



Puerto Rico Relocation Guide for Act 60 (Formerly Act 20/22)

By: Prelocate - Visit RelocatePuertoRico.com



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Visit RelocatePuertoRico.com or e-mail Pilar@RelocatePuertoRico.com

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About Prelocate



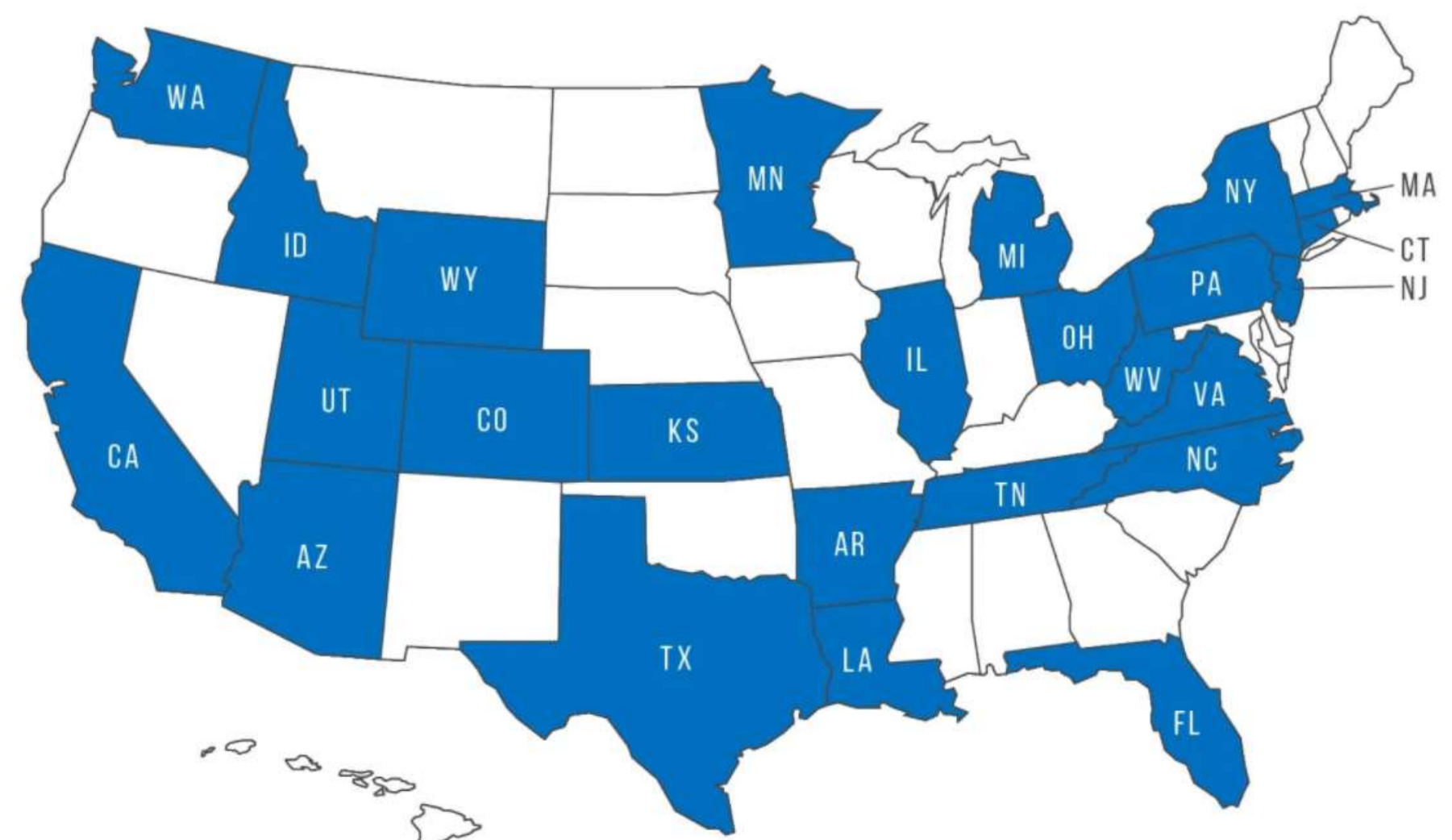
We started Prelocate to provide individuals and small businesses the knowledge and services they need to relocate to Puerto Rico. When moving to Puerto Rico ourselves, we were buried in a process that was difficult to understand and required dozens of hours of research, not to mention the added costs of professional services to clear things up. We believe that living and working in Puerto Rico is a tremendous opportunity that shouldn't be overlooked due to cost, disjointed information, and an overall lack of clarity.

Our goal is to enable and empower you to make a sound decision about whether Puerto Rico is right for you. If it is, we will make it happen for you in a straightforward, accurate, and economical way. We speak for the community in that we hope you join us here in beautiful Puerto Rico.



CLIENTS FROM 25 STATES

**WE WORK WITH
CLIENTS ACROSS
THE U.S.**



Our team



Travis Lynk
Managing Partner

Travis has operations experience within complex, rapid-growth, technology startup environments. Prior to Prelocate, Travis was an early employee and General Manager at **Uber**, helping to build out vehicle financing products and developing the driver network across the Southeast U.S. While at Uber, Travis gained significant experience building and scaling sustainable businesses, pioneering new markets, developing strategic partnerships, and creating policies and procedures. Travis was also previously employed with the consulting firm **Accenture** where he worked with various Fortune 500 Companies. Travis has volunteered with **Technoserve** in West Africa, and has experience in real estate. Travis holds a B.S. in Business Administration from the **University of North Carolina at Chapel Hill**.



Mike Schoenfeld
Managing Partner

Mike has extensive private equity investment, business diligence, management consulting, and entrepreneurship experience. Currently Mike is a Managing Partner at **EB5 Affiliate Network**, where he leads project strategy, investments, and business structuring. Mike previously worked for **AEA Investors**, a leading middle-market private equity firm with \$6B under management. Mike was previously employed by the **Boston Consulting Group**, one of the top management consulting and business strategy firms in the world where he worked directly with Fortune 500 Companies. Mike is also a Forbes Magazine 30 Under 30 National Winner for Social Entrepreneurship. Mike holds a B.A. in Economics and B.S. in Business Administration from the **University of North Carolina at Chapel Hill**.



Sam Silverman
Managing Partner

Sam has extensive real estate development, management, financing, and brokerage experience in Florida, Pennsylvania, California, Georgia, and internationally in the People's Republic of China. Currently Sam is a Managing Partner at **EB5 Affiliate Network**, where he leads project strategy, investments, and business structuring. Sam was also previously employed by the **Boston Consulting Group**, one of the top management consulting and business strategy firms in the world where he worked directly with Fortune 500 Companies. Sam is also a Forbes Magazine 30 Under 30 National Winner for Social Entrepreneurship. Sam holds a B.A. in Economics with a concentration in Mandarin Chinese from **Yale University**, a Certificate in Financial Accounting from the **London School of Economics** and Political Science, and an M.B.A. from the **Stanford Graduate School of Business**.

Our team



Pilar, a licensed New York attorney specializing in immigration matters, gained valuable experience working with government agencies and completing petitions/applications on behalf of her clients before moving back to her native Puerto Rico in 2018. She has also volunteered with Safe Passage, an organization that links unaccompanied minors to pro bono legal representation. In addition to Prelocate LLC, Pilar works for EB5AN Management and Consulting LLC. She holds a B.A. from the University of Puerto Rico, Rio Piedras, and a J.D. from New York Law School.

Pilar Rivera

Operations Manager



Gisela has over seven years of experience working on the business administration & management field. She has held positions in the legal, manufacturing, and international logistics industries. Gisela relocated to Puerto Rico six years ago and has experience helping companies & individuals successfully relocate to the island. She holds an AA in Business Administration from Las Positas College in Livermore, California.

Gisela Delgado

*Administrative
Assistant*

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Helpful Information About Life in Puerto Rico from Our Blog on RelocatePuertoRico.com



Click here to skip to this expanded table of contents section with 100+ unique articles

Our services



Act 60 Export Services Tax Application

Price: Free

We advise you on the Export Services Tax application process from start to finish. We save you time and money – **law firms charge \$10,000 to \$15,000 for the same service.** As a Qualified Promoter with the PR government, we are mandated not to charge a fee.



Act 60 Investor Resident Individual Tax Application

Price: \$1,395

We advise you on and handle your Investor Resident Individual Tax application from start to finish. We handle all aspects of application preparation: document gathering, government visits, notarizations, and payments. We save you time and money – **law firms charge \$3,000 to \$5,000 for the same service.**

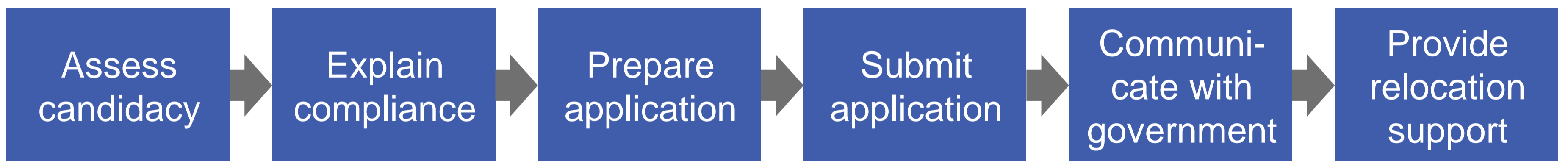


Other Services

Contact Us

Your relocation to Puerto Rico will require additional services, including a registered agent, qualifying business address, local hiring, relocation logistics, and real estate. We can provide most of these services in house or connect you with a local specialist.

Process Overview



Why work with us

Why choose Prelocate?

Why work with Prelocate?

- We have direct experience with the problems we're solving. We are Act 20 and Act 22 (now Act 60) recipients.
- We're dedicated to relocation. We've built templates that make the process transparent and accurate.
- We're well networked within the Puerto Rico community, and we're on the ground in Puerto Rico.
- We help you however we can, which includes soft landing support and referrals to accelerate your relocation.

About Prelocate

- We started Prelocate to provide individuals and small businesses with the knowledge and services they need to relocate to Puerto Rico. When moving to Puerto Rico ourselves, we were buried in a process that was difficult to understand and required dozens of hours of research, not to mention the added costs of professional services to clear things up. Our team spent 50+ hours searching through information, making phone calls to lawyers and accountants, and creating the process to apply.
- The information and resources available were inadequate. Applying is a systematic process that a company only has to go through once. We realized a high-priced lawyer or accountant is NOT needed for most cases, and when they are needed, it's for a tactical portion of analysis.
- We are not a law or accounting firm. We specialize in structuring and working through the process. For highly complex cases, we work with lawyers and accountants, but 90% of the time, a standard framework is sufficient.

Recover

40+

hours

Avoid

5+

questions

Skip

5+

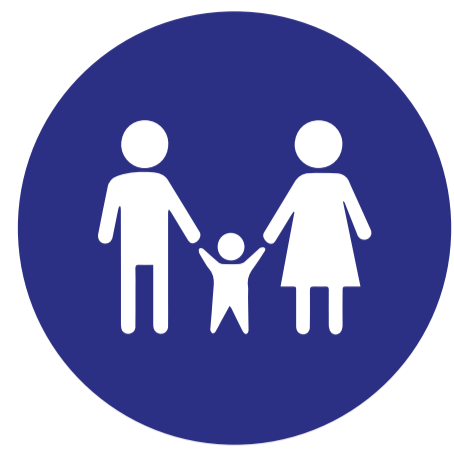
bank visits

Save

\$1,000s

in fees

Why relocate to Puerto Rico



Status as a U.S. territory and government momentum

- No need to give up your citizenship and no double taxation
- U.S. federal laws and protections, like courts, banking, and immigration
- U.S. support for economic growth and debt restructuring through PROMESA
- Development and infrastructure focused on promoting growth after 2017 hurricanes



Unique tax incentives

- Goal is to recruit new businesses and investors who will spend, invest, and hire locally
- No federal income tax, 4% corporate tax on eligible business, and 0% tax on capital gains and eligible interest and dividends
- Act 20 and Act 22 (2012) created most aggressive incentives worldwide; consolidated under Act 60
- Act 60 (2020) consolidated tax decrees, incentives, subsidies, and benefits
- A wide range of businesses and individuals qualify; focus has shifted from manufacturing to services



Great place to live and do business

- Strong infrastructure, U.S. rules, talented workforce
- Easy access to U.S. (2.5 hours from Miami) and South America
- Modern conveniences and housing options, vibrant culture, and Caribbean weather year-round
- Growing population and network of entrepreneurs and tech-focused individuals

Act 60 (formerly 20/22) overview

Act 60 Export Services Tax Incentive

“Move Your Business”

(Formerly Act 20)

- **For businesses** that export services from Puerto Rico to other countries:
 - 4% corporate tax
 - 0% dividend tax
- Officer-owner must receive a “reasonable salary” if they work full time at the business
- Most of the business must be owned by Puerto Rico residents for full tax advantage
- **Government application required**

Act 60 Investor Resident Individual Tax Incentive

“Move Yourself”

(Formerly Act 22)

- **For individuals** who relocate to Puerto Rico:
 - 0% capital gains tax (Puerto Rico sourced)
 - 0% interest and dividends tax (Puerto Rico sourced)
- Tax advantages apply for gains after moving to Puerto Rico (i.e., sourced to Puerto Rico)
- The individual must become a bona fide resident of Puerto Rico and fully commit to relocation
- **Government application required**

Most individuals combine both incentives to take full advantage of favorable tax treatment

Puerto Rico tax incentive list (1/2)

Puerto Rico is not only a beautiful Caribbean island territory with a vibrant culture and almost always perfect weather—it also offers a number of generous tax incentives to entice businesses and individuals to come to the island and help it prosper. The most famous are Act 20 and Act 22—now the “Export Services” and the “Individual Resident Investor” tax incentives, respectively, under the newly enacted Act 60—but Puerto Rico offers various other tax incentives that may fit your needs. Read our extensive list of Puerto Rico tax incentives to determine which is right for you.

Export Services (Formerly Act 20)

The Export Services tax incentive is available to businesses established in Puerto Rico that offer services to customers or clients outside of Puerto Rico. Examples include research and development, consulting services, call centers, software development, and accounting services, among many others. A business must not provide services to the Puerto Rican market to be eligible for this tax incentive. Additionally, businesses that make or expect to make \$3,000,000 per year must hire the equivalent of one full-time employee who is a Puerto Rican resident to be eligible. Manufacturing businesses must hire the equivalent of three full-time employees.

Export Trade and Hubs (Formerly Act 20)

The former Act 20, which focused on businesses established in Puerto Rico that exported their goods or services abroad, was split up into two separate acts in the newly enacted Act 60. With the Export Trade and Hubs act, Puerto Rico incentivizes eligible businesses that derive at least 80% of their gross income from the traffic or export of products. Eligible activities include reselling products to customers outside of Puerto Rico; selling or distributing intangible products, such as copyrights, patents, or digital content, to customers outside of Puerto Rico; storing, transporting, and distributing products of third parties; and assembling, bottling, and packaging goods for export outside of Puerto Rico.

Individual Resident Investor (Formerly Act 22)

One of the most well-known Puerto Rican tax incentives, the Individual Resident Investor tax incentive is available to any person who was not a resident of Puerto Rico for the 10 tax years preceding July 1, 2019, and who becomes a resident before December 1, 2035. To be eligible, investors must donate \$10,000 to nonprofit entities in Puerto Rico. In Act 60, this decree was updated to include tax exemptions on capital gains from cryptocurrencies.

Puerto Rico tax incentive list (2/2)

Additional Tax Incentive Acts

- Professional Physicians (Formerly Act 14)
- Professional Researchers or Scientists (Formerly Act 14)
- Professional of Difficult Recruitment (Formerly Act 14)
- Creative Industries (Formerly Act 27)
- Small and Medium Enterprises PYMES (Formerly Act 62)
- Manufacturing, Research, and Development (Formerly Act 73)
- Visiting Economy (Formerly Act 74)
- Green Energy (Formerly Act 83-325)
- Young Entrepreneur (Formerly Act 135)
- Public Porters of Air Transport Services (Formerly Act 135)
- Maritime Transport Services (Formerly Act 126)
- Infrastructure Investment (Formerly Act 185-7)
- Agriculture, Livestock Industries, and Agribusiness (Formerly Act 225)

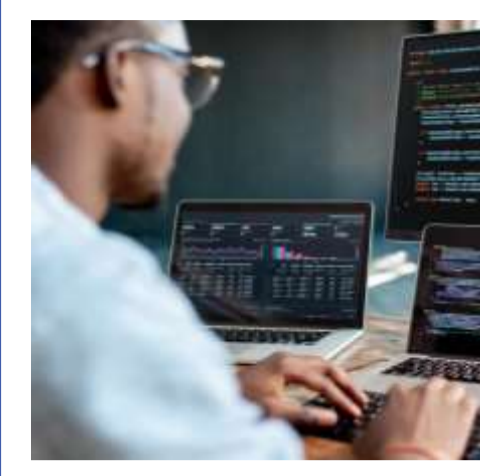
Who has benefited from the tax incentives?



Blockchain Companies



Amazon FBA Businesses



Software Developers



Traders (Stock Traders)



Financial Consultants



Marketing Consultants



Doctors



Lawyers



Accountants

IMPACT OF THE PROGRAMS

- Influx of capital and jobs; knowledge transfer
- Participant integration with local creatives and start-up community
- Synergy between direct investments and individual consumption
- 4,000+ tax decrees issued

Act 60 Export Services; move a business (1/5)

On January 17, 2012, Puerto Rico enacted Act 20, known as the “Export Services Act”. This Act was designed to help accelerate the economic recovery of Puerto Rico by attracting new businesses and employment opportunities to Puerto Rico. Service businesses ranging from advertising to accounting to legal services, as well as hedge funds and a wide range of other consulting firms are eligible for the benefits. As of January 1, 2020, Act 20 has been replaced by Act 60, which brings with it some changes to the requirements.

What are the tax benefits for Act 60?

Eligible businesses with operations *inside* Puerto Rico receive the following benefits for income derived from customers *outside* of Puerto Rico:

1. 4% corporate tax rate
2. 100% tax exemption on distributions from earnings and profits
3. 50% tax exemption on municipal taxes
4. 75% tax exemption on municipal and state property taxes (small and medium businesses can receive a 100% exemption during their first five years of operation)

A few points of clarification:

1. “Operations inside Puerto Rico” is defined as work output or value created on Puerto Rico soil, whether that is by the business owner or employees.
2. The business owner and employees must receive a [reasonable salary](#) based on the services provided, which is taxed at ordinary Puerto Rico income tax rates (as high as 33%). This means you can’t pass through 100% of net revenue at the 4% corporate tax rate.

Also note that under Act 60, the Office of Industrial Tax Exemption (OITE) will now execute independent audits of Act 60 businesses at least once every two years. As of yet, it is unclear whether these audits also apply to businesses that filed for Act 20 before Act 60 went into effect.

Act 60 Export Services; move a business (2/5)

Which types of business are eligible for Act 60?

1. Research and development
2. Advertising and public relations
3. Consulting services, including, but not limited to, economic, scientific, environmental, technological, managerial, marketing, human resources, computer, and auditing consulting services
4. Advice services on matters related to any trade or business
5. Creative industries
6. Production of blueprints, engineering, and architectural services, and project management
7. Professional services such as legal, tax, and accounting services
8. Centralized managerial services, including, but not limited to, strategic direction, planning, and budgeting, provided by regional headquarters or a company engaged in the business of providing such services
9. Electronic data processing centers
10. Development of licensable computer software
11. Telecommunications voice and data between persons located outside of Puerto Rico
12. Call centers
13. Shared service centers
14. Storage and distribution centers
15. Educational and training services
16. Hospital and laboratories services, including telemedicine facilities and medical tourism services
17. Investment banking and other financial services, including, but not limited to, asset management, management of investment alternatives, management of activities related to private capital investment, management of coverage funds or high-risk funds, management of pools of capital, trust management that serves to convert different groups of assets into securities, and escrow account management services

Act 60 Export Services; move a business (3/5)

18. Commercial and mercantile distribution of products manufactured in Puerto Rico for jurisdictions outside Puerto Rico
19. Assembly, bottling, and packaging operations of products for export
20. Trading companies
21. Blockchain-related services

The eligible business must **not have a nexus with Puerto Rico.**

In other words, the service must not be related to the conduct of a trade, business, or other activity in Puerto Rico to qualify for the benefits of the Act. In general, this means the clients of the business need to be outside of Puerto Rico. The following services are considered to have a nexus with Puerto Rico, and are be eligible services:

1. Business or income-producing activities that are or have been performed in Puerto Rico by the applying business
2. The sale of any property for the use, consumption, or disposition in Puerto Rico
3. Counseling on the laws, regulations, and administrative determinations of the government of Puerto Rico and its instrumentalities
4. Lobbying on the laws, regulations, and administrative determinations of the government of Puerto Rico and its instrumentalities
5. Any other activity designated by the Secretary of the Department of Economic Development and Commerce of Puerto Rico

In order to be eligible, businesses that generate an annual business volume of at least \$3,000,000 must also directly employ at least one full-time employee. The employee must be a Puerto Rican resident and directly participate in the business activities pertinent to the decree.

