other hydrocarbon mixture (including natural gas) used to generate electricity by: (B) any generating plant solely only relating to that portion of natural gas used to generate electricity sold to the Electric Power Authority or any successor entity;"</p>	<p>PR Internal Revenue Code Section 3020.07(h)(1)(B) and 3020.07A (h)(1)(B)</p>	<p>Puerto Rico Electric Power Authority (PREPA), Fuels Office</p>

<p>TEB - 454</p>	<p><i>Excise Tax</i></p>	<p>The Maritime Transportation Authority, any successor entity or any entity that operates the maritime transport system serving the Municipality of Vieques and Culebra islands.</p>	<p>(h) Exemptions. The tax levied in this section shall not apply to: (1) Crude oil, unfinished oils, products derived from petroleum , or any other hydrocarbon mixture (including natural gas) used to generate electricity by: (C) the Maritime Transportation Authority, any successor entity or any entity that operates the maritime transport system serving the Municipality of Vieques and Culebra islands.</p>	<p>PR Internal Revenue Code Section 3020.07(h)(1)(C) and 3020.07A (h)(1)(C)</p>	<p>Internal Study, "Metodología Para Establecer Captación De Los Arbitrios Sobre Combustibles Y Petróleo Crudo Y Sus Derivados", p. 16.</p>
<p>TEB - 455</p>	<p><i>Excise Tax</i></p>	<p>Businesses holding a decree granted under Act 73-2008, with respect to the provisions of subparagraphs (6) and (8) of Section 9 of said Act, or equivalent sections of previous or superseding industrial incentive laws.</p>	<p>"(h) Exemptions. The tax levied in this section shall not apply to: (1) Crude oil, unfinished oils, products derived from petroleum , or any other hydrocarbon mixture (including natural gas) used to generate electricity by: (D) businesses holding a decree granted under Act 73-2008, with respect to the provisions of subparagraphs (6) and (8) of Section 9 of said Act, or equivalent sections of previous or superseding industrial incentive laws."</p>	<p>PR Internal Revenue Code Section 3020.07(h)(1)(D) and 3020.07A (h)(1)(D)</p>	<p>n.d.a.</p>

<p>TEB - 456</p>	<p><i>Excise Tax</i></p>	<p>Crude oil, partly unfinished products, the end products derived from oil, or any other hydrocarbon mixture used as lubricants or fuel for generating steam for cooking, canning and sterilization of raw material obtained from industrial fishing.</p>	<p>(h) Exemptions. The tax levied in this section shall not apply to: (7) Crude oil, unfinished oils, oil end-products, or any other hydrocarbon mixture used as lubricants or fuel in the generation of steam for cooking, canning and sterilization of raw materials in industrial fisheries.</p>	<p>PR Internal Revenue Code Section 3020.07(h)(7) and 3020.07A (h)(7)</p>	<p>n.d.a.</p>
<p>TEB - 457</p>	<p><i>Excise Tax</i></p>	<p>Crude oil, partly unfinished products, end products derived from oil, or any other hydrocarbon mixture used for vessels which render wharf services or using fuel for cargo ships, cruise ships or any other vessel requiring these services, whether in territorial waters or beyond them.</p>	<p>(h) Exemptions. The tax levied in this section shall not apply to: (8) Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture used by vessels that provide towing and/or fueling services to freight ships, cruise ships and/or any other vessel requiring these services, in or out of territorial waters.</p>	<p>PR Internal Revenue Code Section 3020.07(h)(8) and 3020.07A (h)(8)</p>	<p>n.d.a.</p>