Act 60 Export Services; move a business (3/5)

Company structure

Option 1: Generate all revenue from PR

Before

US entity or entities
(100% rev)

Taxed at US 30%+

After

2 US entity or entities
(0% rev)

1 Act 60 PR entity 3
(100% rev)

Taxed at PR ~4%

- 1 Form new PR entity to obtain Act 60 tax decree
- 2 Wind down operations of US entity or entities after filing Act 60 decree
- 3 Complete all work from PR with PR resources

Option 2: Generate some revenue from PR

Before

US entity or entities
(100% rev)

Taxed at US 30%+

After

2 US entity or entities
(50% rev)

1 Act 60 PR entity 3
(50% rev)

Taxed at US 40%+

Taxed at PR ~4%

- 1 Start a PR entity
- 2 Set up service agreements and transfer pricing between U.S. entity or entities and PR entity
- 3 The transfer pricing analysis will dictate revenue percentage, likely in the form of a management fee charged to the U.S. entity or entities

Act 60 Export Services; move a business (4/5)



Apply for the Act 60 Export Services Tax incentive and set up the necessary entity structures.



Move **some or all** of your eligible business income to Puerto Rico.



Benefit from 4% corporate tax and 0% dividend tax.

Prelocate Does the Work for You

1 We help you understand your savings and ensure that your business qualifies.



2 We help you complete and submit your application and negotiate your tax exemption.



3 We provide a **turnkey service** that covers the entire process until you receive your final signed decree.



How Prelocate can help you save time and money

Completing the Act 60 export services application involves many steps, documents, and visits to government offices. We provide guidance on which types of companies qualify for Act 60 and how to make the move. The team assists in completing all paperwork and working with local authorities for approvals, resulting in a finalized Act 60 export services tax decree. This includes general guidance around the business and the application itself – this is not tax or legal advice. For complex cases, we can suggest an advisor for tactical and cost-effective guidance

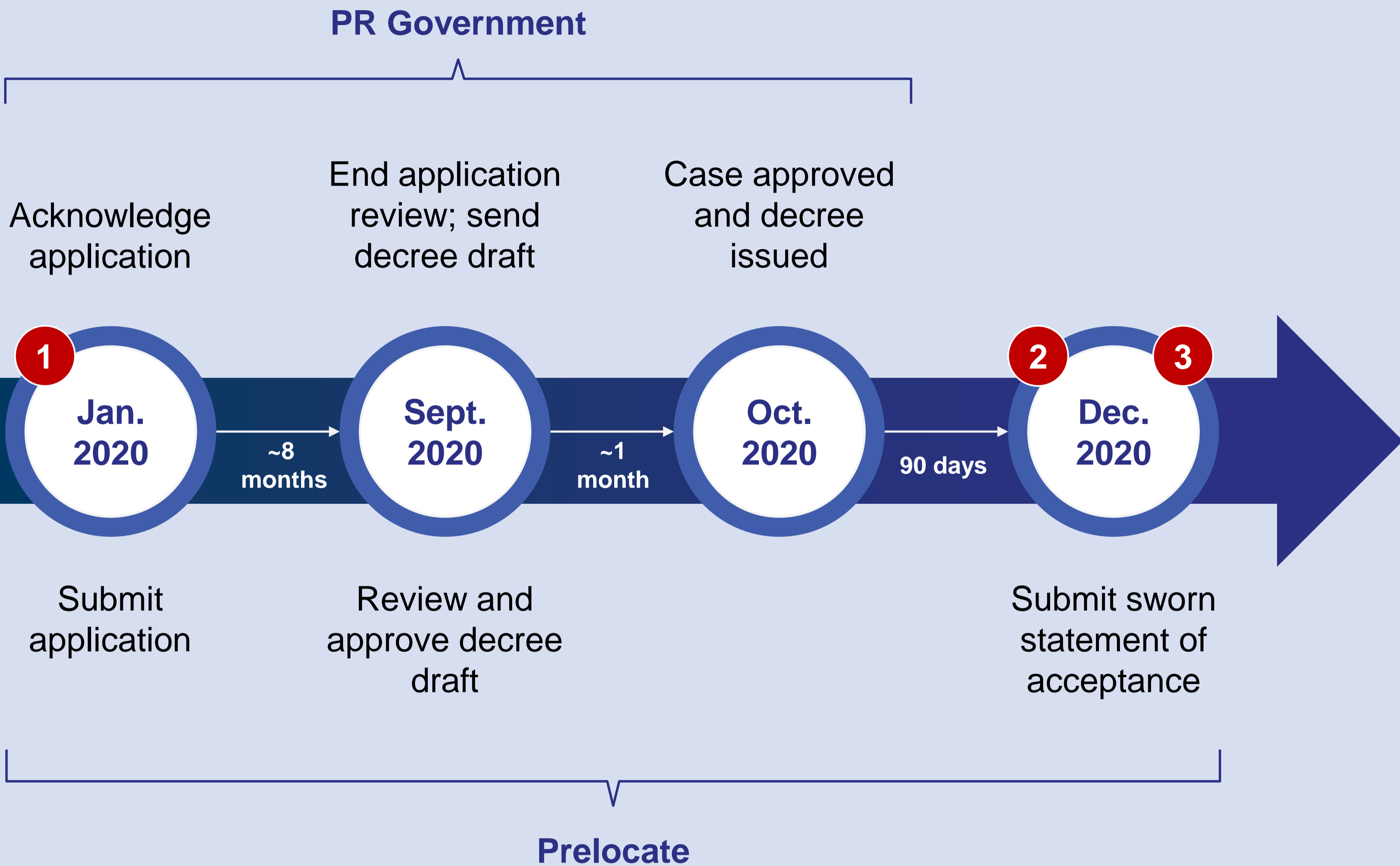
Already started your Act 20 application? Contact us and we will review it

- Introduction call, case evaluation, and general advisory
- Business plan analysis
- Business structuring analysis
- LLC creation, EIN filings, local filings
- Application submission, tracking, and acceptance
- Transfer pricing diagnostic (additional support may be needed)
- Compliance support and tools

Full
Application
FREE

Act 60 Export Services; move a business (5/5)

General timeline



1

Assuming you have established residency prior to your application date, your grant effective date will be your application date.

2

If not a resident upon acceptance of the grant, the applicant has one year from the application date to notify the government of the commencement of operations, upon which the grant date will be effective.

3

You must pay all fees and abide by all deadlines regardless of when you plan on commencing operations.

Act 60 Individual Resident Investor; move yourself (1/4)

On January 17, 2012, Puerto Rico enacted Act 22, known as the “Individual Investors Act”. This Act was designed to help accelerate the economic recovery of Puerto Rico by attracting high net worth individuals, empty nesters, retirees, and investors to relocate to Puerto Rico. As of January 1, 2020, Act 22 has been replaced by Act 60, which brings with it some changes to the requirements. In this guide, we outline the changes Act 60 has made to Act 22.

Two major changes are the increased annual donation requirement, as well as the additional requirement to purchase property in Puerto Rico. The grantee must purchase real estate property in Puerto Rico within two years of obtaining the decree, and the property must remain the grantee’s primary residence throughout the validity of the decree.

What are the tax benefits for Act 60 Puerto Rico?

Eligible new Puerto Rico residents receive the following benefits for income accrued **after the individual begins to become a bona-fide resident of Puerto Rico before January 1, 2036:**

1. 100% tax exemption from Puerto Rico income taxes on all dividends
2. 100% tax exemption from Puerto Rico income taxes on all interest
3. 100% tax exemption from Puerto Rico income taxes on all short-term and long-term capital gains
4. 100% tax exemption from Puerto Rico income taxes on all cryptocurrencies and other crypto assets

Act 60 Individual Resident Investor; move yourself (2/4)

A few points of clarification:

1. Understanding the ins and outs of bona-fide residency and the key dates associated with it are critical to your relocation and tax strategy. In the example of a stock, which is taxed as personal property and thus a capital gain, the date that establishes your tax basis is the date in which you **commence becoming a bona-fide resident**; this is also known as your move date, or the date in which you cease to have a tax home in the US. For Act 60 to kick in, you must successfully obtain your tax decree and satisfy the a bona-fide residency requirements for that calendar year (i.e. actually become a bona-fide resident). If you do not accomplish these steps in full, all income will be taxed in the US (more on this in the next section).
2. Dividends and interest (benefits 1 and 2 above) are not considered capital gains, but rather “investment income”, because the return is not reliant on the initial capital expenditure. For investment income, the IRS considers the source of income to be **where the payer, or company, is located**. Therefore, unless the payer is based in Puerto Rico, you will owe US taxes on investment income even after moving to Puerto Rico. See our sources of income table at the bottom of this article for more information.

You need to actually move to Puerto Rico

As part of Act 60 you need to become a bona-fide resident of Puerto Rico. A bona-fide resident of Puerto Rico is a person who can meet **all three** of the following IRS tests:

1. **Presence test:** The individual is present for at least 183 days during the taxable year in Puerto Rico (there are other ways to ways to satisfy this requirement). This is known as the “where are you” test.
2. **Tax home test:** The individual does not have a tax home outside of Puerto Rico during the taxable year. This is known as “the office test”.
3. **Closer connection test:** The individual does not have a closer connection to the United States or a foreign country than to Puerto Rico. This is known as the “in your heart test”.

Act 60 Individual Resident Investor; move yourself (3/4)



Apply for the Act 60 Individual Resident Investor Tax incentive and move to Puerto Rico.



Satisfy the bona fide residency requirements in Puerto Rico during the calendar year.



Enjoy 0% capital gains tax on gains realized after the date on which you move to Puerto Rico.

Prelocate Does the Work for You

1 We help you understand your tax savings and compliance requirements.



2 We help you complete and submit your application and negotiate your tax exemption.



3 We provide a **turnkey service** that covers the entire process until you receive your final signed decree.



How Prelocate can help you save time and money

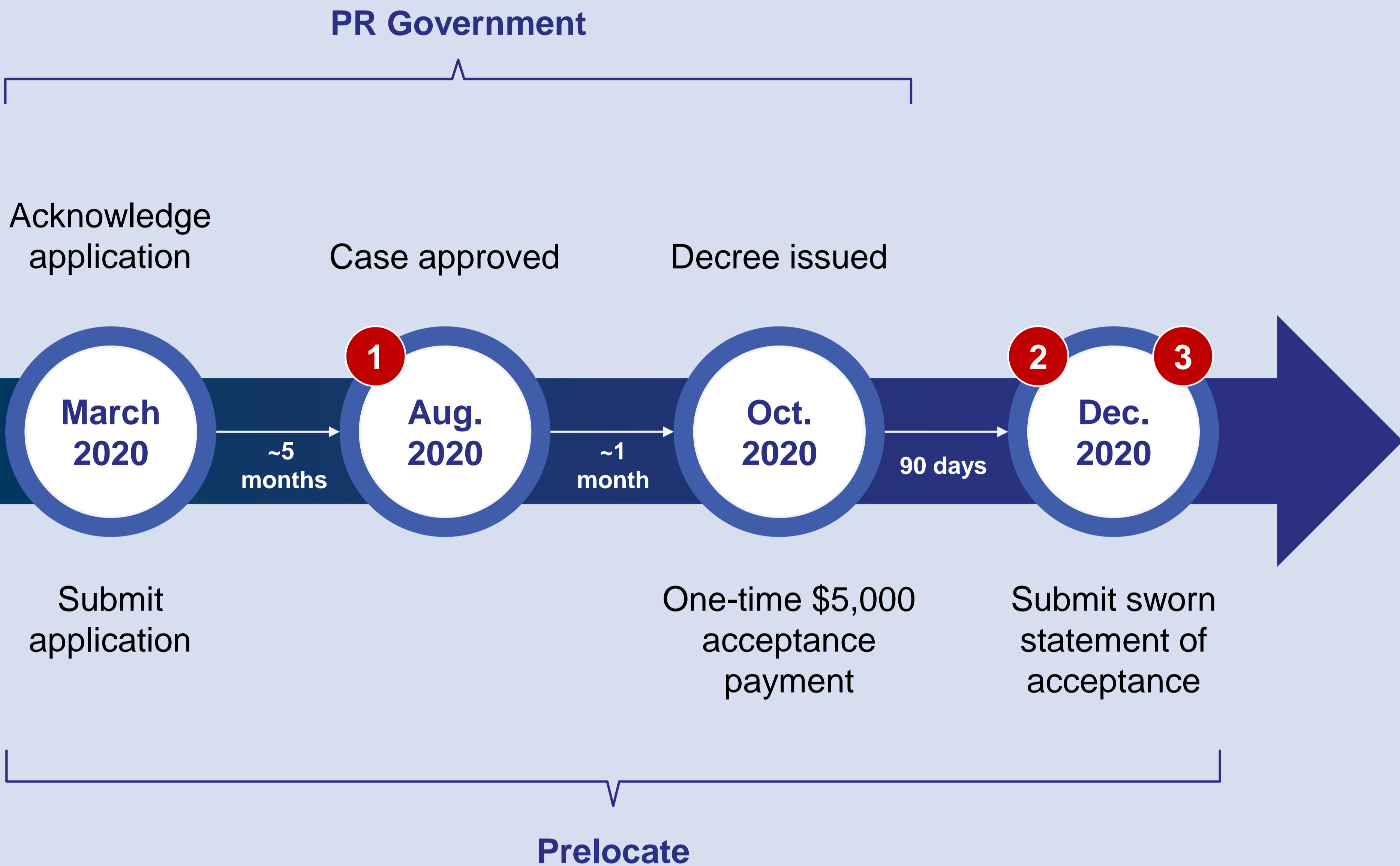
Completing the Act 60 application involves many steps, documents, and visits to government offices. The team has templates of each key document and all processes mapped out. This will save an individual dozens of hours. The team assists in completing all paperwork and working with local authorities for approvals, resulting in a finalized tax decree

- Introduction call, case evaluation, and general advisory
- Income sourcing analysis
- Application submission, tracking, and acceptance
- Compliance support and tools
- Relocation compliance support
- Soft landing support

Full
Application
\$1,395

Act 60 Individual Resident Investor; move yourself (4/4)

General timeline



1

Assuming you have established residency prior to your application date, your grant effective date will be your application date.

2

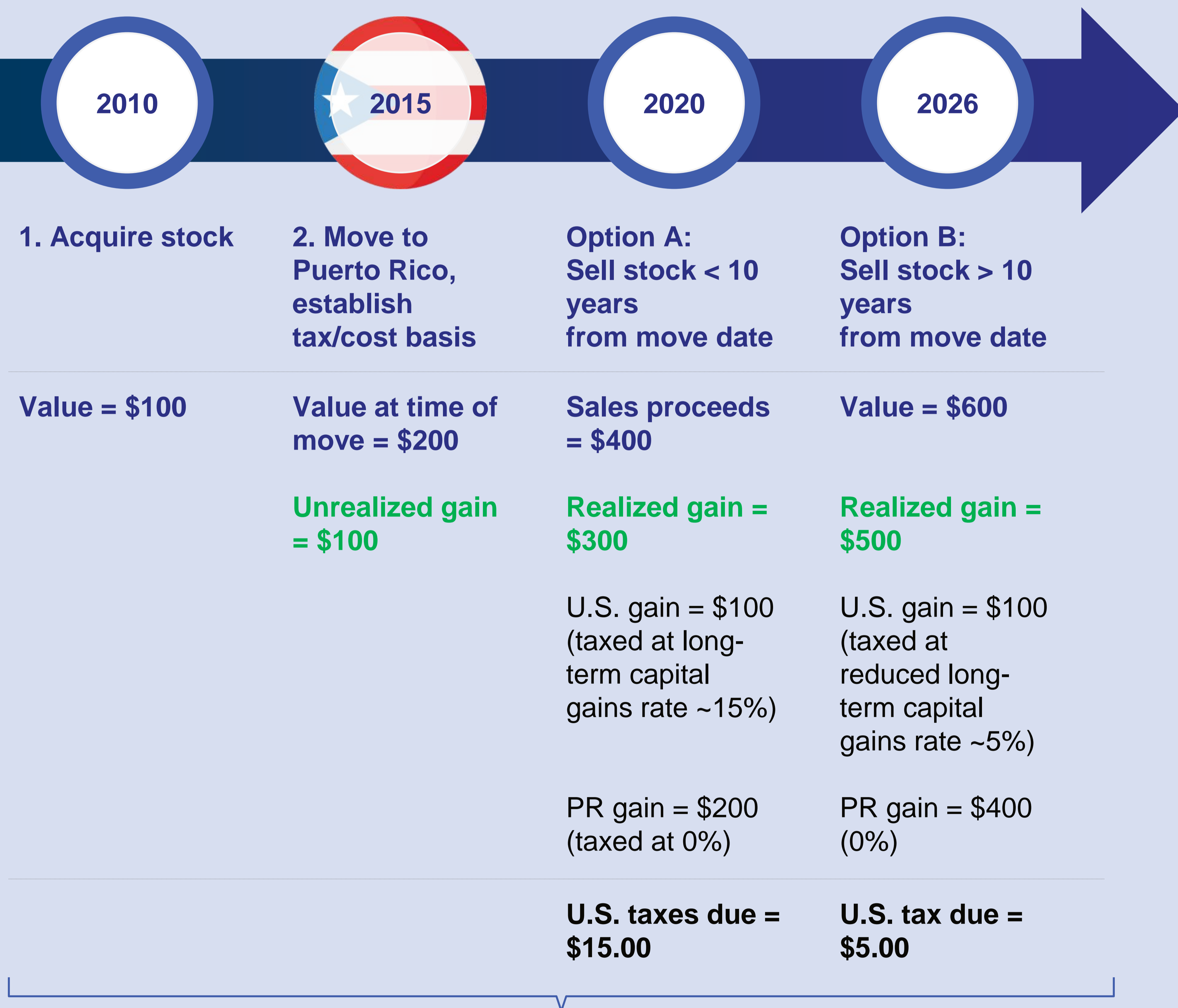
If not a resident upon acceptance of the grant, the applicant has one year from the application date to notify the government of the date of residency, upon which the grant date will be effective.

3

You must pay all fees and abide by all deadlines regardless of when you plan on commencing operations.

Act 60 Investor Resident; analysis of the tax treatment of capital gains and dividends

Example of capital gains (stocks, cryptocurrency)



Illustrative tax analysis on long-term capital gains

Act 60 compliance requirements (1/3)

Puerto Rico's generous tax incentives can save you a lot of money, but unfortunately, they also entail a lot of bureaucracy. There are numerous corporate filings you must file regularly to remain in good standing with the Puerto Rican government. Here is a rundown of the reports you will be expected to file.

LLC Annual Report Filed with the Department of State

All LLC companies are required to [submit an annual report](#) to the Puerto Rican government, along with a \$150 fee, to maintain good standing. Both the report and the fee are due each year by April 15. A two-month extension for a fee of \$30 is possible, but the \$150 fee must still be paid by April 15. Failure to pay on time will result in a \$500 fee and a 1.5% monthly interest rate.

Since Act 20/22/60 decree holders have a number of forms and reports to file, the schedule can become chaotic. Prelocate offers a service to file the annual report for Act 22 or Act 60 Individual Resident Investor businesses, lightening their load and freeing up more time for them to spend growing their business. You just provide some information about your business to us, and we will take care of the rest. For more information about our filing service or to access our templates, email us at info@relocatepuertorico.com.

Act 60 compliance requirements (2/3)

Annual Report Filed with the Department of Economic Development and Commerce

Businesses that enjoy Puerto Rican tax incentives, such as Act 20 and Act 60 decree holders, are required to file an annual report along with the required filing fee for exempt businesses to the Office of Industrial Tax Exemption by the deadline established by law. Filing this report is crucial to maintaining your status as an Act 20/22/60 decree holder, and failing to submit this report and the accompanying fee can result in the revocation of your decree. The filing process can be time-consuming and tiresome, but Prelocate [is happy to offer our assistance](#).

For Act 22 and Act 60 Individual Resident Investor decree holders, there's also an additional step: [proof of a \\$10,000 annual donation](#). More precisely, decree holders must make two separate donations of \$5,000 in qualifying nonprofit organizations before December 31 of the relevant tax year.

Act 60 compliance requirements (3/3)

Corporate Requirements

Act 20 & Act 60 business owners must also comply with numerous corporate requirements that all Puerto Rican businesses are subject to. We have provided a brief overview for you to familiarize yourself with. The list is non-exhaustive and should not be construed as legal or tax advice. We strongly recommend that all business owners work with a CPA to properly manage and file the below documents and any other business filings that may be required.

It's also worth noting that 2020 is a unique year due to the COVID-19 pandemic, which has pushed back the deadlines for most of these filings. The dates specified below apply to most years but not 2020.

Annual

- Informative Declaration and Reconciliation Statement of Income Tax Withholding
- Income Tax Return
- Municipal Volume of Business Declaration / Patente Renewal
- Personal Property Tax Return
- Workers' Compensation Insurance
- Christmas Bonus

Monthly

- Income Tax Withheld From Wages
- Income Tax Withheld From Professional Services
- Sales & Use Tax Monthly Return

Quarterly

- Employer's Annual Federal Unemployment Tax Return Form 940
- State Unemployment & Disability Insurance
- Social Security & Medicare

Why most businesses use a virtual mailbox (1/2)

Virtual addresses are a service any Export Services business under Act 60 ought to consider. Not only do they provide you with a physical and bona fide location in Puerto Rico, but they also serve to protect your privacy and allow you to monitor your physical mail even when you're away.

What Is a Virtual Mailbox?

A virtual address provides your business with a physical street address in the real world as well as a digital mailbox. It allows you to check and monitor your physical mail from your computer, tablet, or phone, and you can instruct your provider to physically forward the mail to you, open it and scan the contents, shred it, or store it for you to physically pick up. Besides the obvious convenience of managing your physical mail digitally, virtual addresses offer numerous perks, including an address in another jurisdiction and privacy protection.

A large number of Export Services businesses use a virtual address service. Getting a virtual address can allow you to secure a Puerto Rican address for your business before you even move to Puerto Rico, and if you would otherwise use your home address as your business address, it allows you to separate your private and business mail. Virtual mailboxes are superior to PO boxes in this regard because they can receive packages from all couriers, not just USPS, and they can be recognized as a commercial business address, whereas PO boxes cannot. Additionally, business permits cannot be issued for the addresses of PO boxes, as well as boxes with UPS or FedEx.