<p>TEB - 458</p>	<p><i>Excise Tax</i></p>	<p>Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture, subject to the excise tax on "diesel oil" established in subsection (a)(3) of Section 3020.06</p>	<p>(h) Exemptions. The tax levied in this section shall not apply to: (9) Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture, subject to the excise tax on "diesel oil" established in subsection (a)(3) of Section 3020.06; provided that, on and after the Effective Date (as defined in Article 12A of Act No. 74 of June 23, 1965, as amended by this Act), this exemption shall not apply to the increase of three dollars and twenty-five cents (\$3.25) established in subsection (a)(ii) of this section 3020.07A, and said articles also subject to the excise tax on "diesel oil" shall be subject to an excise tax of only three dollars and twenty-five cents (\$3.25) accordingly, under this section 3020.07A.</p>	<p>PR Internal Revenue Code Section 3020.07A (h)(9)</p>	<p>Tax on Imports Monthly Return Form AS 2915.1 D: B. Raw material, machinery, and equipment Manufacturing process), Section 4030.06), Branch Business Analysis & Integration Division DLA Finance-Energy (F8FWD) 2017. PREPA Fuels Office.</p>
<p>TEB - 459</p>	<p><i>Excise Tax</i></p>	<p>Crude oil, unfinished oils, oil end products, or any other hydrocarbon mixture, subject to the excise tax on "diesel oil" established in subsection (a)(3) of Section 3020.06</p>	<p>(h) Exemptions. The tax levied in this section shall not apply to: (6) Crude oil, unfinished oils, oil end-products or any other hydrocarbon mixture used as lubricants or fuel to power aircraft and maritime vessels in their trips by air and sea between Puerto Rico and other places.</p>	<p>PR Internal Revenue Code Section 3020.07 (h)(6) and 3020.07A (h)(6)</p>	<p>n.d.a.</p>

<p>TEB - 460</p>	<p><i>Excise Tax</i></p>	<p>Crude oil, partly unfinished products, end products derived from oil or any other hydrocarbon mixture locally imported or sold to agencies and instrumentalities of the Federal Government.</p>	<p>"(h) Exemptions. The tax levied in this section shall not apply to: (3) Crude oil, unfinished oils, oil end products or any other hydrocarbon mixture imported or sold locally to the agencies and instrumentalities of the Federal Government."</p>	<p>PR Internal Revenue Code Section 3020.07 (h)(3) and 3020.07A (h)(3)</p>	<p>Defense Logistics Agency, 2017</p>
-------------------------	--------------------------	---	---	--	---------------------------------------

DISTILLED SPIRITS AND ALCOHOLIC BEVERAGES

Exclusions

<p>TEB - 461</p>	<p><i>Excise</i></p>	<p>Distilled spirits and alcoholic beverages when they are sold or transferred to the armed forces of the United States, including the National Guard of Puerto Rico</p>	<p>There shall be exempt from the payment of taxes established by this Subtitle, the distilled spirits and alcoholic beverages when they are sold or transferred to the following persons, agencies and organizations:</p> <p>(1) The armed forces of the United States, including the National Guard of Puerto Rico (land and air):</p> <p>(A) the armed forces of the United States, when they are destined for use and consumption within duly authorized military establishments. The exemption shall extend to the use and consumption by active servicemen in their residences outside of military bases;</p> <p>(B) the armed forces of Puerto Rico when they are destined for use and consumption solely within duly authorized military establishments.</p> <p>(2) International organizations entitled to enjoy the privileges, exemptions and immunities such as International Organizations under P.L. No. 291, 79th Cong., 59 Stat. 669, and their foreign officials and employees.</p> <p>(3) Career diplomats recognized by the Puerto Rico Department of State when treaties of reciprocity exist between the governments they represent and the United States.</p> <p>(4) The exemption established in this section shall not apply to persons included in paragraphs (4), (5), (6) and (7) of Article 6 of Act No. 23 of July 23, 1991, as amended, known as</p>	<p>PR Internal Revenue Code Section 5023.01</p>	<p>System of payments made by collector centers.</p>
-------------------------	----------------------	---	--	---	--

			the "Puerto Rico National Guard Institutional Trust Act.		
TEB - 462	<i>Excise</i>	Distilled Spirits and Alcoholic Beverages Used in the Process of Manufacture, Research, Development or Experimentation in Laboratories or for Medicinal Purposes	The taxes established by this Subtitle shall not be collected on those alcoholic beverages sent by or withdrawn from a rectification or bottling plant or factory to be used in laboratories for analytical or experimental purposes.	PR Internal Revenue Code Section 5023.02	n.d.a.