Why most businesses use a virtual mailbox (2/2)

Why Tax Incentives Decree Holders Should Have a Virtual Mailbox

For tax incentives decree holders, there's a distinct advantage to having a virtual address: privacy. In line with new regulations, at the end of January 2020, the Department of Economic Development and Commerce (DDEC) published the names of the more than 8,000 companies and individuals who enjoy the incentives of Acts 20, 22, 14, 273, and 27. On the [registry](#), the names of grantees, as well as the type of grant they have received and its issuance date, are visible. Going forward, all Export Services businesses and Individual Resident Investors will also be added to the registry.

The DDEC holds that this move will promote accountability and transparency, but the problem for tax incentive decree holders is that many use their home address as their commercial address. This means that many grantees now have their home addresses publicly available on the government's [Registry of Corporations and Entities](#), which is a serious privacy concern.

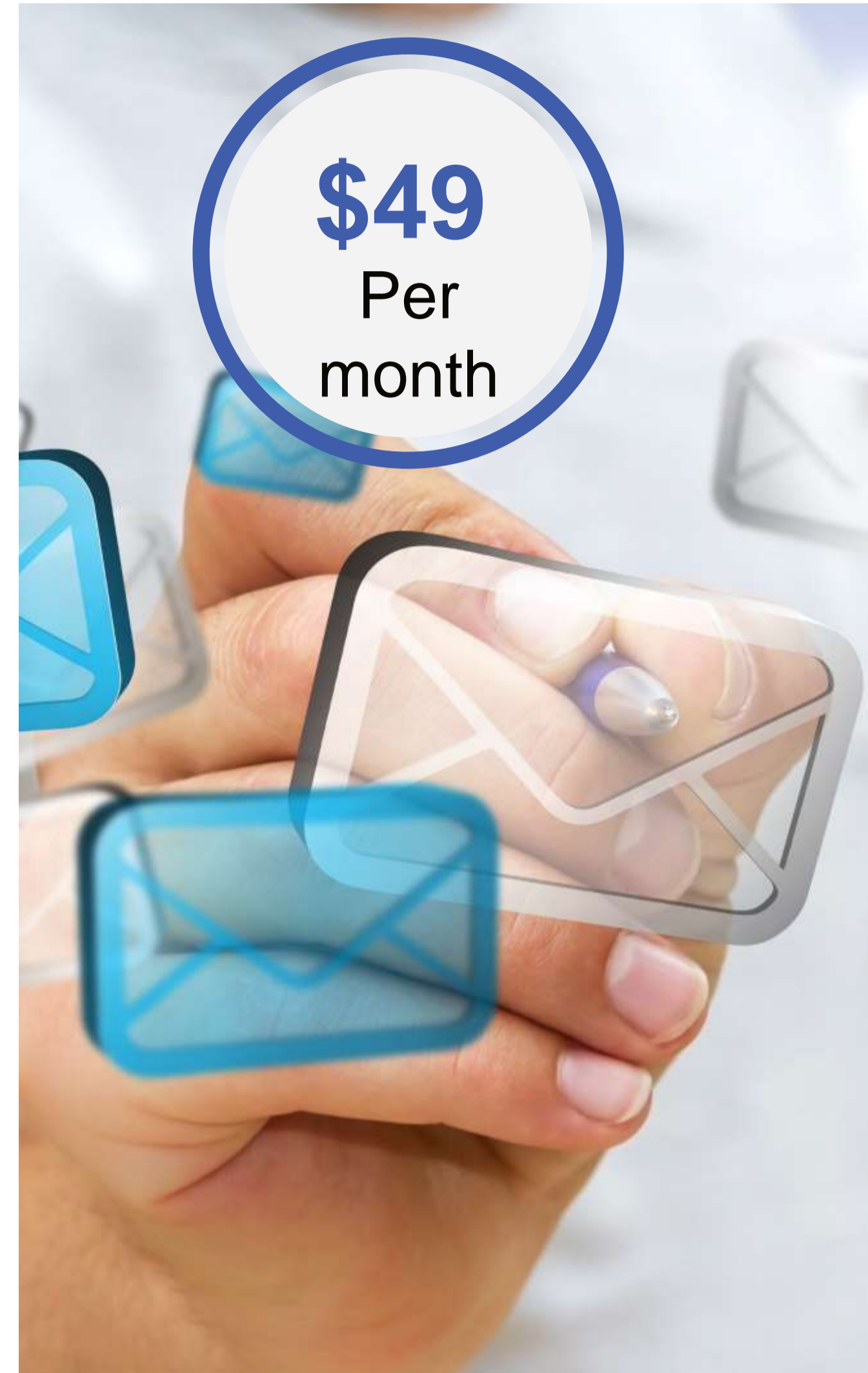
Tax incentive decree holders can easily establish a new commercial address to publish on the database if they subscribe to a virtual address, such as the one offered by Prelocate. We can help you protect your privacy while also giving you an easy and reliable way to monitor your mail when you are traveling. If you have questions about our virtual mailbox service, email us at info@relocatepuertorico.com.

Prelocate virtual mailbox service

Prelocate's virtual mailbox membership allows you to give your business a physical and bona-fide location within the commonwealth, as well as use Prelocate as a registered agent to accept documents on behalf of your business. These benefits enable you to start the entity registrations and Act 60 processes in the most flexible way.

Prelocate will receive your incoming mail and immediately notify you with a picture of the piece of mail. You'll then let us know if you want us to scan the contents to your e-mail address, forward it to the physical address of your choice, shred it, or store it until you pick it up.

Already have your address at another virtual mailbox – we'll cover your switching cost and give you an extra month free. Email us for more information at info@relocatepuertorico.com.



How Prelocate can help you save time and money



Prelocate's Virtual Mailbox service provides clients with a physical and bona fide address in Puerto Rico to start the entity registration, permitting, and Act 60 processes immediately.

It also allows our clients to protect their privacy and monitor their physical mail even when they're away.



Prelocate's Virtual Mailbox membership includes:



Digital logging of mail and alerts on received mail



Scanning mail to digital format



Complimentary shredding



Mail forwarding of received mail to another specified address



Registered agent for formal legal notice

How to qualify as a bona fide PR resident (1/9)

The [tax incentives](#) offered by Act 60 have enticed thousands of U.S. citizens to make the move to sunny Puerto Rico, but in order to enjoy these lucrative benefits, Act 60 holders must satisfy three residency tests to prove that they are bona fide residents of Puerto Rico. The three tests are the **presence test**, the **tax home test**, and the **closer connection test**.

To avoid paying regular U.S. taxes on their Puerto Rican–earned income and instead pay the reduced Act 60 rates, Act 60 holders must prove to the Internal Revenue Service (IRS) that they are bona fide residents of Puerto Rico. Before they will exempt you from regular U.S. tax obligations, the IRS must determine that you have truly made Puerto Rico your home. When you have satisfied all the requirements to become a bona fide Puerto Rico resident, you must file [Form 8898](#) to notify the IRS of your new residency status. Form 8898 is used to officially declare the beginning or cessation of bona fide residency in a U.S. possession, determined by the three above-mentioned tests. When filling out the form, you will need to refer to the [detailed instructions](#), which are based on the bona fide residency rules outlined in [Publication 570](#).

It is important to note that bona fide residency is not the same thing as residency, and you are not considered a bona fide resident of Puerto Rico simply by living in Puerto Rico. The core motivation of the IRS in administering the [bona fide residency tests](#) is to make sure that you intend to stay in Puerto Rico for an extended period of time and that you spend limited time in the US during your period of bona fide residency.

How to qualify as a bona fide PR resident (2/9)

How to Pass the Presence Test

- The first of the three tests is perhaps the most complicated. While it is meant to test your residency in Puerto Rico, the key concern of the IRS is that you are not spending a lot of time in the US. Therefore, there are multiple ways to satisfy the requirements of the presence test. Only one of the following conditions must be true:
 - You were present in Puerto Rico for at least 183 days in the tax year.
 - You were present in Puerto Rico for at least 549 days in the three-year period of the current tax year and the two previous tax years and were in Puerto Rico for at least 60 days in each tax year during that period.
 - You were not present in the US for more than 90 days during the tax year.
 - You did not have more than \$3,000 in earned income (defined as pay for personal services performed, such as wages, salaries, or professional fees) in the US during the tax year and were present in Puerto Rico for more days than in the US.
 - You had no significant connection to the US during the tax year.
- To be counted as present in Puerto Rico, you must be physically present on the island during any part of the day. Even if you are in the US or another country for part of the day, if you were physically present in Puerto Rico even briefly, you are counted as being present that day.

How to qualify as a bona fide PR resident (3/9)

- The presence test also grants you 30 automatic presence days of international travel (i.e., travel not to the US) per tax year, which means you actually only need to be present in Puerto Rico for 153 days per year as long as you are traveling outside of the US. Note that you may only receive 30 free days of international travel if you fulfill the following conditions:
 - You must spend more time in Puerto Rico than the US during the tax year.
 - If you are aiming to satisfy the presence test by spending at least 549 days within a three-year period in Puerto Rico, you still must be physically present in Puerto Rico for 60 days per year.
- Certain exemptions also apply. For example, if you leave Puerto Rico to receive or accompany a parent, spouse, child, or stepchild to receive a qualifying medical treatment, you are still counted as present in Puerto Rico. If you evacuate or cannot return to Puerto Rico due to disaster, you may also qualify for automatic presence days even though you are physically outside of Puerto Rico.

How to qualify as a bona fide PR resident (4/9)

How to Pass the Tax Home Test

- The tax home test is the most straightforward of the three. It has only one requirement: do not have a tax home outside of Puerto Rico during any part of the tax year.
- Your tax home is considered to be where your primary or regular place of employment or post of duty is, regardless of where you reside. If you do not have a primary or regular place of employment, your tax home is considered to be your primary place of residence.
- If you think this test sounds impossible to satisfy for the year of your move, that's why the IRS offers a special exemption for the year of your move only. We elaborate on that at the end of the post.

How to qualify as a bona fide PR resident (5/9)

How to Pass the Closer Connection Test

- The closer connection test is perhaps the most reliable in determining your loyalty to Puerto Rico. Since this test is essentially assessing your intentions, it is somewhat subjective, and since everyone's situation is different, the IRS considers different factors in each case. The factors that the IRS considers when determining whether you have maintained a closer connection to Puerto Rico than the US during the tax year include the following:
 - Where your permanent home is located
 - Where your immediate family lives
 - Where your personal belongings, such as cars, furniture, clothing, and jewelry, are stored
 - Where organizations that you affiliate with, whether professional, cultural, social, religious, or political, are located
 - Where your principal bank is located
 - Where you conduct business
 - The jurisdiction for which you hold a driver's license
 - The jurisdiction in which you are registered to vote
 - Where charitable organizations that you contribute to are located
 - Which country you put down as your country of residence on official forms
 - Which forms or documents you file, such as Form W-8BEN or Form W-9

How to qualify as a bona fide PR resident (6/9)

- Essentially, to pass the closer connection test, you need to move your entire life to Puerto Rico, including your family. If you leave your family in the US, it will be quite difficult to pass the closer connection test, unless you satisfy all the other requirements listed. It's recommended to sell or rent out your home in the US, which will not only significantly help pass the closer connection test but also provide some extra cash.
- How you choose to pass the closer connections test depends on your individual circumstances, but you should aim to build up a life in Puerto Rico to the best of your ability. Giving up your connection to organizations in the US is also not mandatory, but it is recommended to make connections with Puerto Rico organizations to establish ties in the local community. Opening a Puerto Rican bank account is helpful not only for the test but also for your daily life on the island, as is a local driver's license.

How to qualify as a bona fide PR resident (7/9)

How to Pass the Tax Home and Closer Connection Tests in the Year of Your Move

- You are considered to have satisfied the tax home and closer connection tests in the year of your move if you satisfy the following three conditions:
 - You were not a bona fide resident of Puerto Rico in any of the three tax years immediately preceding the tax year of the move.
 - You did not maintain a tax home outside of Puerto Rico for the last 183 days of the year.
 - You are a bona fide resident of Puerto Rico for the year of your move plus the two preceding years.
- To make the most of the Act 60 tax incentives, we recommend that you move before July 1 in the given year. That way, you can satisfy all the tests and achieve bona fide residency even in the year of your move.

Summary

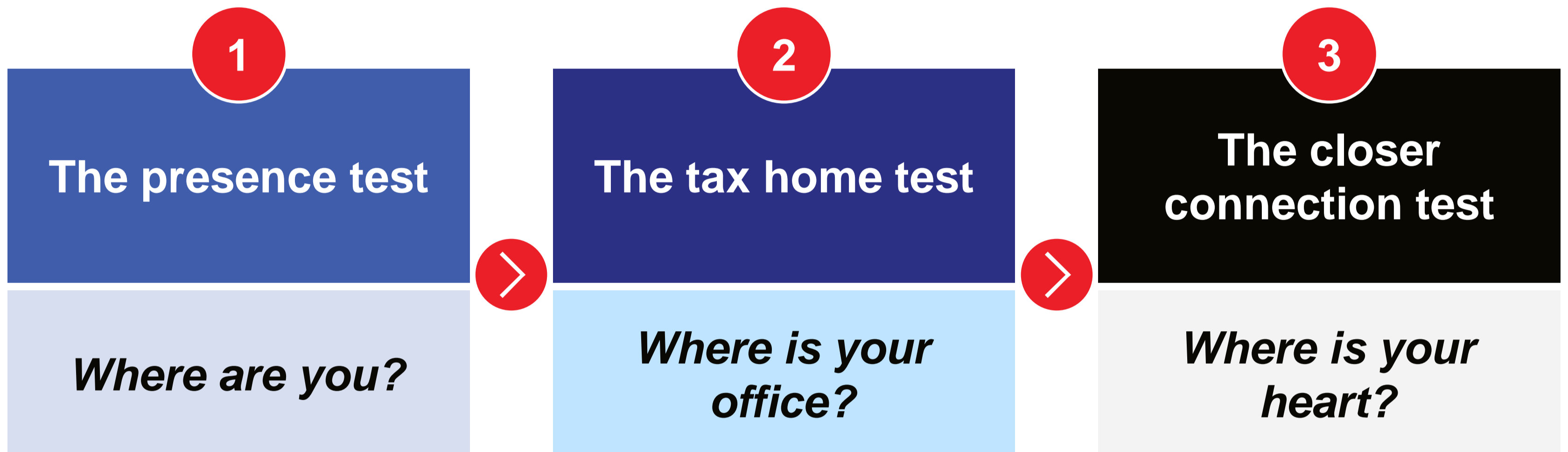
Passing Puerto Rico's bona fide residency tests may seem tough, but if you truly move your whole life to Puerto Rico, it's not that difficult. If you have decided to make the move and take advantage of Puerto Rico's generous tax incentives, make sure you're really committed. Puerto Rico is a sunny Caribbean paradise, and you can enjoy an enriched life in a beautiful culture with beautiful weather, but if you're pining for your life in the US because you left significant connections there, you may not enjoy it. Commit to Puerto Rico, and passing the residency tests will be fairly easy.

For detailed information directly from the IRS about the residency tests, consult [Publication 570](#).

How to qualify as a bona fide PR resident (8/9)

To be exempt from U.S. taxes and qualify for PR taxes, you need to be a bona fide resident of PR

You must satisfy **all three** of the following tests to be a bona fide PR resident for the calendar year.



Primary method to satisfy test

Be in Puerto Rico for 183 days, or spend less than 90 days in the U.S.

Move your office and operations to Puerto Rico

Move your personal affairs to Puerto Rico (family, permanent home, license, bank, church, car, voting card, etc.)

More information

You can stay fewer days in Puerto Rico due to exceptions such as illness, education, non-U.S. international travel, and natural disasters. See IRS Form 570 for additional information.

Your regular place of business or the place where you create taxable value needs to be in Puerto Rico. If you don't have an office, this defaults to where you live.

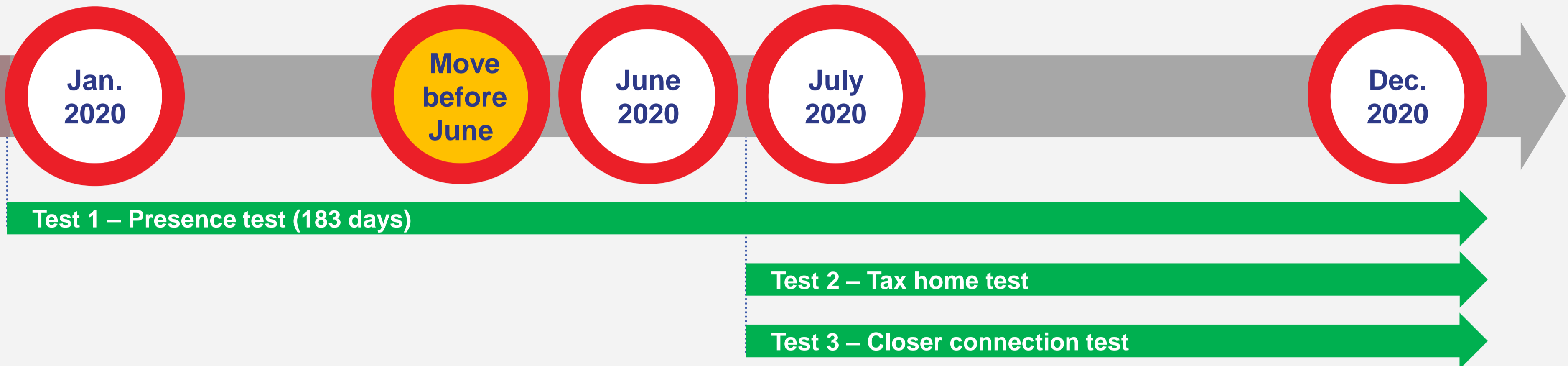
In the event of an audit, the IRS considers your U.S. and PR connections in aggregate. Your goal is to have most of your connections in PR.

Resource: IRS Publication 570

How to qualify as a bona fide PR resident (9/9)

Understanding the “year of the move” residency benefit; for the year of your move only, the tax home and closer connection tests need not be met for January to June.

Using the “year of the move” bona fide residency exception



You are a bona fide resident if you are in Puerto Rico for 183 days and you satisfy the tax home and closer tests for only the final 183 days.

Note: If you use this exception, you must remain a Puerto Rico resident for the following three calendar years as well.

How Prelocate Can Help You Save Time & Money

New Resident Package

As a new Puerto Rico resident, our local team will meet with you one-on-one to for a welcome orientation to provide you with advice on the best neighborhoods, schools, hospitals, and select service providers including attorneys, insurance agents, fitness instructors, etc.



\$549 for current clients, \$849 for non-clients, or \$150 per initial service setup

We will also coordinate the initial setup of key residential and personal services including:

- Electric (AEE) Initial Set Up, Water (AAA) Initial Set Up, Internet and Cable Set Up (including being present for installation), Health Insurance Set Up, Auto Insurance Set Up

The setup process for these services is complicated and can be time consuming, especially for English speakers.

Act 60 charitable donation requirements (1/3)

In addition to establishing [bona fide residency](#) in Puerto Rico, one of the requirements of the Act 22 and Act 60 Individual Resident Investor incentives is a yearly donation to a Puerto Rican charity or nonprofit organization. Under Act 22, the required donation amount was \$5,000, but this has jumped to \$10,000 under the [newly enacted Act 60](#). While investors are more or less free to choose the organization they donate to, there are some rules they have to pay attention to.

Act 22 Investors

- Anyone who holds an Act 22 decree must donate \$5,000 to a Puerto Rican nonprofit entity of their choice each year to maintain their tax incentives. The organization must be certified under Section 1101.01 (a) (2) of the code Internal Revenue Code of Puerto Rico, and it cannot be controlled by the investor themselves nor by any of their relatives, their spouse, or their partner.
- The organization the investor donates to must operate in Puerto Rico. To ensure the entity is compliant with Section 1101.01 (a) (2), it's recommended that investors request to see their IRS and Hacienda certification (Certificacion de Vigencia de Exencion Contributiva de Entidad sin Fines de Lucro). Another option to verify that your nonprofit organization of choice is properly certified is to contact Hacienda.
- Act 22 investors must make their donation before December 31 of each year and must present proof of their donation in the annual report they are required to submit each May.