<p>TEB - 463</p>	<p><i>Excise</i></p>	<p>Special Exemption to Beer, Malt Extract and others. Progressive Tax in substitution of refer by 5021.01</p>	<p>In lieu of tax established in paragraph (2) of subsection (c) of Section 5021.01 of this and other fermented or unfermented analogous products whose alcohol content exceeds one and one-half (1 1/2) percent by per volume referred to in paragraph (2) of subsection (c) of the aforementioned section, that are produced or manufactured by persons whose total production, if any, of said products during the most recent tax year has not exceeded thirty-one million (31,000,000) gallons measure, a progressive tax per measured gallon produced, imported or introduced shall be collected</p>	<p>PR Internal Revenue Code Section 5023.04</p>	<p>System of payments made by collector centers.</p>
-------------------------	----------------------	---	--	---	--

This bibliography lists the books and articles that form the source material that Hacienda referenced during the development of the PRTER. Much of the discussion in Sections I through IV of the PRTER was drawn from these sources and altered to apply to the tax law specific to Puerto Rico.

- 1 Tax Expenditure Budgets and Reports: Best Practices. National Conference of State Legislatures. The Forum of America's Idea., NCSL Task Force on State and Local Taxation August 18, 2014
- 2 Tax Expenditure Budgets: Concepts and Challenges for Implementation. Luiz Villela, Andrea Lemgruber y Michael Jorratt, Inter-American Development Bank, Institutional Capacity and Finance Sector, April 2010
- 3 Puerto Rico Internal Revenue Code of 2011. Puerto Rico Department of Treasury.
- 4 Building for Ohio's Next Generation. Budget of the State of Ohio – Fiscal Year 2018-2019. Tax Expenditure Report. Governor John R. Kasich - Department of Taxation – Tax Commissioner Joseph Testa.
- 5 Tax Expenditures. U.S. Department of the Treasury. September 28, 2016
- 6 Vermont Comprehensive Annual Financial Report. Department of Finance and Management. June 30, 2017
- 7 Estimates of Federal Tax Expenditures for Fiscal Years 2017- 2021 (JCX-34-18), May 25, 2018, prepared for the House Committee on Ways and Means and the Senate Committee on Finance by the Staff of the Joint Committee on Taxation
- 8 Tax Expenditures in The Federal Excise Tax System. National Tax Journal Vol. 47, no. 1, (March 1994), pp. 39-62. Bruce F. Davie
- 9 Report on Federal Tax Expenditures: Concepts, Estimates and Evaluations. Department of Finance Canada 2018
- 10 Tax Expenditures Review 2017, Tax Strategy Group of Department of Finance of Ireland (TSG 17/13), July 25, 2017
- 11 Tax Expenditures in OECD Countries, Meeting of Senior Budget Officials, Paris June 4 - 5 2009, Joe Minarik

- 12 Is the Tax Expenditure Concept Still Relevant? *National Tax Journal*, Vol. 56, No. 3, (September 2003), pp. 613-627. Leonard E. Burman
- 13 Income Versus Consumption Tax Baselines for Tax Expenditures, *National Tax Journal*, Vol 64 (2, Part 2), (June 2011), pp. 491 – 510. Robert Carroll, David Joulfaian, and James Mackie
- 14 *Personal Income Taxation: The Definition of Income as a Problem of Fiscal Policy*, University of Chicago Press, (1938). Henry C. Simons
- 15 *Pathways to Tax Reform: The Concept of Tax Expenditures*, Harvard University Press, (1973). Stanley S. Surrey
- 16 Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95, *Survey of Current Business* 69 (May) (1997). Katz, Arnold J., and Shelby W. Herman
- 17 The Measurement of Depreciation in the U.S. National Income and Product Accounts, *Survey of Current Business*, 77 (July) (1997). Barbara M. Fraumeni