Act 60 charitable donation requirements (2/3)

Nonprofits Certified Under Section 1101.01 (a) (2)

To facilitate the donation process for Act 22 and 60 investors, we've created a list of nonprofits certified under Section 1101.01 (a) (2) that qualify as a recipient for your required yearly donation. All these organizations have certification from both the Puerto Rican government and IRS, which we have collected and can present to clients upon request

Caribbean Thoroughbred Aftercare, Inc.	https://www.ctahorse.com
ProTechos	https://www.protechos.org/
Defensa Animal de Rincon, Inc	http://defensarincon.org/
Save a Gato (SAG)	https://www.saveagato.com/
Love the Nations, Inc.	https://www.lovethe_nations.com/documents/
The 20/22 Act Society	https://www.the2022actsociety.org/
Caribbean 12 Step, Inc.	http://www.caribbean12step.org/home.html
The Rain & Rose Charitable Fund, LLC	https://www.rainandrosefund.com/

Act 60 charitable donation requirements (3/3)

Nonprofits Certified Under Section 1101.01 (a) (2)

To facilitate the donation process for Act 22 and 60 investors, we've created a list of nonprofits certified under Section 1101.01 (a) (2) that qualify as a recipient for your required yearly donation. All these organizations have certification from both the Puerto Rican government and IRS, which we have collected and can present to clients upon request

Rescate Playas Borinquen	http://rescateplayasborinquen.com/
Museo de los Santos	http://museodelossantos.org/
Karma Honey Project	https://karmahoneyproject.com/
San Juan Community Library at Bucaplaa, Inc.	https://www.facebook.com/sanjuancommunitylibrary/
Vitrina Solidaria, Inc.	http://www.vitrinasolidaria.org/
Proyecto Esparciendo Amor	https://www.facebook.com/pages/category/Nonprofit-Organization/Proyecto-Esparciendo-AMOR-2128952600665334/
ConPRmetidos	https://www.conprmetidos.org/
Boys & Girls Clubs of Puerto Rico, Inc.	http://bgcpr.org/en/

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- [Puerto Rico Relocation Checklist: What to Do Before Your Move](#)
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- [Local Holiday Shopping Guide for Puerto Rico](#)
- [What Permits Are Needed to Operate a Business in Puerto Rico?](#)
- [Puerto Rico Incentives Code \(Act 60–2019\) Signed into Law](#)
- [New Procedures on the Single Business Portal](#)
- [Info on the Puerto Rico Treasury's 7% Tax on Prepared Foods](#)
- [What to Do on Halloween in Puerto Rico](#)
- [How to Hire Employees in Puerto Rico](#)
- [The 2020 Guide to the Foreign Earned Income Exclusion for Expats](#)
- [Everything You Need to Know about Hurricane Preparation in Puerto Rico](#)
- [Changes to Act 20/22 – New Incentives Code of Puerto Rico for Jan 1, 2020](#)
- [Security in Puerto Rico](#)
- [A 3-Minute Guide to Puerto Rico's Act 60](#)
- [The New York Times Names Puerto Rico the #1 Place to Go in 2019](#)
- [Top 10 Tax Havens to Consider in 2019](#)
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- [Guide to Puerto Rico's Best Airbnbs](#)
- [Puerto Rico Tax Incentives: Young Entrepreneurs](#)
- [Where to Live in Puerto Rico Guide](#)
- [Cost of Living in Puerto Rico vs. Cost of Living in the US](#)
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- [A Guide to Puerto Rico Individual Resident Investor Tax Incentive](#)
- [List of All Puerto Rico Tax Incentives](#)
- [How to Pass the Puerto Rico Bona Fide Residency Tests](#)
- [Changes to Act 20 and Act 22 Puerto Rico in 2017](#)
- [The Impacts of Puerto Rico's Act 20 and Act 22](#)
- [Will Puerto Rico Become the 51st State?](#)

How to obtain your Puerto Rican driver's license (1/5)

Puerto Rico may be part of the US, but that does not mean that your U.S. state driver's license is valid in the small island territory. Within 30 days of registering in Puerto Rico, new residents must apply for a local driver's license. If you have come to Puerto Rico to take advantage of its many tax incentives, you have to obtain a Puerto Rican driver's license immediately after purchasing a property or signing a lease contract. The default procedure to apply for a PR driver's license involves receiving a Learner's Permit Certificate and waiting at least 30 days before obtaining the full Puerto Rico license, but the process is a bit faster for those who already hold a valid U.S. license.

Reciprocity categories

- In the past, Puerto Rico had differing levels of reciprocity with different states, with a lucky few enjoying full reciprocity, an unlucky few subject to no reciprocity, and most in the category of partial reciprocity. However, as of 2014, all states have full reciprocity agreements in place.
- This means that people with a valid U.S. driver's license do not have to take the written or driving tests to obtain a Puerto Rican driver's license. However, as the result of a recent change in regulations, they are now required to attend an hour-long drug and alcohol course. These classes are offered at all CESCO offices across the island, but applicants must confirm available dates and times directly with their specific CESCO office. Applicants can schedule an appointment at the [CESCO website](#) by selecting the desired service from the drop-down menu and scrolling to the bottom to click "coordinar una cita." Applicants will then be asked to log in or create an account.

How to obtain your Puerto Rican driver's license (2/5)

CESCO offices in Aguadilla, Arecibo, Bayamón, Caguas, Fajardo, Guayama, Humacao, Manatí, Mayagüez, Río Piedras, and Ponce operate from 7:30 a.m. until 5:00 p.m. on weekdays as well as 9:00 a.m. until 2:00 p.m. on Saturdays. Offices in Barranquitas and Utuado operate from 7:30 a.m. until 4:00 p.m. on weekdays and do not offer any weekend hours.

In contrast to applicants with a valid U.S. driver's license, if an applicant's license is expired, they must take both the written and driving test, but they do not have to wait 30 days.

Applicants are required to surrender their current state license so that they do not hold two licenses. It is advised to obtain another state-issued identification card to ease procedures with ID checkers in the US, as not all realize that Puerto Rico is part of the US.

Necessary documents

There are several documents applicants need to bring to the CESCO (the DMV of Puerto Rico) to obtain a driver's license:

- Your current U.S. driver's license
- [An official copy of your state driving record](#)
- A document that shows your social security number (bringing your official Social Security card is recommended; bear in mind that it cannot be laminated)
- Your birth certificate or U.S. passport
- Two forms of proof of residence (e.g., utility bill or bank statement in your name and less than 60 days old)
- A filled-out [DTOP-DIS-257 form](#)

How to obtain your Puerto Rican driver's license (3/5)

- Stamps (purchasable at a CESCO office or bank)
 - IRS stamps (code 5120): \$16
 - Comprobante REAL ID proof stamps (code 0842): \$2
 - Comprobante proof stamps (code 2028): \$17
 - Comprobante proof stamps (code 0842): \$2
- Medical statement ([DTOP-DIS-260](#)) (\$20–\$25)
- Most states will send you an official copy of your driving record for less than \$10, and some states even allow you to download an official copy from the internet. Make sure you know which category your state falls under, as the CESCO will reject the document if you download and print a nonofficial copy.
- For the IRS stamps, make sure to purchase them at the bank or CESCO office, where you will pay the true value. You can also find second-hand sellers near the DMV, but they add a premium, so you will end up paying more than you need to.
- Regarding the medical statement, all you need is a doctor to officially state that you're healthy enough to drive. You can find numerous doctor's offices around the CESCO, and the procedure consists merely of answering a few health-related questions and having the doctor fill out a form and sign it. Some CESCO offices, such as the one in Bayamon, even feature on-site doctors from whom you can obtain the certification.

How to obtain your Puerto Rican driver's license (4/5)

Hire an expediter

This is optional, but it can dramatically speed up and smooth out the process. An expediter will guide you through the entire process, making sure you have the correct documentation, arranging for all the necessary paperwork to be completed, scheduling your courses (if necessary), and navigating you through the CESCO building. Given that dealings with the DMV and similar institutions are generally a headache, even if you could complete the process on your own, many believe the peace of mind is worth the extra fee. This is especially useful if you don't speak Spanish well. One such expeditor is [License & Co.](#), who charges \$130.00 for the reciprocity process.

Confirm the information

Before you leave the CESCO, double-check the expiry date and information printed on your newly issued license. Unlike the DMV in the US, the CESCO does not ask you to verify the information before they print it on the license, which could lead to mistakes in your address or name. You will need to get the license reprinted if you find mistakes, and it's best to do so as soon as you can.

REAL ID

It is not mandatory to make your driver's license into a REAL ID, but it is highly recommended. Starting in October 2020, you will need either your passport or your REAL ID to take domestic flights or enter federal facilities. The procedure is the same—with the addition of the [DTOP-DIS-328 form](#)—and the REAL ID looks almost identical to the default driver's license, except that it contains a star in the right corner. Make sure to bring the extra money for the REAL ID.

How to obtain your Puerto Rican driver's license (5/5)

To receive your REAL ID, you must be present during the process at all times. You can receive REAL ID licenses at the CESCOs in Carolina, Bayamon, Arecibo, Aguadilla, Ponce, Guayama, and Humacao.

Translated English Forms

- Bureaucracy is a nuisance even in your native language—in a foreign language, it's a nightmare. To facilitate the process of applying for a Puerto Rican driver's license, we have translated the forms DTOP-DIS-257 (driver's license application), DTOP-DIS-260 (medical statement for a driver's license application), and DTOP-DIS-328 (REAL ID application) into English.
- The easy-to-understand forms are in PDF format, with checkboxes or blanks waiting for your input. When you enter your answers into the form, they will automatically show up on the Spanish form, leaving you with a perfectly completed Spanish form you can print out and present to CESCO.
- You can download all three (3) easy to fill out and translated PDF forms [here](#) on our website.

How to Set Up Electricity, Water, and Internet in Puerto Rico (1/11)

Electricity, water, and the Internet are three things we can't live without, so you'll want to get these set up as soon as you move to Puerto Rico so you can settle into your new home as quickly as possible. As with most bureaucratic processes, setting up these essentials will require time and lots of personal information and identification documents, but ultimately, it isn't that hard.

How to Set Up Electricity

In order to set up electricity at your new home, you need to visit the Puerto Rico Electric Power Authority (PREPA) office in person and present all the necessary documentation for installation. Prepare to wait at least a week for the setup to be complete, as the process typically takes between five to seven business days. The information and documentation you need to provide differs depending on whether you are contracting a new electrical service or service for an existing property, as well as whether you own the property or are renting it.

New Service

To have electricity set up at a new property, you must provide the following information about yourself and your spouse, if you have one:

- Your full name
- Your marital status
- Your Social Security number
- Your [driver's license](#) or passport
- Your workplace
- Your work and residential telephone number

How to Set Up Electricity, Water, and Internet in Puerto Rico (2/11)

- The property's physical address
- Your postal address, if different from the physical address (such as a [virtual mailbox](#))
- A picture of your meter showing the serial number
- A down payment of between \$100 and \$150 (PREPA will indicate the exact amount when you apply for service)
- A Certification of Electrical Installation, which is obtainable from a professional electrician with a valid license (this document is needed if the property is new or has been without service for more than a year)
- If you are the owner:
 - The purchase agreement or deed of property
- If you are renting:
 - The rental or lease agreement
 - The name, address, and phone number of the property owner

Service for an Existing Property

To set up electrical service in your name for an existing property that already has electrical service, you will need to provide the following information:

- Your full name
- Your marital status
- Your Social Security number
- Your driver's license or passport

How to Set Up Electricity, Water, and Internet in Puerto Rico (3/11)

- Your workplace
- Your work and residential telephone number
- If you are renting:
 - The rental or lease agreement
 - The name, address, and phone number of the property owner

New Service at a Commercial Property

If you have opened or plan to open a business with a physical location in Puerto Rico, you will also have to have electricity set up at your company's building. To set up the service, you will be required to present the following information:

- The full name of the company owner or the company name
- A Certification of Electrical Installation, which is obtainable from a professional electrician with a valid license (this document is needed if the property is new or has been without service for more than a year)
- A use permit, granted by OGPe or the corresponding autonomous municipality, if the property is new or if there is a change in its use
- A down payment (PREPA will indicate the exact amount when you apply for service)
- A picture of your meter showing the serial number
- If an individual is requesting the electrical service, they must provide the following information about themselves and their spouse, if they have one:
 - Their full name

How to Set Up Electricity, Water, and Internet in Puerto Rico (4/11)

- Their marital status
- Their Social Security number
- Their driver's license or passport
- Their workplace
- Their work and residential telephone number
- If the business entity is a corporation:
 - Its Certificate of Incorporation
 - Its Certificate of Existence or Authorization to Do Business in Puerto Rico (must be less than six months old)
 - Its Certificate of Validity or Good Standing Certificate (must be less than six months old)
 - A memorandum from the board of directors authorizing the request of electrical service
 - Its Employer Social Security Number (EIN)
- If the business entity is a commercial or special company:
 - A constitution deed
 - An Agreement of Compensation and Continuous and Unlimited Guarantee (SE)
 - The company's physical address
 - The company's postal address, if different from the physical address
- If you own the property:
 - The purchase agreement or deed of property

How to Set Up Electricity, Water, and Internet in Puerto Rico (5/11)

- If you are renting:
 - The rental or lease agreement
 - The name, address, and phone number of the property owner

Mi Cuenta Online System

On PREPA's [website](#), you can access online services through a special portal called [Mi Cuenta](#), as long as you are registered on PREPA's system. On the Mi Cuenta system, you can conveniently view and pay your bills online. The portal also allows users to request various services, such as electrical service for an existing property, a transfer of service, a disconnection of service, validation for electronic certificates, and tree trimming or streetlight services. Additionally, the portal provides a way for users to submit a bill objection, if necessary.

Autopayments

Autopayments are the easiest way to pay your electrical bill—that's one less thing on your plate and more time you can dedicate to growing your business. To set up autopayments with PREPA, you need to visit them in person and present your most recent PREPA bill, personal ID, payment method information, and a void check. If the account is not in your name, you also require authorization letter from the account holder to make changes and updates, as well as a copy of their ID.

PREPA Website: <https://aeepr.com/en-us>

Email: serviciosweb@prepa.com

Phone Number: (787) 521-3434

How to Set Up Electricity, Water, and Internet in Puerto Rico (6/11)

How to Set Up Water Service

Water service in Puerto Rico is provided by Autoridad de Acueductos y Alcantarillados de Puerto Rico, or AAA. You must be prepared to wait up to two weeks for your water service to be set up: Activation can take anywhere between seven and 14 days. You can request the activation service in person or via email, but it can take up to three days to receive a response if you make a request via email.

To set up water service at your Puerto Rican home, you must provide the following information:

- Your full name
- Your Social Security number
- Your ID card or driver's license
- Your physical address
- Your postal address, if different from your physical address
- Your phone number
- A picture of your water meter showing the serial number
- Plumbers Certification issued by a plumber certified by the Colegio de Maestro Plomero of Puerto Rico (if the property is new or has been out of service for more than a year)
- A down payment (AAA will indicate the exact amount when you apply for service)
- If you own the property:
 - The purchase agreement or deed of property

How to Set Up Electricity, Water, and Internet in Puerto Rico (7/11)

- If you are renting:
 - The rental or lease agreement

Autopayments

You can easily set up autopayments of your water bill through AAA's website. All you need to do is create an account, add information related to your service with AAA, and navigate to the payment options. You will need to indicate the payment method and enter the corresponding account information.

AAA Website: <https://acueductospr.com/>

Email: centrotelefonico03@acueductospr.com

Phone Number: (787) 620-2482

How to Set Up Internet Service

Internet service may not be as essential as electricity and water, but life in the modern world is more or less impossible without it. Puerto Rico has a number of Internet service providers throughout the island that you can choose from to connect your home to the rest of the world. Depending on the location of your home, the company you choose, and the type of service you opt for, activation time and requirements may vary, but in general, you will be required to provide the following information:

- Your full name
- Your Social Security number
- Your physical address
- Your postal address, if different from your physical address

How to Set Up Electricity, Water, and Internet in Puerto Rico (8/11)

Depending on where in Puerto Rico your home is, you may have more or fewer Internet service provider options. Some parts of Puerto Rico don't have access to more than one Internet service provider. However, if you're moving to San Juan, Dorado, Bayamón, or another [well-connected area](#) popular among Act 20/22 (now Act 60) decree holders, you should have quite a few options to choose from.

Here are a few of the top Internet service providers in San Juan, all of which offer both residential and business Internet service:

Liberty

Liberty is a cable Internet service provider available in most areas of Puerto Rico, including San Juan, Dorado, and Bayamón. The website is accessible in English—you can change the language in the top right-hand corner—so it's easy to understand what Liberty offers. Liberty offers coverage in 94% of San Juan, and its download speeds can reach 500 Mbps under its fastest option (up to 70 Mbps under its slowest option). Prices range from \$56 to \$171 per month, depending on your plan.

Website: <http://www.libertypr.com/>

Phone Number: (787) 355-6565

Claro

Claro is another popular Internet service provider that offers DSL Internet access, with maximum speeds of 50 Mbps, to 83% of San Juan and fiber Internet, with maximum speeds of 75 Mbps, to 16%. Claro Internet packages do not include data caps, and home Internet service plans do not include streaming limits, meaning Claro Internet allows for extensive usage, even if it is slower by default than some other options.

How to Set Up Electricity, Water, and Internet in Puerto Rico (9/11)

Claro's website is only available in Spanish, and prices are generally not listed online, making it a bit difficult to understand what you're getting.

Website: <https://www.claropr.com/personas/>

Phone Number: (787) 281-2500

Optico Fiber

Optico Fiber offers, as its name suggests, fiber Internet connection to certain neighborhoods in San Juan, Bayamón, Carolina, and Guaynabo. It has a simple and transparent website in English, so you can easily understand what you're getting. It is one of the fastest options on the island, with download and upload speeds of up to 1000 Mbps under its standard option. This plan costs \$70 per month and comes with a two-year contract.

Optico Fiber also offers a "basic Internet" plan with 4 Mbps down and 1 Mbps up. This no-contract plan is available for a one-time payment of \$300, which you can also choose to pay in installments of \$50 over six months. Before you jump on the low prices, however, keep in mind that 4 Mbps is extremely slow—you will not be able to stream videos, and any sizeable download will take a long time.

Other Providers

There are plenty of other Internet service providers across Puerto Rico. Here is a list of several to check out, if you wish to do your own research:

Aeronet

Business

Website: <https://aeronetpr.com>

How to Set Up Electricity, Water, and Internet in Puerto Rico (10/11)

Phone Number: (787) 273-4143

AT&T

Residential/Business

Website: <https://www.att.com/local/puerto-rico>

Phone Number: (866) 861-6075

CosotNet

Residential

Website: <https://cosotnet.com/>

Phone Number: (787) 500-7026

Email: info@cosotnet.com

FiberX

Residential/Business

Website: <http://gofiberx.com/>

Phone Number: (787) 705-6999

Gigabit1 by AeroNet

Residential/Business

Website: <https://www.gigabit1.com>

Phone Number: (787) 705-0700

Email: info@gigabit1.com

Hughesnet

Residential

How to Set Up Electricity, Water, and Internet in Puerto Rico (11/11)

Website: <https://www.hughesnet.com/>

Phone Number: (844) 737-2700

Neptuno Networks

Website: www.neptunopr.com

Phone Number: (787) 774-0018

Email: info@neptunopr.com

XairNet

Residential/Business

Website: <http://xairnet.com/>

Phone Number: (787) 879-5755

Email: info@xairnet.com

Understanding the General Elections in Puerto Rico (1/8)

Although Puerto Rico is a U.S. territory, its political system is almost entirely separate from that of the mainland United States. Puerto Rican residents vote in local elections for their mayors, representatives, senators, and governor and *not* in U.S. federal elections. U.S. expats who relocate to Puerto Rico—say, for its [lucrative tax incentives](#)—have the choice of renouncing their right to vote in U.S. elections and registering to vote in Puerto Rico. For Act 60 decree holders, this is highly recommended because it helps fulfill the requirements of the “closer connection” test for [bona fide Puerto Rican residency](#).

On November 3, 2020, Puerto Rico will hold a general election to determine its new governor. The 2020 elections are special because a referendum will additionally be held asking Puerto Rico voters whether the territory should be admitted to the United States as the 51st state. If the majority votes “yes,” the transitional process to turn Puerto Rico into a state of the union will begin immediately. However, the likelihood that the transitional process will begin immediately is low.

On September 17, 2020, the gubernatorial candidates participated in a debate where they elaborated on their views and their parties’ policies. We’ve provided the highlights below to give you a general overview of what each candidate stands for.

Puerto Rico Parties

Unlike the mainland U.S., which features only the Democrats and the Republicans as the two primary parties, Puerto Rico has three traditional parties: the Partido Popular Democrático (PPD), the Partido Nuevo Progresista (PNP), and Partido Independentista Puertorriqueño (PIP). Liberals and conservatives can be found in both the PPD and the

Understanding the General Elections in Puerto Rico (2/8)

PNP, but the PPD tends to have more liberals, and the PNP tends to have more conservatives.

One of the key defining points of Puerto Rican parties is where they stand on the issue of Puerto Rican sovereignty. The PPD was founded in the 1930s and is in favor of maintaining the status quo of Puerto Rico as a Commonwealth territory. The PNP, conversely, was founded in 1967 and believes Puerto Rico should be a U.S. state. The PIP, founded in 1946, is the strongest advocate for Puerto Rican independence, and although it has never won a gubernatorial election, several of its members have served in Congress.

In the 2020 election, three additional parties are also running for governor: Proyecto Dignidad, Movimiento Victoria Ciudadana, and Movimiento de Conciencia. Though these parties do not make clear their stance on Puerto Rican statehood, they generally lean strongly toward independence. Movimiento Victoria Ciudadana proposes a constitutional assembly to make a final determination on Puerto Rico's relationship with the US, and Movimiento de Conciencia advocates for self-sufficiency on the island, especially in agriculture and manufacturing.

Candidates in the 2020 Elections

Carlos Delgado – Partido Popular Democrático, PPD

Website: <https://www.ppdpr.net/>

Delgado's platform for boosting the Puerto Rican economy is expansive, whether it's fostering education in STEM for a highly skilled future population or establishing a "Caribbean Cargo Hub" on the island's west coast. He also wishes to develop the tourism sector on the island's east.

Understanding the General Elections in Puerto Rico (3/8)

Additionally, Delgado is spearheading a movement called Agro Futuro 2030, which aims to increase Puerto Rico's food security and maximize its food production. He wishes to improve the taxation system for small and medium-sized businesses by restructuring the inventory tax, which businesses sometimes have to pay multiple times, into a sale-based tax, which could be great news for [Act 60 Export Services](#) decree holders. Finally, Delgado proposes the reestablishment of tax incentives to [attract pharmaceutical companies to Puerto Rico](#), as the island used to act as the primary drug supplier for the United States.

In the Debate

Delgado's vision for the Puerto Rican government is to present a balanced budget for his four years in office, if elected, citing his 20-year corruption-free record to support his statement. He also wishes to better manage funds for education, which he believes are currently being misused, and wants to have more than 100 public schools using the Montessori method. On the issue of Puerto Rico's status, he supports Commonwealth status with U.S. citizenship but pushes for a noncolonial and mutually beneficial relationship with the mainland. He pushes for a system where Puerto Rico is involved in creating and passing any legislation that affects the island.

Delgado's stance on Act 20/22/60 is unclear. However, he states that he wants to see the same sort of incentives for small and medium-sized businesses and young entrepreneurs that exist for foreigners.

Pedro Pierluisi – Partido Nuevo Progresista, PNP

Website: <https://www.pedropierluisi.com/>

Pierluisi, the leader of the incumbent party, proposes a comprehensive

Understanding the General Elections in Puerto Rico (4/8)

tax reform to stimulate the Puerto Rican economy, foster small businesses, and ensure fair opportunities for the people. In particular, the initiative to foster small businesses is a major perk for Act 60 Export Services decree holders. He wants to create an economic council to give the private sector and labor market representation in politics. He also proposes cutting the sales and use tax, the highest of any U.S. jurisdiction, from 11.5% to just 7%. He strongly supports farmers and believes the government should do more to facilitate and foster their productivity, and he wishes to lower the costs of operating a business so Puerto Rico can better compete on the world stage. He would also like to restructure the island's debt, and he has stressed that he will not lower pensions to do so.

In the Debate

Pierluisi believes there is too much corruption in the Puerto Rico government and proposes anti-corruption measures such as raising the wages of public servants, defending pensions, and defending the University of Puerto Rico. He pushes for more transparency in the process of awarding public contracts. In terms of public debt, he wants the debt to be paid and to be able to provide essential services to the people of Puerto Rico. His position on the Fiscal Control Board was a major issue in the debates, but he insists his experience benefits the Puerto Rican public and that there are no conflicts of interest.

Regarding Puerto Rico's status, Pierluisi wants to solidify Puerto Rico as a U.S. state and incorporate its laws into the existing U.S. system.

In terms of Act 20/22/60, it's not clear where Pierluisi stands, but it is believed that he supports the incentives.

Understanding the General Elections in Puerto Rico (5/8)

Juan Dalmau – Partido Independentista Puertorriqueño, PIP

Website: <http://juandalmau.com/>

Dalmau, a Harvard-educated lawyer, heads the PIP, whose main concern is achieving the independence of Puerto Rico. He envisions a new country with a corruption-free government that guarantees access to education and justice. He sees independence as the only way forward, viewing the island's colonization as inherently against human rights, even in the present age. Dalmau participates in committees on various different topics, including agriculture, women's affairs, consumer affairs and essential services, veteran affairs, internal affairs, municipal affairs, and banking.

In the Debate

Dalmau supports choosing heads of agencies based on merit, and he pushes for a constitutional reform that would see a second round of votes if the winning candidate fails to secure the majority vote. On education, he wants to reopen schools with reduced class sizes, citing the disadvantages that those without Internet access face amidst the pandemic-induced school closures. He supports the protection of Puerto Rico's beaches and opposes the privatization of the coasts. Regarding Puerto Rico's status, he supports independence, not because he wants to distance the island from the United States but because he wants to unite with the rest of the world.

Most pertinent to Act 60 decree holders is Dalmau's stance on corporate tax rates – he wants to see a uniform corporate tax rate of 10%, which would mean increasing the 4% rate that Act 60 Export Services decree holders currently enjoy. This could be implemented as an amendment to

Understanding the General Elections in Puerto Rico (6/8)

or repeal of the Act 60 tax incentive, but those with existing applications and decrees may be grandfathered in.

He appears to support Act 20/22/60 in that he pushes for a broadening of the incentives program to renew and develop the Puerto Rican economy. He hopes to attract more foreign investment to the island and increase the number of exports from Puerto Rico.

More information on Dalmau's policies can be found on his website, which features a 306-page PDF document detailing his government program.

César Vázquez Muñiz, Proyecto Dignidad

Website: <http://www.proyectodignidad.org/>

Dr. Muñiz, the president and founder of Proyecto Dignidad, is a family doctor who has been practicing medicine for more than 40 years. His party aims to promote justice and order in Puerto Rican society, creating a country where families are strengthened and socially and environmentally friendly entrepreneurship is encouraged. He wishes to rescue Puerto Rico from bankruptcy and use entrepreneurship to strengthen communities. He believes in strict audits into Puerto Rico's debt to uncover liability and wants to promote and foster agribusiness to achieve food security on the island.

In the Debate

Muñiz believes the key to repairing the Puerto Rican economy is controlling government spending. When asked about LGBT+ and gender issues, he said his party believes in dignity and equal opportunities for all people. However, many found his responses to be quite conservative and controversial.

Understanding the General Elections in Puerto Rico (7/8)

It is unknown how he views Act 20/22/60.

Alexandra Lúgaro – Movimiento Victoria Ciudadana

Website: <http://www.victoriaciudadana.com/>

Lúgaro is running for governor with Movimiento Victoria Ciudadana, a party formed in 2019. In 2016, she ran as an independent candidate, garnering 11.13% of the vote and placing third overall. Her party's main concern is the decolonization of Puerto Rico, with Lúgaro running on an anti-colonialism platform that hopes to establish a constitutional assembly to make a final determination on the relationship between Puerto Rico and the United States. Ultimately, she said that while she personally supports Puerto Rican independence, she will support whatever the people prefer.

In the Debate

Lúgaro wants to raise teachers' salaries by eliminating large government contracts. She also believes that the budget cannot cover both debt repayment and social investment and that if further cuts need to be made, they will come out of the money that would go to the Fiscal Control Board. Other issues that are important to her party include youth, the Puerto Rican diaspora, the economy and entrepreneurship, gender and LGBT+ rights, education, and communications.

Lúgaro and her party do not support Act 20/22/60, although she does support attracting foreign capital to the island to invest in key sectors. She emphasizes the importance of job creation and the idea that all tax incentive programs must work to that end.

Understanding the General Elections in Puerto Rico (8/8)

Eliezer Molina – Movimiento de Conciencia (Conscience Movement)

Website: <https://www.movimientodeconciencia.com/>

Eliezer Molina, the sixth and final gubernatorial candidate, is running with the Movimiento de Conciencia party. The party's primary concern is unifying Puerto Rico across party lines, driving the island to self-sufficiency. Molina stresses the importance of national production and supports self-sufficiency in the agricultural and manufacturing industries in particular, as well as exporting more products to boost the economy.

In the Debate

In terms of Puerto Rico's status, Molina wants to reduce dependency on the Mainland and make Puerto Rico self-sufficient. He hopes to end the colonial relationship the island has with the United States. He also insists that his status as an independent politician is a good thing, as it means he doesn't have partisan ties.

Molina opposes Act 20/22/60—his economic policies include “adjustments” for those with tax incentives. He wants to relax the process of obtaining a business permit but implement stronger regulations for construction permits for coastal projects.

If you're [registered to vote in the upcoming Puerto Rico election](#), make sure to research the candidates carefully to make your choice. Most of the information on the candidates is in Spanish, but this post is a good start for your electoral research. Show up at the voting booths on November 3 to influence the future of Puerto Rico.

Hurricane Isaias Declared a Major Disaster – 14 Automatic Days of Puerto Rico Presence (1/2)

On September 9, 2020, Hurricane Isaias ([DR-4560-PR](#)) was declared a major national disaster by President Trump, and those Act 60 (formerly Act 20 and 22) decree holders seeking to qualify for bona fide residence in 2020 will automatically receive 14 days of presence in Puerto Rico. If you are one of those decree holders who always cut it close to the 183 days, you now have an automatic 14 days to count towards your total on-island days.

For those Act 60 (formerly Act 20 and 22) decree holders seeking to qualify as bona fide residents of Puerto Rico for 2020, it is important to understand that per the IRS rules (see [IRS Publication 570: Current Tax Guide for Individuals with Income from U.S. Possessions](#)), you must be present in the relevant possession (Puerto Rico) for at least 183 days during the tax year.

The IRS Publication 570 specifically states that you are considered to be present in the relevant possession (Puerto Rico) on any of the following days: “Any day you are outside the relevant possession because you leave or are unable to return to the relevant possession during a 14-day period within which a major disaster occurs in the relevant possession for which a Federal Emergency Management Agency (“FEMA”) notice of a federal declaration of a major disaster is issued in the Federal Register.”

For those in Puerto Rico who are not living in an area Puerto Rico that is not within the [designated FEMA impact area](#), it is important to note that the IRS language specifically states that the major disaster must only occur “in the relevant possession” and not that it must occur in the specific town, city, county, etc. of the relevant possession where FEMA

Hurricane Isaias Declared a Major Disaster – 14 Automatic Days of Puerto Rico Presence (2/2)

aid is being provided. As written, if you are anywhere in the relevant possession (Puerto Rico), the 14-day-period rule applies to you, period.

The listed incident period for the Hurricane Isaias major disaster is July 29, 2020 – July 31, 2020.

Therefore, Act 60 (formerly Act 20 and 22) decree holders seeking to qualify as bona fide residents of Puerto Rico for 2020 should be eligible for 14-days of automatic presence that can be applied for any consecutive 14-day period between July 16, 2020 and August 13, 2020.

Note that the 14-day period must overlap with the incident period of the major disaster.

Disclaimer: PRelocate, LLC is not a law firm, and this is not legal advice. You should use common sense and rely on your own legal counsel for a formal legal opinion on maintaining bona fide residence in Puerto Rico or any other U.S. possession.

Puerto Rico's Best Specialty Doctors (1/6)

It's important for everyone to have access to quality health care. One of the most difficult aspects of a long-distance move is finding reputable doctors and health facilities in your new region—indeed, many [Act 20, 22, and 60 decree holders](#) who have relocated to Puerto Rico have run into problems in this regard. Fortunately, skilled doctors can be found all across the island. Here, we list some of Puerto Rico's best specialist doctors (if you're looking for concierge doctors, check out our [other guide](#)).

Generalists

If you have a minor concern or aren't sure what type of specialist you need, there are plenty of skilled general doctors in Puerto Rico. The following are two popular general doctors:

Dr. Pedro Roman

(787) 785-2198

Carimed Plaza

Suite 309 Calle Santa Cruz B1

Bayamon, PR 00961

Dr. Josue Torres

(787) 278-7000

516 Calle Ext S

Dorado, PR 00646

If you're a woman, [MedChic](#) may also be worth checking out. This women's health clinic focuses on mothers and women, including adolescents, and even offers minor surgery and contraception.

Puerto Rico's Best Specialty Doctors (2/6)

You can call them at (787)504-5005 or (787)-721-5050, email them at medchic@hotmail.com, or visit them in person at 1022 Ashford Avenue Suite 4, San Juan, Puerto Rico (across from Hotel Vanderbilt).

Pediatricians

If you're bringing along your kids to Puerto Rico, don't fret—there are tons of great pediatricians in Puerto Rico. Kids in Puerto Rico can enjoy a high level of health care with good health outcomes. Here are a few of the top pediatricians in Puerto Rico:

Dr. Yvette Piovanetti

787-753-7383

400 Domenech Suite 413

San Juan, PR 00918

Las Americas Pediatrics

(787) 764-3150

lasamericaspediatrics@gmail.com

<https://www.facebook.com/pg/Lasamericaspediatrics/about/>

525 Roosevelt Ave. Suite 409

San Juan, Puerto Rico 00918

Obstetrician-Gynecologists

Women's health is also a priority in Puerto Rico. If you're looking for top-quality OBGYNs, you can easily find them in Puerto Rico. Puerto Rico's skilled OBGYNs will help ensure smooth pregnancies and reliable care for all women's health issues.

Puerto Rico's Best Specialty Doctors (3/6)

Dr. Castañer-Pou-Olivares

(787) 722-3445

castaner.pou@gmail.com

<https://www.facebook.com/pg/Casta%C3%B1er-Pou-Olivares-ObGyn-218027618363556/about/>

Hospital Pavia-Santurce

1456 Calle Prof. Augusto Rodríguez

San Juan, PR 00909

Dr. Owen Connelly

(787) 282-6675

525 Roosevelt Suite 701

San Juan, PR 00918

Dermatologists

If you're looking for skin specialists, Puerto Rico has you covered in this area, too. Puerto Rico's top dermatologists are ready to help you keep your skin smooth, healthy, and beautiful. Dr. Cristina Brau in particular is a renowned specialist, helping countless patients with both medical and cosmetic concerns.

Skin by Brau

(787) 763-1310

info@skinbybrau.com

<https://skinbybrau.com/>

Puerto Rico's Best Specialty Doctors (4/6)

400 FD Roosevelt Ave, Suite 511

San Juan, Puerto Rico 00918

Dentists

Proper tooth and oral care is important for everyone. Puerto Rico dentists believe that, too, which is why they work hard to provide the best dental care to all patients. We've picked out a few of the best dentists on the island.

Dorado Dental Family Practice

(787) 796-7301

<https://www.facebook.com/Dorado-Dental-Family-Practice-168417056552360/>

Paseo Vel Plata, Higuillar

Dorado, PR, 00646

Ashford Dental

(787) 998-7778

ashforddentalpr@gmail.com

<https://ashforddentalpr.com/>

1018 Ashford Ave. Suite 201

San Juan, PR 00907

Puerto Rico's Best Specialty Doctors (5/6)

Internal Medicine

Internal medicine is a complicated medical specialty dealing with internal diseases that may be too complex for single-organ specialists to handle. Internists work with diseases that affect multiple organs or patients with several comorbidities, making them true medical experts. For those in need of a skilled internist, Puerto Rico offers several options, including the following.

Dr. Jose Colon Marcano

(787) 754-0590

<https://www.facebook.com/pages/Dr-Jos%C3%A9-Col%C3%B3n-Marcano/1233407510003771>

576 Calle Teniente César Luis González Suite 203

San Juan, PR 00918

Dr. Agustín López Covas

(787) 852-0886

centrodeespecialistas@gmail.com

No. 334 Font Martelo Ave.

Humacao, PR 00791

In addition to his regular practice, Dr. López Covas offers telemedicine consultations available island-wide and runs a concierge practice called VIP Medicine in Palmas del Mar. He offers seasonal, couples, family, and company plans starting at \$1500 per year.

Puerto Rico's Best Specialty Doctors (6/6)

Others

Of course, you can find all sorts of other medical specialists across Puerto Rico, from orthopedists and endocrinologists to psychiatrists and chiropractors. Whatever kind of medical care you need in Puerto Rico, you can likely find the right specialist for you. We can't name every great doctor in Puerto Rico here, but we've done our best to compile a list of the island's top medical professionals, which you can access by emailing us at info@relocatepuertorico.com.

For other valuable information about life in Puerto Rico, don't forget to follow us on social media!

[Facebook](#)

[Twitter](#)

[Instagram](#)

[LinkedIn](#)

PR Condo Association Going Overboard with Quarantine Measures (1/4)

In the face of the COVID-19 pandemic, we all have to do our part to limit the spread of the virus and flatten the curve. Condo associations across Puerto Rico have recognized this and have implemented various quarantine measures to ensure their tenants are following the rules.

While it's good that condo boards are taking the situation seriously, some have become overzealous and are enforcing draconic measures to keep their residents isolated. From entirely shutting down common areas such as gardens to banning guests and kicking rule-breakers off the property, many are overstepping the boundary into illegality. DACO has published guidelines to address these overzealous condo boards, and we've translated them into English below.

ORDER 2020-010 TO ORDER HOMEOWNER ASSOCIATIONS AND/OR THE BOARDS OF CONDOMINIUMS TO ADOPT MEASURES CONSISTENT WITH OE-2020-029

March 31, 2020

On March 31, OE-2020-029, through which the government of Puerto Rico adopted new measures to control the outbreak of COVID-19 on the island, entered into effect. Considering the provisions of this executive order and taking into consideration the complaints brought to the attention of the Department by residents of condominiums since the measures of confinement and partial closure of businesses were decreed, under the authority conferred by both Act No. 5 of April 23, 1973, better known as "Organic Law of the Department of Consumer Affairs," and Law No. 104 of June 25, 1958, as amended, better known as the "Condominium Law," the Secretary of the DACO issues the following:

PR Condo Association Going Overboard with Quarantine Measures (2/4)

ORDER

SECTION 1: Prohibition to suspend services. All homeowner associations and/or boards of directors of residential condominiums under the jurisdiction of DACO are ordered to refrain from suspending, for lack of payment in any apartment, the services of drinking water, electricity, gas, and telephone, as well as the transmission services of voice, video, data, and/or any other similar service that arrives through fixtures that constitute general common elements of the property. Automatic access service (key or beeper access) may not be suspended either. This prohibition cannot be interpreted in any way as a payment waiver or a moratorium on the obligation that each owner has regarding the payment of maintenance fees in their condominium for services that provided continuously. If such payments cannot be made, it is the responsibility of the owner to notify the homeowner association and/or the board of directors in due time, suitably stating the reasons for non-compliance. It is at the discretion of the homeowner association and/or the board of directors to adopt the measures they deem pertinent to ensure the payment of such amounts, provided that this is reasonable and does not violate the provisions of this Section, OE-2020-029, or an act that substitutes it.

SECTION 2: Order of closure of recreational areas that promote gatherings. All homeowner associations and/or boards of directors of residential condominiums are ordered to close common recreational areas that promote gatherings, such as gyms, swimming pools, tennis courts, event rooms, and the like.

PR Condo Association Going Overboard with Quarantine Measures (3/4)

SECTION 3: Faculty to limit the use of common areas. The homeowner associations and/or boards of directors may adopt measures that limit the flow of people into common areas or that are necessary for the daily lives of the owners or occupants of the condominiums, such as laundry areas and gardens. Such measures include limiting the number of people who may be in those areas at one time or establishing hours of use in order to avoid. However, denying access to such areas is prohibited.

SECTION 4: Power to limit access to condominiums. The homeowner associations and/or boards of directors may adopt measures that limit the flow of people, non-residents who come to the condominiums to carry out activities or services permitted under OE-2020-029 – or an act that substitutes it – or for visits to residents. In no way can they completely prevent visits, even if they are personal, provided that the provisions of OE-2020-029, or an order that replaces it, are respected.

SECTION 5: Special considerations for condos with particular characteristics. The homeowner associations and/or boards of directors of condominiums that, due to their particular characteristics, require special means of transportation to access their facilities, must take the necessary measures to ensure that residents are not prevented from moving as permitted by OE-2020-029 – or an act that substitutes it – and/or from accessing services that [OE-2020-029] authorizes to be carried out within the condominiums.

SECTION 6: Other considerations. All aspects that are not expressly contemplated in this Order will be governed by the provisions established by each condominium in its parent deed. Any change one

PR Condo Association Going Overboard with Quarantine Measures (4/4)

wishes to adopt with respect to such provisions that is not included in this Order and that does not arise from OE-2020-029 – or an order that replaces it – must have the corresponding resources urged for it as established by Law of Condominiums.

SECTION 7: DACO's power to impose sanctions. Failure to comply with any provision of this Order shall result in administrative sanctions and penalties provided in the Organic Law of the Department of Consumer Affairs and the Law of Condominiums, as amended.

This Order will come into effect immediately and will be in effect for the duration of the provisions of OE-2020-029 or an order that replaces it.

In San Juan, Puerto Rico, today, March 31, 2020, at 2:00 P.M.

Carmen I. Salgado Rodríguez
Secretary

Puerto Rico Could Supply America with Pharmaceuticals (1/2)

In the last quarter of the 20th century, Puerto Rico was a pharmaceutical powerhouse, producing a large portion of the pharmaceuticals used in the United States. Thanks to a piece of legislation introduced in 1976 granting tax exemptions on profits made in Puerto Rico to manufacturers, the island became a hotspot for manufacturing, with pharmaceutical companies accounting for a large portion. It was a golden age for the island, which enjoyed economic prosperity after a period as one of the poorest areas in the region.

But alas, that golden age has been lost to history. When Congress phased out the tax exemption program from 1996 to 2006, Puerto Rico was hit with a major recession that saw an exodus of companies from the island and a wave of newly unemployed Puerto Ricans plunged into poverty. Puerto Rico amassed major debts that have continued to today in 2020, when the island is experiencing a new wave of unemployment spurred on by the [lockdown restrictions against the COVID-19 pandemic](#).

The US is Dependent on Foreign Countries for Pharmaceuticals

Today, the U.S. no longer relies on Puerto Rico, its own territory, for pharmaceuticals. Rather, it has turned to the manufacturing hub of the world, China, as have many other countries around the globe. Although exact figures are difficult to pin down, FDA data suggests as much as [85% of the facilities producing the ingredients for U.S. pharmaceuticals](#) are abroad, with the vast majority in China and India. Both countries implement questionable safety standards that could put U.S. consumers in danger, and the COVID-19 pandemic has raised concerns of countries confiscating goods, including pharmaceutical ingredients, intended for foreign exports to use domestically.

Puerto Rico Could Supply America with Pharmaceuticals (2/2)

Bring the Pharmaceutical Industry Back to Puerto Rico

A single solution could solve both of these problems: bringing manufacturers back to Puerto Rico. New tax exemptions similar to the [many tax incentive programs](#) already in Puerto Rico could entice manufacturers back to the U.S. territory, spurring much-needed economic growth and elevating the safety standards of U.S. pharmaceuticals. Such a move would enable the island to get back on its feet and pull its people out of poverty, allowing them to enjoy at home the U.S. prosperity that many Puerto Ricans have left the island in search of. At the same time, U.S. consumers could renew their confidence in the medicine they take, knowing that, having been produced on U.S. soil, the drugs meet the stringent safety standards of the United States. Bringing pharmaceutical manufacturing back to Puerto Rico would be a win for everyone in the country.

How to Ship Items Efficiently to Puerto Rico (1/4)

Long-distance moves are never easy—even if [Puerto Rico's many tax incentives](#) will make your life easier. The [bureaucratic procedures you have to complete](#) are numerous, and transporting all your possessions, whether household items, furniture, or tools, can be a hassle. However, in addition to making your new Puerto Rican abode feel more homey, moving your possessions to Puerto Rico can help you satisfy [the “closer connection” bona fide resident test requirement](#). Here are our recommendations for transportation companies.

USPS

[USPS](#) is a great option if you're only planning to ship relatively small items. USPS offers services all across the US and its territories, including Puerto Rico, at fixed rates. You can choose from various service options, including overnight express delivery, depending on how quickly you would like to receive your goods.

Mayflower

[Mayflower](#) is a top-rated international moving company that helps U.S. residents with their moves to more than 150 countries and jurisdictions around the world, including Puerto Rico. In addition to simple transportation, the company also offers full packing and unpacking services, international move consultation services, and customs clearance services.

Phone: (888) 368-4689

La Rosa Del Monte

[La Rosa Del Monte](#) is a bilingual moving services company that offers full and partial moving services for both residential and commercial customers. Their offering includes door-to-door services and packing

How to Ship Items Efficiently to Puerto Rico (2/4)

services. They specialize in the handling, packing, and transportation of artworks and antiquities, so they are an especially good option for museums, galleries, dealers, and collectors.

Phone: (787) 780-5775

U-Pack

[U-Pack](#) prides itself on offering interstate moving services at a fraction of the price of typical moving companies. The company also claims to offer faster transportation than the competition. As the name suggests, the packing is left to you, but you may also purchase packing supplies and hire help to load and unload the moving truck.

Phone: (877) 453-7260

Crowley

[Crowley](#) offers shipping and logistics services for businesses in various countries and jurisdictions worldwide. They offer customs clearance and inland transportation services in addition to their air and marine transportation services and service businesses in a number of industries.

Phone: (800) 276-9539

Vehicle Shipping

Before deciding to ship your vehicle to Puerto Rico, it's worth looking into buying a car on the island, whether new or [used](#). Puerto Rico levies hefty import taxes on vehicle shipments that can amount to as much as 20 to 30% of your car's mainland value, so buying a car in Puerto Rico is often the more economical solution. Puerto Rico features a variety of car dealers, however, so finding the right car should be fairly easy.

How to Ship Items Efficiently to Puerto Rico (3/4)

Shipping a vehicle to Puerto Rico also results in a heap of paperwork, which can eat up your time, or your money, if you hire someone else to do it.

The excise tax amount differs depending on the make, model, year, and condition of your car. To obtain a quote, [Hacienda's website portal for the Arbitrios tax](#). It's recommended to input your vehicle identification number (VIN) for the most accurate estimate.

Shipping Electric Cars

If your car is electric, however, you can forget all about the excise tax—all-electric and plug-in hybrid cars are exempt. This way, you can save the environment and money.

Once your electric car arrives in Puerto Rico, you will need to request an exemption letter from Hacienda. Typically, the request takes about 48 hours to process, and upon approval, Hacienda will issue you a “levante” (pick-up authorization). You have to move quickly to retrieve your car and park it at your home or another lot, because if you fail to pick up your car within 48 hours, you may incur demurrage fees. This process may differ depending on the transportation company you use, since some companies will assist you with the paperwork or refer you to a concierge service that will help. Consult with your transportation company about their services before shipping your car.

Once you have your car, you'll need to register and plate it with the Puerto Rico Department of Transportation and Public Works (DTOP). You will also need to [obtain a marbete](#). Of course, you will need to have a [Puerto Rico driver's license](#), too.

How to Ship Items Efficiently to Puerto Rico (4/4)

Below are a couple vehicle transportation companies for Puerto Rico.

Puerto Rico Transport

Website: <https://www.puertoricocartransport.com>

Phone: (904) 204-5746 or (787) 303-0333

Trailer Bridge

Website: <https://www.trailerbridge.com/services/vehicle-shipping/>

Phone: (800) 727-3859

Email: info@trailerbridge.com

For more info on everything else related to your move to Puerto Rico, don't forget to follow us on social media!

[Facebook](#)

[Twitter](#)

[Instagram](#)

[LinkedIn](#)

How Does the COVID-19 Pandemic Affect the Puerto Rican Residents? (1/4)

The COVID-19 pandemic has affected nearly every country and territory on Earth, upending life as we know it all across the planet. Puerto Rico is no exception, with the crisis [being declared a major disaster](#) and residents [being confined to their homes](#) by law. The pandemic affects Puerto Rican residents both on and off the island, as [bona fide Puerto Rico residents](#), including many [Act 20, 22, and 60 decree holders](#), are riding out the pandemic in the US and other countries, stuck in their temporary homes off the island. Here's how COVID-19 and the associated restrictions are affecting Puerto Rican residents.

Lockdown

Effective March 15, 2020, Puerto Rico issued an island-wide lockdown to help curb the spread of COVID-19. It was originally supposed to last until March 30, but as the pandemic raged on, it was eventually extended to May 25, 2020. What happens after May 25 remains to be seen, but even if the lockdown is lifted, Puerto Ricans will be going back to a new normal.

Under the lockdown, non-essential businesses are closed, and residents are confined to their homes, only allowed out between 5 a.m. and 7 p.m. for essential trips, such as buying food or medicine, attending a medical appointment, or going to work (in the case of essential workers). Face masks are mandatory when venturing outdoors, and enhanced security at the island's main airport has seen more than 200 people placed in isolation upon arrival.

On May 1, Governor Vázquez issued a new executive order that eased some of the lockdown restrictions. The order allowed certain businesses to resume operations, provided they draft "COVID-19 Exposure Control

How Does the COVID-19 Pandemic Affect the Puerto Rican Residents? (2/4)

Plans” and provide their employees with the necessary personal protective equipment. They are still urged to encourage employees to work from home whenever possible.

Restricted Travel Opportunities

In addition to the various travel restrictions Puerto Rico residents might face traveling abroad during the crisis, from a mandatory two-week isolation period upon arrival to flat-out denial of entry, there are fewer flights to and from Puerto Rico during the pandemic. Airlines are canceling flights due to a lack of demand, and the governor has also pushed to temporarily ban flights from COVID-19 hotspots in the US, such as New York, Florida, and Illinois.

All arriving air passengers are subject to rapid tests upon arrival, which helps officials determine who should be quarantined. However, anecdotal reports suggest that the quarantine is not necessarily always enforced.

COVID-19 Exemption Period

The U.S. Department of the Treasury has drafted tax relief measures for nonresident individuals who are stuck in the US, announcing that time spent outside Puerto Rico due to COVID-19 will not be counted as “substantial presence” days for certain tax considerations. For 60 consecutive days starting somewhere between February 1 and April 1, 2020, non-U.S. residents stuck in the US due to the pandemic may invoke their “COVID-19 Emergency Period,” which voids the time they spend in the US for those 60 days in terms of certain tax considerations.

To be eligible, an individual has to have not been a U.S. resident at the end of the 2019 tax year, not become a resident at any point during the

How Does the COVID-19 Pandemic Affect the Puerto Rican Residents? (3/4)

2020 tax year, be physically present in the US for all consecutive days claimed, and not spend enough time in the US outside of the COVID-19 Emergency Period to become a U.S. resident in 2020. An individual does not need to be infected with COVID-19 to claim these emergency free presence days.

Non-U.S. residents riding out the pandemic in the US are also permitted to engage in business activities without incurring a U.S. tax burden for employment income. Similarly, the employers of such individuals will also be exempt from a U.S. tax burden. The applicant must only demonstrate that they only conducted those business activities in the US because of travel disruptions. Simply feeling unsafe traveling during the pandemic is included under the scope of “travel disruptions.”

Holders of Act 20, 22, and 60 decrees must note that these free presence days apply to “substantial presence” for various purposes, not physical presence for the Puerto Rico bona fide residency test. If you are unsure whether you can benefit from this emergency period, consult your tax advisor.

Financial Relief

Around the world, countless workers have lost their jobs in the midst of the COVID-19 pandemic, and Puerto Rican workers are no exception. Like many other governments, the Puerto Rican government has doled out financial relief initiatives to help Puerto Rican residents suffering financially.

In the US, the IRS is providing stimulus checks to qualifying residents whose adjusted gross income is under a certain threshold. Since Puerto Rico is a U.S. territory, Puerto Rican residents are also entitled to the

How Does the COVID-19 Pandemic Affect the Puerto Rican Residents? (4/4)

IRS stimulus checks, which are distributed on the island by Hacienda. The checks are for \$1,200 or \$2,400, depending on the applicant's marital status, plus \$500 per dependent child.

Puerto Rican workers who are not receiving their wages in the pandemic may also receive unemployment benefits. However, only employees are eligible—self-employed individuals are not. Self-employed individuals were instead able to apply for a one-time \$500 grant until May 1. Businesses may similarly apply for a one-time \$1,500 grant as long as they employ no more than 50 workers and have a business volume of no more than \$10 million.

For the self-employed, independent contractors, and others who do not otherwise qualify for regular unemployment benefits, the U.S. federal government also offers special Pandemic Unemployment Assistance (PUA). The benefit is available for up to 39 weeks starting on or after January 27, 2020, and ending on or before December 31, 2020. The amount is based on the weekly benefit amounts stipulated in the respective state's unemployment insurance laws. According to the Puerto Rico Department of Labor, nearly 90,000 PUA applications have already been filed on the island.

The Requirements for Act 22 and 60 Donation (1/9)

In addition to establishing [bona fide residency](#) in Puerto Rico, one of the requirements of the Act 22 (now Act 60 Individual Resident Investor) program is a yearly donation to a Puerto Rican charity or nonprofit organization. Under Act 22, the required donation amount was \$5,000, but this has jumped to \$10,000 under the [newly enacted Act 60](#). While investors are more or less free to choose the organization they donate to, there are some rules they have to pay attention to.

Act 22 Investors

Anyone who holds an Act 22 decree must donate \$5,000 to a Puerto Rican nonprofit entity of their choice each year to maintain their tax incentives. The organization must be certified under Section 1101.01 (a) (2) of the code Internal Revenue Code of Puerto Rico, and it cannot be controlled by the investor themselves nor by any of their relatives, their spouse, or their partner.

The organization the investor donates to must operate in Puerto Rico. To ensure the entity is compliant with Section 1101.01 (a) (2), it's recommended that investors request to see their IRS and Hacienda certification (Certificacion de Vigencia de Exencion Contributiva de Entidad sin Fines de Lucro). Another option to verify that your nonprofit organization of choice is properly certified is to contact Hacienda.

Act 22 investors must make their donation before December 31 of each year and must present proof of their donation in the annual report they are required to submit each May.

Act 60 Investors

The above instructions apply to people who have already applied for Puerto Rico tax incentives under Act 22. Going forward, all applicants

The Requirements for Act 22 and 60 Donation (2/9)

will be subject to the new Act 60 rules, which are similar but introduce a few important changes.

Act 60 investors are required to donate double the amount that Act 22 decree holders donate, but the donation is split into two parts—a donation of \$5,000 to two different organizations is required under Act 60. Like with Act 22 donations, the nonprofit entities must operate in Puerto Rico and not be run by the investor or their family, spouse, or partner. Act 60 investors must also submit their donation before December 31 and present proof in their annual report in May.

The first \$5,000 must go to a nonprofit organization listed by Comisión Especial Conjunta de Fondos Legislativos para Impacto Comunitario (CECFL), which publishes an annual list with approved organizations. The list for 2020 has not been published as of February 19, 2020, but when it is, we will email it to all our Individual Resident Investor clients.

The second \$5,000 can go to any Puerto Rican nonprofit entity of the investor's choice, as long as it falls under Section 1101.01 of the Puerto Rico Internal Revenue Code. This allows for a broader pool than Act 22's restriction of donations to Section 1101.01 (a) (2)—certified nonprofits. One point to bear in mind, however, is that the organization cannot be on CECFL's list.

Nonprofits Certified Under Section 1101.01 (a) (2)

To facilitate the donation process for Act 22 and 60 investors, we've created a list of nonprofits certified under Section 1101.01 (a) (2) that qualify as a recipient for your required yearly donation. All these organizations have certification from both the Puerto Rican government and IRS, which we have collected and can present to clients upon request.

The Requirements for Act 22 and 60 Donation (3/9)

Caribbean Thoroughbred Aftercare, Inc.

Thoroughbred racehorses from the US are regularly shipped to Puerto Rico and other Caribbean islands to partake in races. Caribbean Thoroughbred Aftercare's mission is to ensure these horses continue to enjoy a safe, healthy life after retirement, including by repatriating them to the US.

Website: <https://www.ctahorse.com>

Email: caribbeanottb@gmail.com

ProTechos

ProTechos rebuilds damaged roofs in Puerto Rico for communities and individuals in need. The nonprofit works with grassroots organizations to identify and prioritize the most urgent cases, and as they work to restore roofs, they teach local volunteers construction skills to help address the shortage of construction workers in Puerto Rico. The volunteers are paid minimum wage for their time spent working and learning.

Website: <https://www.protechos.org/>

Email: info@protechos.org

Defensa Animal de Rincon, Inc.

Across Puerto Rico, thousands of cats, dogs, and horses suffer injury or illness from abuse and neglect or are starving on the streets. Defensa Animal de Rincon endeavors to save as many of these animals as possible, caring for and finding homes for unlucky animals. The organization covers necessary veterinary fees for sick and injured animals as well as sterilization or castration procedures.

Website: <http://defensarincon.org/>

Email: defensarincon@gmail.com

The Requirements for Act 22 and 60 Donation (4/9)

Save a Gato (SAG)

Save a Gato works to save the many abused or neglected stray gatos (cats) in Old San Juan by trapping them, sending them to the vet to be vaccinated, spayed, and de-wormed, and releasing them back into their original colonies, a process known as T/N/R (trap, neuter, release). Although Save a Gato is not a shelter due to a lack of space and resources, the organization does offer adoption for cats going through the T/N/R process. Those who don't find a home are released into their original colonies, which are monitored by volunteers to ensure the health of the cats.

Website: <https://www.saveagato.com/>

Email: saveagatopr@gmail.com

Love the Nations, Inc.

Unexpected pregnancies are a problem that plague women and families all around the world. Love the Nations offers 100% free services to support women who find themselves unexpectedly pregnant, including pregnancy tests, ultrasounds, domestic abuse care, doctor referrals, and more. The nonprofit also offers courses and education opportunities to teach mothers-to-be about parenting, relationships, and budgeting, among other topics.

Website: <https://www.lovetheations.com/documents/>

Email: joseph@lovetheations.com

The 20/22 Act Society

The 20/22 Act Society was formed by one of the first individuals to take advantage of Puerto Rico's tax incentives as a way to unify those interested in relocating to the island and those who have already made

The Requirements for Act 22 and 60 Donation (5/9)

the move. The Society works to show the positive impact these acts can have in Puerto Rico's nonprofit sector, supporting and working with local charities to help Puerto Rico's children, elderly, homeless, and animals, among others.

Website: <https://www.the2022actsociety.org/>

Email: info@the2022actsociety.org

Caribbean 12 Step, Inc.

Across Puerto Rico and the Caribbean, countless individuals are working through various 12-step programs to fight alcohol addiction and substance abuse and work toward a better future. Caribbean 12 Step, Inc. was formed to provide these individuals and their families with a safe and supportive environment and helpful services to facilitate their journey. The organization provides services in both English and Spanish.

Website: <http://www.caribbean12step.org/home.html>

Email: merribeth@caribbean12step.org

The Rain & Rose Charitable Fund, LLC

Over 40% of Puerto Rico's population lives below the poverty line, making the fight against poverty a major battle for various charities and nonprofit organizations. One such nonprofit is The Rain & Rose Charitable Fund, which is dedicated to providing Puerto Ricans with the tools and education they need to lift themselves out of poverty and propel themselves toward a brighter future.

Website: <https://www.rainandrosefund.com/>

Email: info@rainandrosefund.com

The Requirements for Act 22 and 60 Donation (6/9)

Rescate Playas Borinquen

Punta Borinquen is a rocky region in Puerto Rico's northwest, and Rescate Playas Borinquen's mission is to build up and preserve its natural beauty by picking up trash, mowing wild grass, and building trails and recreational areas, among other actions. The organization is dedicated to environmental protection and promotes recreational activities in the restored Punta Borinquen areas.

Website: <http://rescateplayasborinquen.com/>

Email: rescateplayasbqn@gmail.com

Museo de los Santos

Carved saints have been a tradition of Puerto Rico since the island was settled by Europeans. Museo de los Santos (Museum of the Saints) was originally founded in 1999 to provide information on Dr. José Torres Melendez's collection in English to tourists. Since then, the museum has grown significantly, to the point that it needed to be upgraded to a nonprofit corporation. The organization envisions becoming a self-sustaining museum, research institute, and exhibition space.

Website: <http://museodelossantos.org/>

Email: rholm@caribbeanconsulting.com

Karma Honey Project

Bees are arguably the most important insect on the planet, pollinating more than 70% of the crops the world needs for food. However, the bee population around the world has been rapidly declining in recent years. Karma Honey Project's mission is to revitalize the bee population in Puerto Rico through a variety of methods, including hosting beehives on local farmers' land and helping them sell the honey they produce locally,

The Requirements for Act 22 and 60 Donation (7/9)

educating Puerto Rican children on the importance of bees, and rehoming misplaced bee colonies, thereby saving them from extermination.

Website: <https://karmahoneyproject.com/>

Email: karmahoneyproject@gmail.com

San Juan Community Library at Bucaplaa, Inc.

The benefits of reading are manifold for children and adults alike. The mission of the San Juan Community Library at Bucaplaa is to foster a love of reading within the community, as well as research and cultural enrichment. It is the only lending library in San Juan open to the general public.

Website: <https://www.facebook.com/sanjuancommunitylibrary/>

Email: c_estades@yahoo.com

Vitrina Solidaria, Inc.

Vitrina Solidaria (Solidarity Showcase) is a nonprofit dedicated to lifting up local sustainable and socially responsible Puerto Rican startups and small businesses, thereby promoting improved welfare locally across the island. The nonprofit helps small enterprises reach new markets by giving them the tools and education to succeed, particularly in digital marketing. In this way, Vitrina Solidaria enhances the wellbeing and prosperity of Puerto Rican communities while simultaneously boosting their local economies.

Website: <http://www.vitrinasolidaria.org/>

Email: info@vitrinasolidaria.org

The Requirements for Act 22 and 60 Donation (8/9)

Proyecto Esparciendo Amor

Proyecto Esparciendo Amor (Spreading Love Project) is a nonprofit organization whose mission is to help Puerto Rican youth and their families living in difficult situations. The entity focuses on youth in homes, shelters, and institutions with health conditions and/or mental or physical disabilities, as well as on youth and their families living in extreme poverty. It provides aid by covering benefactors' material needs or offering emotional support.

Website: <https://www.facebook.com/pages/category/Nonprofit-Organization/Proyecto-Esparciendo-AMOR-2128952600665334/>

Email: proyectoesperciendoamor@gmail.com

ConPRmetidos

The primary mission of ConPRmetidos is to work toward a sustainable, stable, productive, and bright future in Puerto Rico, where residents have access to opportunities and enjoy a high quality of life. It works toward its mission by implementing development projects to rethink essential industries such as fishing and coffee-making, and it dedicates significant funds to rebuilding communities in the aftermath of disasters such as Hurricanes Irma and Maria in 2017 or the recent and ongoing earthquakes. It is also known for connecting Puerto Ricans on the island with Puerto Ricans living in the US and other countries.

Website: <https://www.conprmetidos.org/>

Email: clay@conprmetidos.org

The Requirements for Act 22 and 60 Donation (9/9)

Boys & Girls Clubs of Puerto Rico, Inc.

Countless youth in Puerto Rico live in poverty. Children growing up in poverty miss out on important opportunities to gain a high-quality education and lift themselves up, thus reinforcing the cycle of poverty. The Boys & Girls Clubs of Puerto Rico works to empower in-need Puerto Rican youth to develop their skills and achieve their academic, professional, and personal goals. In this way, the nonprofit propels Puerto Rican youth toward a better and brighter future for themselves and the island.

Website: <http://bgcpr.org/en/>

Email: patricia.delatorre@bgcpr.org

Major Increase to the Annual Fee (1/2)

Puerto Rico Governor Wanda Vázquez signed into law a new bill that spells a major change for holders of Puerto Rico's Act 22 and [Act 60 Individual Resident Investor tax incentive](#) decrees. While the bill, known as Law 40-2020, benefits some taxpayers and businesses—potentially even the businesses of Individual Resident Investors—it comes with a major downside: a \$5,000 annual report filing fee (increased from \$300).

Benefits

For the most part, it is lower-income Puerto Ricans who benefit from Law 40-2020. Taxpayers with a gross income lower than \$100,000 can enjoy an additional 3% off their taxes. Lower-income businesses also benefit: Under the new law, businesses with a turnover of \$300,000 or less no longer need to charge sales and use tax (IVU) when providing services to other businesses. This \$300,000 B2B exemption is a dramatic increase from the previous \$200,000.

The law could also be good news for businesses that deal with artisan spirits and tropical fruit wines, since it introduces a tax reduction for the production of such goods.

Downsides

For most Act 22 and Act 60 Individual Resident Investor decree holders, Law 40-2020 brings far more bad news than good. The major disadvantage is, of course, the new \$5,000 annual report fee that Act 22 and Act 60 Individual Resident Investor decree holders are now subject to pay. The fee is immediately enforceable, retroactively applying to the 2019 tax year, so decree holders are obligated to pay the fee in 2020.

The bill also includes a disadvantage for film producers, for whom Puerto Rico [offers a different tax incentive](#): the ceiling for credits has

Major Increase to the Annual Fee (2/2)

been reduced to \$38 million from the previous \$50 million. Law 40-2020 also repeals Law 212-2002, enacted to revitalize urban centers.

Increased Annual Report Filing Fee

Of the \$5,000 in the new annual fee amount, \$300 is allocated to the Department of Economic Development and Commerce (DDEC in Spanish), while the remaining \$4700 is earmarked for Hacienda. Given this arrangement, it seems probable that this new fee violates the terms of the Act 22 and Act 60 Individual Resident Investor decrees, but until someone challenges it in court, it remains active.

It is likely that this law will indeed be challenged in court, so the new fee could soon be repealed. However, for now, Act 22 and Act 60 Individual Resident Investors must prepare to part with an additional \$5,000 for the upkeep of their tax incentive decree.

For those whose Spanish proficiency is sufficient, the full law in Spanish is [available here](#).

Cost of Living in Puerto Rico (1/4)

One of the additional draws of moving to Puerto Rico under its generous tax incentive programs is the fact that you will also get to enjoy an overall lower cost of living than in the US. Not only will you save money on your taxes, but that money will also go further in Puerto Rico.

However, Puerto Rico isn't dirt-cheap, so it's best to do your research beforehand to avoid having your illusions shattered once you arrive on the island.

Puerto Rico vs. the US

The United States is not known for its low cost of living, so for the most part, you can enjoy a cheaper life in Puerto Rico. That being said, Puerto Rico is still more expensive than the majority of countries around the world and is one of the most expensive areas in Latin America, so don't expect things to be as cheap as they would be in Thailand or Vietnam.

[Numbeo](#), which allows users to compare living expenses between cities, ranks San Juan as between 27% to 76% cheaper than New York City and 6% to 66% cheaper than Los Angeles in various domains. Of course, San Juan is the most expensive city in Puerto Rico, so if you settle for a smaller city, your cost of living will go down. For example, [Aguadilla](#), a beach town on the island's west coast, has a significantly lower cost of living than San Juan.

Food

The price of food is roughly the same as in the US. The island has many supermarket chains, such as [SuperMax](#), [Pueblo](#), and [Supermercados Econo](#), whose websites you can check to get an idea of what Puerto Rican supermarkets offer and what their prices are. [Freshmart](#) is a bit

Cost of Living in Puerto Rico (2/4)

more expensive, but it offers organic, gluten-free products, grass-fed meats, and free-range eggs.

If you would like to buy healthy, fresh, local produce, be sure to check out Puerto Rico's many [farmer's markets](#) as well. They can be found all across the island, and Puerto Rico's tropical rainforest climate allows for a wide range of produce to be grown.

You can also find American staples such as Walmart and Costco if you're looking for something more familiar. The island has four Costco locations: Carolina, East Bayamon, West Bayamon, and Caguas. Walmarts can be found all across the island, just like any U.S. state.

Health Care

Health care is significantly cheaper in Puerto Rico than in the US—expect to save [up to 30%](#), depending on your current state. The standard is similar to what you would receive in the United States, although conditions do vary across the island. You will receive the highest-quality health care in San Juan.

The quality of public health care in Puerto Rico is quite high, but because the island is facing a shortage of doctors, waiting times tend to be long. It may be worth considering private health care to avoid the long wait times. Medical insurance is generally affordable, and Puerto Rican insurers are generally more likely to cover pre-existing conditions than insurers in the US. Bear in mind, though, that some healthcare providers do not accept card payments, so it's a good idea to bring some cash along.

Cost of Living in Puerto Rico (3/4)

Wellness and Fitness

Puerto Rico is a great place to get—or stay—fit. There are tons of gym options around the island, particularly in San Juan, and if you get a membership at a gym like [Planet Fitness](#) or [Crunch](#), you can spend as little as \$10 per month. Another unique and affordable fitness option is [Deep Lifestyle](#), a dance-style workout group that promotes physically and mental wellbeing. The workouts are geared toward women, but interested men are also invited to join. The island also features various wellness centers and other activities such as yoga at reasonable prices.

Other popular gyms in Puerto Rico include [HCOA Fitness](#), Liv Fitness, and Phyt Gym. HCOA Fitness has 14 locations all across the island, with a multitude concentrated around the San Juan area. It offers various classes and a free pass to try the gym out for free for three days. After that, you will have to pay for membership, which starts at \$30 a month.

[Liv Fitness](#) is known for its clean and high-quality facilities, and the gym offers members everything from indoor swimming and racquet sports to kids active programs and babysitting services. Prices can vary depending on your plan, but you're typically looking at something between \$30 and \$80 per month.

[Phyt Gym](#) is a popular gym in San Juan that features abundant space and top-quality exercise equipment. You can train independently or work out with a personal trainer, whether you're just starting out or are a professional athlete. The gym also offers nutrition services so you can maintain a clean diet, too. Day passes are \$15, and monthly passes are \$30.

Cost of Living in Puerto Rico (4/4)

Transportation

One of the best ways to get around in Puerto Rico is [Uber](#), and you can use the website to calculate the rate for your route. However, Uber is not available throughout the entire island—if you're in the southwestern quadrant, you will need to find alternative transportation.

When Uber isn't available, there are always [taxis](#). Within San Juan, you will pay metered fares, but outside of the capital, there are typically no meters. Taxi drivers only accept cash, and don't forget to include a tip. Taxi drivers might be nicer to you if you speak Spanish, so be sure to flaunt your Spanish skills if you have any.

Of course, since you are residing in Puerto Rico long-term, it may be worth it to just buy a car. If you don't want to splurge on a new car, it's easy to find a [used car](#) to purchase in Puerto Rico. You will also need a [driver's license](#) and a ["car tag" \(marbete\)](#).

Sales Tax

While most things in Puerto Rico are cheaper than in the US, sales tax is higher, at 11.5%, so you will need to factor that into your purchasing decisions. The [sales tax on prepared food](#) is lower, though, at 7%, thanks to a new regulation that went into effect in October 2019.

Restaurants that offer this lowered tax rate will display a sign to notify patrons.

Insurance Providers in Puerto Rico (1/3)

The insurance you have in your home state won't necessarily cover you in Puerto Rico, especially given that Puerto Rico is a territory, not a state. Nonetheless, there are plenty of insurance options you can take advantage of while enjoying life as a [bona fide Puerto Rican resident](#). In fact, changing your insurance provider and doctors can even contribute to the establishment of bona fide residency by helping you satisfy the "closer connections" test requirements. We've compiled a list of some of Puerto Rico's best insurance providers here.

Health Insurance

Here are five good options if you're looking for health insurance in Puerto Rico:

- [Triple-S](#)
- [Humana](#)
- [First Medical](#)
- [Plan de Socios Auxilio Mutuo](#)

Each provider offers different plans and services, so it's worth it to take a look through their websites. Triple-S, for example, covers a large number of healthcare procedures in their direct plan. The provider also offers an app called TeleConsultaMD, available for [iOS](#) and [Android](#), that allows users to connect with a medical professional for an online consultation any day of the week between 6 a.m. and 10 p.m.

Triple-S has also, as of March 26, 2020, launched a prescription medication delivery app to allow users to easily and conveniently receive their medication without leaving the house. The app was originally scheduled for release a couple months down the road, but

Insurance Providers in Puerto Rico (2/3)

Triple-S members may now have their prescription medications delivered right to their home at no cost.

The four health insurance providers listed above are only valid for Puerto Rico, although Triple-S does offer coverage of emergency services in the US, as long as the U.S. provider is part of the Blue Cross Blue Shield group. If you're looking for health insurance that can cover you in both Puerto Rico and the 50 states, you only have two options. The first is the [HealthShare plan from Liberty](#), a community-based health insurance plan where members cover each other's medical expenses. Plans are relatively cheap, but there are limits on how much a member can claim.

The second option for health insurance valid in both Puerto Rico and the US is [MCS Puerto Rico](#). This is a health insurance plan from [the 20/22 Act Society](#), a society created by and for the recipients of Puerto Rico's [many tax incentives](#). You don't need to join the 20/22 Act Society to sign up for the MCS health insurance plan, but membership does come with several additional benefits for decree holders of [Puerto Rico tax incentives](#). In addition to health insurance, membership offers guidance through any troubles you may encounter in Puerto Rico.

Additionally, if you are an employer, perhaps for an [Export Services business](#), and are looking for a reliable Puerto Rican health insurance plan for your employees, Humana, Triple-S, and MCS are good options.

Other Insurance

There's more in life that requires insurance than just health, although health may be the most important. You may also require home, business, car, life, motorcycle, or another type of insurance.

Insurance Providers in Puerto Rico (3/3)

No matter what type of insurance you need, Puerto Rican insurance providers are here to help. Here are three Puerto Rican providers that offer various types of insurance, depending on your needs:

- [Universal Group](#)
- [Seguros Multiples](#)
- [MAPFRE](#)

Insurance is important to ensure that even if disaster strikes, you have the necessary resources and support to get back up on your feet. We, too, are dedicated to providing you with the necessary resources and information to make your move to Puerto Rico a successful one. Make sure to follow us on social media so you don't miss anything!

- [Facebook](#)
- [Twitter](#)
- [Instagram](#)
- [LinkedIn](#)

Government Incentives Due to the COVID-19 Pandemic (1/6)

In the midst of the raging pandemic that Puerto Rico and the rest of the world finds itself in, everyone is a victim, from the elderly and ill, to the brave healthcare workers on the frontlines, to the millions being laid off and [left at home with nothing to do](#), to the owners of small businesses who can't afford the loss in profits that the pandemic has ushered in. As the world unites to fight this threat to humanity, governments are launching financial aid packages for self-employed individuals and businesses out of an income due to COVID-19. Puerto Rico has recently announced the authorization of an emergency reserve fund to help those financially affected by COVID-19.

In addition to bonuses for healthcare workers and grants for businesses, the emergency fund has earmarked \$50 million to purchase medical supplies, \$100 million to help municipalities offset lost revenues for the next two months, and \$240 to foster online education, including procuring tablets for students and teachers.

Incentives for Healthcare and Emergency Personnel

The government's priority is those valiantly fighting on the frontlines—the nurses, doctors, and other emergency personnel. The Puerto Rican government has approved \$237 million in one-time bonuses to reward emergency workers for their brave sacrifices. Nurses in both the public and private sectors, as well as emergency personnel, will receive bonuses of up to \$4,000 for their hard work. Bonuses of up to \$3,500 are available for police, firemen, and correctional officers, and health technicians are eligible for bonuses of up to \$2,500.

Government Incentives Due to the COVID-19 Pandemic (2/6)

Incentives for Businesses

If profits at your [Export Services company](#) are dwindling due to the forced closure in the midst of this pandemic, you may be eligible for a grant. The government has approved \$160 million in one-time direct payments for small and medium-sized businesses whose work and income has been interrupted by COVID-19.

To be eligible for the \$1,500 grant, a business must qualify as a small or medium-sized business that employs no more than 50 workers and has a business volume of no more than \$10 million. Businesses that have received federal assistance are eligible. Each business is eligible for one grant, regardless of the number of owners. The business must have a merchant's registration certificate (Certificado de Registro de Comerciante) valid as of March 15, 2020. Anyone whose merchant's registration certificate was expired on March 15 is still eligible to apply if they update their merchant's registration certificate and confirm that they have not ceased operations, among other requirements. Furthermore, the owner cannot have also applied for the \$500 self-employed grant. Once the merchant enters the bank account number and routing number and accepts the DDEC's terms and conditions, the DDEC will transfer the amount via direct deposit to the indicated account. If the merchant provides incorrect information, the DDEC retains the right to request the return of the grant.

To apply for the grant, merchants should [visit the incentives page](#) on the DDEC website. They should register a profile with the name on their merchant's registration and their email address and agree to the terms and conditions. Then, they must upload their merchant's registration

Government Incentives Due to the COVID-19 Pandemic (3/6)

Incentives for Self-Employed Individuals

Similarly, self-employed individuals are eligible for a \$500 grant. Starting Monday, March 30, 2020, self-employed individuals may apply for this grant, as long as they are registered merchants on SURI and held a valid merchant's registration certificate on March 15, 2020. Anyone whose merchant's registration certificate was expired on March 15 is still eligible to apply if they update their merchant's registration certificate and confirm that they have not ceased operations, among other requirements.

To apply, individuals should enter their bank account and routing number on their SURI profile. The application is available from the "Economic Incentives" link in the "Alerts" section. The deadline to apply is May 1, 2020. For additional information, individuals can send a message on SURI or email redes@hacienda.pr.gov.

Unemployment Benefits

Full-time and part-time employees of any company registered and insured by the Department of Labor and Human Resources of Puerto Rico who are not receiving their wages due to COVID-19 are eligible for unemployment benefits. To qualify, one must be an employee— independent contractors are not eligible. Independent contractors may, however, qualify for the one-time grant for self-employed individuals.

SBA Economic Injury Disaster Loan Program

The United States is dedicated to offering assistance to small businesses and nonprofits that are struggling during the COVID-19 pandemic, whether they are in one of the 50 states or one of the territories. That means Puerto Rico small businesses and nonprofits are

Government Incentives Due to the COVID-19 Pandemic (4/6)

eligible to apply for the loans, which are available for up to \$2 million. For small businesses, the interest rate is 3.75% or the lowest applicable rate. The repayment terms for the loan vary based on the circumstances of the business but may last up to 30 years.

Businesses may apply on the [U.S. Small Business Administration \(SBA\) website](#), selecting “Economic Injury” as the reason for requesting assistance. Applicants must include relevant supporting documents, such as tax returns or financial statements, that demonstrate the need for financial assistance.

Changes to the Tax Schedule and other important updates

To assist businesses struggling financially in these difficult times, the Puerto Rican government has announced extensions for tax deadlines and other important updates.

Tax Returns, Forms, and Payments

The new monthly due date for the sales and use tax return (Form SC 2915) is two months following the month the payments are associated with:

February payments: Due April 20

March payments: Due May 20

April payments: Due June 20

May payments: Due July 20

Income tax returns that were previously due by April 15, 2020, are now due by July 15, 2020. This new due date also applies to requests for extensions. Failure to submit income tax installments in the first two quarters of calendar year 2020 will not result in penalties, and the

Government Incentives Due to the COVID-19 Pandemic (5/6)

amounts may be included in the payments in the third and fourth installments.

The due date for 2019 informative returns, as well as the [annual LLC filings](#), have been extended to May 15, 2020.

Any other returns that would ordinarily be due in March or April are now due on the same date in June. Similarly, any other returns that would ordinarily be due in May or June are now due on the same date in July.

10% Withholding at Source

If the service provider wishes, withholding agents are permitted to waive the 10% withholding requirement that would otherwise be applicable to payments made to service providers between March 23 and June 30, 2020. These waived withholdings must be indicated on the informative return for service provided (Form 480.6 SP).

SUT on the Import and Purchase of Taxable Items for Resale

Qualified resellers with an active Reseller Certificate will automatically be granted a temporary SUT exemption certificate that waives all SUT taxes on any imports and purchases of otherwise taxable items for resale made between April 6 and June 30. The reseller must present the applicable certificates when making eligible purchases.

Use of Tax Credit to Pay Other Taxes

Businesses may request that the Puerto Rico Treasury apply any tax credits or refunds the business has for income taxes, excise taxes, alcoholic beverages, and SUT for the import and purchase of taxable items for resale against other tax obligations the business may have.

Government Incentives Due to the COVID-19 Pandemic (6/6)

Installment Payment Agreements

If a taxpayer is unable to pay the amount due on their 2019 tax return, they may request an installment payment agreement with the Puerto Rico Treasury. Only taxpayers that file their tax return by the modified due date and have no outstanding debts with the Treasury will be qualified to enter into an installment payment agreement. Any taxpayer that requests an extension will not be eligible. The taxpayer must pay the amount due in full by March 31, 2021.

Concierge Doctors in Puerto Rico (1/6)

No matter where in the world you live, access to high-quality health care is a must. If you're a [bona fide resident of Puerto Rico](#), don't fret—all across Puerto Rico are great concierge doctors and medical professionals who can offer reliable, high-quality health care to decree holders of any of [Puerto Rico's many tax incentives](#). In Puerto Rico, you can access health care via in-person visits, online consultations, and more. Here are some of the top concierge doctors and healthcare providers in Puerto Rico.

PR Concierge & Internal Medicine Services

[PR Concierge & Internal Medicine Services](#) offers, as the name suggests, concierge and internal medicine services in Puerto Rico. The company focuses on providing you with the care you need in a comfortable and friendly environment. You can contact a medical professional anytime via phone, text, or email, and the company offers its own basic medical coverage. If you have a pre-existing condition, such as diabetes, hypertension, or a thyroid disease, you can also count on PR Concierge & Internal Medicine Services.

Fee: Varies depending on the services

Location:

B35 Calle Elliot Vélez, Urb Atenas

Manati, Puerto Rico

Phone: (787) 970-5277

Email: cimspr@gmail.com

Concierge Doctors in Puerto Rico (2/6)

Pravan Clinic

[Pravan Clinic](#) is a concierge medical services provider focused on providing high-quality healthcare services in a timely manner. The company can extend its operating hours to accommodate patients when necessary and may offer a home visit for urgent matters. You can often get an appointment on the same or next day. The company's healthcare professionals can also help you craft a nutrition and wellness plan to optimize your health.

Fee: \$2,300 per year

Location:

1511 Ponce de Leon, Suite 3

San Juan, Puerto Rico

Phone: (787) 339-2639

Email: hello@pravanhealth.com

Medical Concierge Puerto Rico

[Medical Concierge Puerto Rico](#)'s mission is to provide high-quality, personalized medical care at their prestigious Condado location. The company offers personalized medical services and consultations via text, valet parking services, and unlimited home delivery of medication at no additional cost. They reach out to members on a regular basis to check in with them and make sure they're staying healthy.

Fee: Membership model—send an email for exact prices

Location:

Ashford Medical Center

29 Calle Washington, San Juan, 00907

Concierge Doctors in Puerto Rico (3/6)

Phone: (787) 644-6451

Email: robertunda@gmail.com

Premier Medical Access

[Premier Medical Access](#) is a concierge medicine services provider that prides itself on offering access to some of the leading physicians across Puerto Rico. Premier Medical Access offers a network of more than 80 leading specialists in more than 40 medical specialty areas, with the promise of an appointment within 48 hours of contacting the company. Services are available through a membership, which includes an annual medical checkup and a health optimization plan.

Fees:

Single adult: \$2,000

Married couple: \$2,250

Family: \$2,500

Scheduling fee: \$75 per doctor's visit

Location:

PMB 149

425 CRR 693 Ste 1

Dorado, PR 00646-4817

Phone:

(787) 705-7358

(787) 705-7359

Email: info@premiermedicalaccess.com

Concierge Doctors in Puerto Rico (4/6)

Medical Concierge PR

[Medical Concierge PR](#) is a medical concierge company that focuses on medical and dental procedures in Puerto Rico. While it is available for Puerto Rican residents, it's also a good option for your friends back in the US, as it specializes in facilitating medical tourism to Puerto Rico, where the costs for procedures are significantly lower. The company covers a wide range of medical procedures, from ophthalmology to cardiology and gynecology and even cosmetics, as well as an array of dental procedures, such as implants, bridges, root canals, and surgery.

Fee: Contact the company to find out

Location:

PMB 260 352

Avenue San Claudio

San Juan, PR

Phone: (833) 776-3348

Email: customer.service@medicalconciergepr.com

Collazo Eye

[Collazo Eye](#) is a concierge medical services provider for optometry and ophthalmology. Signing up for their program gets you access to preventative care, a free annual refraction exam, and free unlimited telemedicine consultations, which normally cost \$250 to \$300 per session because most health plans don't cover them. Members are also guaranteed to get an appointment for non-urgent matters within a week.

Fee: Contact the company to find out

Concierge Doctors in Puerto Rico (5/6)

Doctors on Call

[Doctors on Call](#) is a concierge medical services provider ready to serve members via office, home, and even hotel visits. In addition to annual checkups and screening tests, the company offers medical health certifications, home care follow-up, and long-term nursing care coordination. Walk-ins are welcome.

Fee: Contact the company to find out

Location:

Ashford Medical Center, Suite 106

San Juan, PR 00907

Phone: (787) 646-8080

Email: doctorsoncallpr@gmail.com

Concierge Medical Services

[Concierge Medical Services](#) provides medical care to members whenever and in whatever form they require, whether it's walk-in care for an urgent matter, a home call, or a telemedicine consultation. Founded by leading medicine concierge services provider Dr. Javier Torres Marín, CMS's team of doctors can adjust their schedules to accommodate you ASAP if you so require.

Fee: \$200 per house call

Location:

15 Ave Muñoz Rivera

Suite #220-B

San Juan, PR 00901

Concierge Doctors in Puerto Rico (6/6)

Phone: (787) 692-2072

Email:

info@dr24-7.com

drtorres@conciergemedicalservicespsc.com

Dr Now PR

[Dr Now PR](#) is a medical concierge services provider focused on bringing top-quality care to you, whether you're at home, in the office, at a hotel, or anywhere else. Care for urgent matters is available 24/7, and the company also offers preventative medical services, chronic health condition management, and annual checkups, among other services.

Fee: \$100 per house call

Location:

Ave. Ashford

00907 San Juan

Phone: (787) 379-3777

Email: drcatasus@gmail.com

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New Services and Transactions on the SURI Portal (1/3)

The SURI portal is a digital platform from Puerto Rico's Department of Treasury that streamlines the processing of all matters related to tax and income in Puerto Rico. Already, residents and business owners in Puerto Rico can use the platform to apply for certificates and licenses, file reports, obtain information, and more. The Puerto Rican government is continuously working to upgrade and improve the system, which has resulted in the release of new services on the platform on December 10, 2019.

Herencia (Inheritance Form)

It is now possible to process inheritance forms through the SURI portal. The inheritance form is used to report the assets of the deceased at the time of death, including movable and immovable property, and applies to deceased individuals who were Puerto Rican residents or owned property in Puerto Rico at the time of their death.

The form is to be submitted by the inheritor(s) or the deceased's representative or attorney within nine months of the death. Upon receipt and verification of the information, the Department of Treasury issues a certificate called Certificacion de Gravamen, which is used to process the changing of ownership, sale, or refinancing of property. The certificate is also necessary to access the deceased's bank account information and monetary assets.

Donations

Any person in Puerto Rico, regardless of resident status, who makes a donation in excess of \$10,000 during the calendar year must file a donation tax return (Spanish: Contribucion Sobre Donaciones) through the SURI portal. Holders—or future holders—of the Individual Resident

New Services and Transactions on the SURI Portal (2/3)

Investor decree under Act 60 should take note of this, since a yearly [\\$10,000 donation](#) split between two Puerto Rican nonprofits is a requirement of the decree.

The donation tax return is due through SURI by the end of the calendar year following the year in which the donation was made.

Retentions, Deposits, and Declarations

A number of additional transactions related to retentions, deposits, and declarations have also been introduced to the SURI portal. Here is a list of some of the forms that are now processible through SURI:

- Forms 499R-2 and W-2PR (income tax and withholding statement for Puerto Rican resident employees)
- Forms 480.6C and 480.30 (income tax and withholding statement for nonresident service providers)
- Retentions and deposits for [independent contractors](#)

Additional Changes From February 24, 2020

In addition to the new services and transactions added to the SURI portal on December 10, 2019, some new tax transactions were added on February 24, 2020.

Income Tax

The new features allow users to:

- file individual and corporate income tax returns starting from the tax year 2018
- submit informative returns for pass-through entities starting from the tax year 2019

New Services and Transactions on the SURI Portal (3/3)

- file automatic extensions for income tax returns
- make payments, both for the return and for any requested extensions
- submit any required evidence along with the income tax return
- check their refund status
- request and receive the automatic approval of payment plans if less than \$50,000 in debt
- complete other transactions

Additional Services

- Return specialists can now register and renew their Return Specialist Number and conduct authorized personnel management.
- Users can now file the return and monthly deposit voucher for Special Tax (Act 154–2010).
- Controlled groups can now file Form SC 2652 to manage related entity groups.
- Notaries can now file returns for the segregation, merging, or transfer of real estate.
- Users can now file Form SC 2222 (Environmental Protection Deposit Return).
- Exempt entities can now file an Exemption Request for Non-Profit Entities and Hospitals

How to Combat Cabin Fever During Puerto Rico's COVID-19 Lockdown (1/6)

As COVID-19 runs rampant across the world, shutting down public life from Asia, to Europe, to North America, Puerto Rico too finds itself on lockdown. Starting March 15, 2020, at 6 p.m., all non-essential businesses were ordered to close until March 30, and all people living in Puerto Rico are on curfew, allowed out only to buy food and basic necessities; attend medical appointments; visit financial institutions; care for seniors, minors, or others who require care; and work, if their workplace has not been shut down.

This unprecedented situation has forced millions around the world, including those in Puerto Rico, into a new life of social isolation. If you're used to spending most of your time out, this might be a massive adjustment for you, and you might be at a loss as to how to spend your time. We're in the same boat as you. Here are our suggestions for fighting cabin fever in Puerto Rico.

Read

Whether you have a pile of books you've never gotten around to reading or a Kindle with access to all the books you could ever desire, Puerto Rico's lockdown is a great opportunity to catch up on your reading. Get lost in a great novel, read up on business techniques and other useful nonfiction information, or brush up on your Spanish skills by reading Spanish books.

Listen to Podcasts

Podcasts are especially great when you're doing other things, such as cooking. If you're stuck in your Puerto Rico home alone, it can help ease the loneliness in addition to providing some much-needed entertainment or useful information. [Serial](#) is essentially a TV drama in audio-only

How to Combat Cabin Fever During Puerto Rico's COVID-19 Lockdown (2/6)

form, telling a story in episodes. [Radiolab](#) dives deep into the intricacies of our strange world and investigates them. [Everything Iconic with Danny Pellegrino](#) explores the world of celebrities and pop culture. [Sovereign Man](#) discusses finances and money, teaching listeners how to protect and multiply their wealth. Finally, [Advanced Spanish Latino](#) offers listeners a chance to practice their Spanish listening skills by presenting a normal-speed conversation in Latin American Spanish.

Watch Netflix

Use your time at home to catch up on all the Netflix series you otherwise haven't had time to watch. If you've never found the time to watch Netflix's major sci-fi thriller hit [Stranger Things](#), you now have the time to enjoy all three seasons. If you prefer reality TV, try [Love is Blind](#), a match-making show with a twist.

If you're more of a movie person, Netflix still has you covered.

Try [Spenser Confidential](#) for an action-comedy crime movie, [Lost Girls](#) for a murder-mystery thriller based on true events, or [Scott Pilgrim vs. the World](#) for a truly creative modern masterpiece.

Netflix also offers a great opportunity to brush up on your Spanish. [Elite](#) is a murder-mystery thriller set at a posh Spanish high school, and [La Casa de Papel](#) focuses on a one-of-a-kind bank heist in Madrid. [A Life of Speed: The Juan Manuel Fangio Story](#) is a documentary that lets viewers practice their Spanish while diving into Latin American history. To optimize your language practice, you can add [this Chrome extension](#) to easily change the playback speed, audio and subtitle language, and more.

How to Combat Cabin Fever During Puerto Rico's COVID-19 Lockdown (3/6)

You don't even have to watch Netflix alone. Add the [Netflix Party Chrome extension](#) to sync your Netflix viewing experience with your friends across town or even across the world.

Play Board Games

If you're isolated with your family, it's a great time to break out the board games. If you don't have any, you won't be able to pick up any up from the store, but you may be able to order some games from Amazon.

There's never been a better time to play [Pandemic](#), for instance. [Balderdash](#) is a fun, creative game for two to six players where players try to fool each other by making up definitions for obscure English words. You could also play popular board game [Settlers of Catan](#), where players work to grow civilizations.

Play Cards

If you prefer cards, why not play some classics, like poker or rummy? If you're playing with children, you can opt for family card games like Crazy Eights, Go Fish, or Old Maid. If you're bored of those and want to try something new, why not check out [Forty-Fives](#), an East Coast hit? (Auction Forty-Fives is the best type.)

You can also ditch the classic card deck entirely and play a game like [Monopoly Deal](#), a fun game that doesn't last forever, like the traditional Monopoly.

Finally, if there are no kids around, you can play a party classic: [Cards Against Humanity](#). There's nothing like laughter to wait out a pandemic.

Work Out

Even though gyms are closed across Puerto Rico, you can still keep fit during COVID-19. Various gyms are offering virtual classes that you can

How to Combat Cabin Fever During Puerto Rico's COVID-19 Lockdown (4/6)

follow along with from home. For example, Planet Fitness is [live-streaming classes](#) every day at 7 p.m. ET (also 7 p.m. in Puerto Rico). The workouts last 20 minutes and require no equipment, and if you miss them, you can always watch them on demand on Planet Fitness's Facebook page or YouTube channel.

YouTube offers a wealth of workout videos, so you can also work out individually with YouTube videos. Channels like [Blogilates](#), [HASfit](#), and [POPSUGAR Fitness](#) are excellent alternatives to a gym membership. Just remember, if you live in an apartment, to be considerate of your neighbors when working out.

Whatever path you choose, a good way to keep motivation high is to synchronize your workout schedule and routine with your friends. Even if you can't be together in person, knowing your friends are working out with you in spirit will help you avoid the temptation to skip your workouts.

Play “Vevo Vevo”

Live in an apartment complex (maybe in [Condado or Miramar](#))? Get out on your balcony and hang out with your neighbors. With everyone stuck at home, you can all enjoy a classic, apartment-complex-wide game of “vevo vevo,” or I Spy. [A video of exactly that](#) from Sevilla, Spain, is already making the rounds on the Internet.

Start a Side Business

Have an idea for an Internet business you've been toying with? Now's the perfect time to put things into action. Many online or remote businesses are even eligible for Puerto Rico's [Export Services tax incentive](#), as long as the target demographic is not Puerto Rican

How to Combat Cabin Fever During Puerto Rico's COVID-19 Lockdown (5/6)

residents. You can use this downtime to build a professional website with a website builder like [Wix](#), work on promoting and advertising your services across the net, or simply brainstorm ideas.

Play Video Games

Thanks to the miracle of the Internet, you can still hang out with your friends even when you're all confined to your homes. For example, [Trivia Crack](#) is, as the name suggests, a trivia app you can play with friends. This might also be the ideal time to bring back [Words with Friends](#).

If you're more into PC gaming, try [Hearthstone](#), a popular card battle game from Blizzard. You might also be interested in massively multiplayer online games such as [League of Legends](#).

Solo-gaming more your speed? Just download [Steam](#), the world's largest digital marketplace for video games. From [city-building games](#), to [shooters](#), to [point-and-click adventures](#), everyone's bound to find something. COVID-19 is also the ideal time to play the beloved strategy game [Plague Inc.](#)

Work on Creative Projects

If you have a creative project you've been wanting to work on, this is your opportunity. Sit down and write a book, paint some masterpieces, compose some songs, [develop a video game or app](#), or make some crafts with your kids. Being shut in all day allows you to appreciate art—not only that created by others but also your own.

Learn a Language

As mentioned in previous sections, indulging in books, podcasts, movies, and series in Spanish offers a fantastic idea to hone your

How to Combat Cabin Fever During Puerto Rico's COVID-19 Lockdown (6/6)

Spanish language skills. There are plenty more resources online, however, including [Duolingo](#) and [Memrise](#). You can even practice your speaking skills during the lockdown with language lesson platforms such as [italki](#). If you're already fluent in Spanish, you can use this downtime to pick up a new language, like [German](#) or [Japanese](#).

Resources for Kids

The COVID-19 lockdown may be even more challenging for you if you have kids who need to be entertained. Fortunately, the Internet provides countless educational opportunities to keep your kids happy and entertained. [Mystery Science](#) offers engaging video lessons on a variety of science-related topics and teaches kids about the world in a fun way, and [Cbeebies](#) provides fun activities for children, from games, to shows, to songs. If you'd like to try some at-home experiments with your kids, check out these 50 recommendations on [Mommy Poppins](#). Finally, [Scholastic](#) offers resources for fun grade-based lessons you can complete at home with your kids.

Corona Virus – Trump’s Emergency Declaration – Effect on Puerto Rico Presence Days (1/3)

Please note the below article is based on our analysis. There is currently no consensus on the specific effect of the Corona Virus on the presence test and if / which 14+ days will count towards bona fide presence. We strongly suggest you discuss the below analysis with your tax advisor and reach your own conclusions.

All emergency and major disaster declarations are made solely at the discretion of the President of the United States.

There are two types of disaster declarations provided for in the Stafford Act: **emergency declarations and major disaster declarations**. Both declaration types authorize the President to provide supplemental federal disaster assistance. However, the events related to the two different types of declaration and scope and amount of assistance differ.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (the Stafford Act) §401 states in part that: “All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State.” A State also includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

The IRS Publication 570 (updated February 21, 2020) specifically states that you are considered to be present in the relevant possession [Puerto Rico] on any of the following days: “Any day you are outside the relevant possession because you leave or are unable to return to the relevant possession during a **14-day period within which a major disaster occurs** in the relevant possession for which a Federal Emergency Management Agency (‘FEMA’) notice of a federal declaration of a major disaster is issued in the Federal Register.”

Corona Virus – Trump’s Emergency Declaration – Effect on Puerto Rico Presence Days (2/3)

Today, President Trump issued an emergency declaration for the United States. Note, that this is different from a “major disaster” and so, based on IRS Publication 570, this type of an emergency declaration does not automatically qualify for days of automatic presence. While it is possible that in a few months the IRS may publish a notice that awards days of automatic presence, this is not guaranteed and is speculative.

However, remember that according to IRS Publication 570, that you are considered to be present in the territory [Puerto Rico] for any day you are outside of the relevant territory [Puerto Rico] in order to receive, or to accompany any of the following family members to receive, “Qualifying Medical Treatment.

Qualifying Medical Treatment is generally provided by (or under the supervision of) a physician for an illness, injury, impairment, or physical or mental condition. The treatment generally involves: any period of inpatient care that requires an overnight stay in a hospital or hospice, and any period immediately before or after that inpatient care to the extent it is medically necessary; or any temporary period of inpatient care in a residential medical care facility for medically necessary rehabilitation services. With respect to each qualifying medical treatment, you must prepare (or obtain) and maintain documentation supporting your claim that such treatment meets the criteria to be considered days of presence in the relevant possession. You must be able to produce this documentation within 30 days if requested by the IRS or tax administrator for the relevant possession.

Specific documentation is required for any qualifying medical treatment. Refer to page 5 of [IRS Form 570](#) for the details on what

Corona Virus – Trump’s Emergency Declaration – Effect on Puerto Rico Presence Days (3/3)

documentation will be required by the IRS.

Additional Details on the Process for the Declaration of a Major Disaster [from FEMA](#)

Major Disaster Declarations: The President can declare a major disaster for any natural event, including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or, regardless of cause, fire, flood, or explosion, that the President determines has caused damage of such severity that it is beyond the combined capabilities of state and local governments to respond. A major disaster declaration provides a wide range of federal assistance programs for individuals and public infrastructure, including funds for both emergency and permanent work.

Requirements: The Governor of the affected State or Tribal Chief Executive of the affected Tribe must submit the request to the President through the appropriate Regional Administrator within 30 days of the occurrence of the incident. The request must be based upon a finding that the situation is beyond the capability of the State and affected local governments or Indian tribal government and that supplemental federal assistance is necessary.

How to Register to Vote in Puerto Rico (1/3)

Even though Puerto Rico is a U.S. territory, Puerto Ricans don't vote in U.S. elections. The island has its own government, elected by the people of Puerto Rico. As a U.S. citizen from one of the 50 states, you retain the right to submit a ballot in U.S. elections even when abroad, but we recommend giving up your right to vote in the US and registering to vote in Puerto Rico instead, as that can help you pass the closer connections test needed to establish [bona fide residency](#) in Puerto Rico.

The Upcoming Puerto Rican Election

On Tuesday, November 3, 2020, Puerto Rico will hold an election to determine whether current governor [Wanda Vázquez Garced](#), who holds her position not due to a vote but because the previous governor resigned, will remain Puerto Rico's top government official. Also running for the New Progressive Party is [Pedro Pierluisi](#). On the opposition side, [Carmen Yulín Cruz](#), [Eduardo Bhatia](#), and [Carlos Delgado Altieri](#) are running for the Popular Democratic Party. Two candidates of smaller parties have also declared their intention to run: [Alexandra Lúgaro](#) of Movimiento Victoria Ciudadana and [Juan Dalmau Ramírez](#) of the Puerto Rican Independence Party.

To vote in the election, you will need to complete your voter registration by September 14, 2020. To register, you must visit the Junta De Inscripción Permanente (JIP) office in your [municipality](#). Bring ID and your birth certificate or passport to prove that you are a U.S. citizen, and provide the last four digits of your Social Security number and your physical and postal address. Upon successful registration, you will receive your voter card. Use this [directory](#) to locate the closest JIP office to you.

How to Register to Vote in Puerto Rico (2/3)

Absentee Voting

Even if you plan to be away from Puerto Rico by the time the elections roll around, you might still be able to vote, as long as you register for absentee voting. To register, you have to present all the above mentioned information in person at your local JIP office or via email to the Absentee Vote Administrative Board before March 12, 2020. Use the [absentee voting request form](#) to apply.

Absentee voting privileges are only offered in specific cases—you will not be able to vote in Puerto Rican elections if you are simply vacationing abroad. The following people may vote via an absentee ballot:

- People studying in full-time programs at an accredited university or college outside of Puerto Rico
- Members of the United States Armed Forces, Coast Guard, Public Health Service, or the NOAA on active duty outside of Puerto Rico
- Members of the National Guard of Puerto Rico on active duty outside of Puerto Rico
- Contractors sponsored by the Puerto Rico Department of Labor Agriculture Employment Program who will be working outside of Puerto Rico on election day
- People stationed outside of Puerto Rico in diplomatic service of the U.S. government
- People stationed outside of Puerto Rico serving in U.S. foreign aid programs

How to Register to Vote in Puerto Rico (3/3)

- People stationed outside of Puerto Rico in a personnel interchange program between the Puerto Rican government and a foreign government
- Spouses, children, and other dependent relatives who live with an eligible absentee voter in any of the above categories and who are otherwise eligible to vote
- Athletes and support personnel representing Puerto Rico in sports competitions on election day
- Employees of the Puerto Rican government outside of Puerto Rico on an official trip
- Commercial airline crew members working outside of Puerto Rico on election day
- Professionals and their families who live in Puerto Rico but have been temporarily staying abroad for no more than 11 months for work or study
- Inmates who have been referred to a penal institution out of Puerto Rico
- Residents of Puerto Rico whose employer requires them to perform lawful work or services of any kind outside of Puerto Rico
- People who are receiving medical treatment, or people who are accompanying relatives or others who are receiving medical treatment, outside of Puerto Rico on the election day

Revised IRS Publication 570 Released – Tax Guide for Individuals with Income from U.S. Possessions (1/3)

On February 21, 2020, the IRS published an updated and revised Publication 570 – Tax Guide for Individuals With Income From U.S. Possessions (“Publication 570”). Publication 570 provides detailed information on the tax treatment for U.S. individuals with income sourced from U.S. possessions, including Puerto Rico. Publication 570 contains detailed rules and examples related to determining days of presence days, closer connection, and tax home for U.S. individuals who may be considered bona fide residents of U.S. territories, including Puerto Rico. The most recent previous edition of Publication 570 was published February 22, 2019.

In the revised and updated Publication 570, the IRS has listed the following items below under the sub-heading “What’s New”.

To view/download the current, February 21, 2020 edition of Publication 570, visit the IRS website [here](#).

What’s New:

Disaster tax relief. In December 2019, disaster tax relief was enacted for those impacted by certain Presidentially declared disasters.

Taxpayers in certain territories (see www.IRS.gov/DisasterTaxRelief) who are required to file a U.S. federal income tax return may be affected.

To learn more about the disaster tax relief that may be available, see chapter 4. Also, see the Instructions for Forms 1040 and 1040-SR.

Automatic 60-day extension. Recent legislation provides an automatic 60-day extension of certain tax deadlines due to federally declared

Revised IRS Publication 570 Released – Tax Guide for Individuals with Income from U.S. Possessions (2/3)

disasters that occur after December 20, 2019. For more information, see Extension of Time To File, later.

Form 1040-SR. Form 1040-SR, U.S. Tax Return for Seniors, has been introduced for 2019. You can use this form if you were born before January 2, 1955. The Form 1040-SR generally mirrors Form 1040. For more information, see Form 1040-SR and the Instructions for Forms 1040 and 1040-SR.

Qualified opportunity zones (QOZs). The Tax Cuts and Jobs Act (TCJA) amended the Internal Revenue Code to encourage investments in designated economically distressed communities by providing income tax benefits to taxpayers who invest new capital in businesses located within QOZs. There are QOZs located in the 50 states, the District of Columbia, American Samoa, the CNMI, Guam, Puerto Rico, and the USVI.

Bona fide residents of the CNMI, Guam, and the USVI will generally report qualifying investments on the income tax return they file with their territory tax agency, while residents of American Samoa and Puerto Rico will report qualifying investments on their U.S. income tax return.

For additional information, see the QOZ FAQs

at www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions. Taxpayers should also consult with their territory tax agency for additional information.

Standard deduction amount. For 2019, the standard deduction amount has increased for all filers. See Standard deduction amount, later.

Revised IRS Publication 570 Released – Tax Guide for Individuals with Income from U.S. Possessions (3/3)

Maximum income subject to social security tax. For 2019, the maximum amount of self-employment income subject to social security tax is \$132,900. The amount will increase to \$137,700 for 2020.

Optional methods to figure net earnings. For 2019, the maximum income for using the optional methods is \$5,440. This amount will increase to \$5,640 for 2020.

Why You Need a Virtual Address to Protect Your Privacy (1/2)

Virtual addresses are a service any Export Services business under Act 60 ought to consider. Not only do they provide you with a physical and bona fide location in Puerto Rico, but they also serve to protect your privacy and allow you to monitor your physical mail even when you're away.

What Is a Virtual Mailbox?

A virtual address provides your business with a physical street address in the real world as well as a digital mailbox. It allows you to check and monitor your physical mail from your computer, tablet, or phone, and you can instruct your provider to physically forward the mail to you, open it and scan the contents, shred it, or store it for you to physically pick up. Besides the obvious convenience of managing your physical mail digitally, virtual addresses offer numerous perks, including an address in another jurisdiction and privacy protection.

A large number of Export Services businesses use a virtual address service. Getting a virtual address can allow you to secure a Puerto Rican address for your business before you even move to Puerto Rico, and if you would otherwise use your home address as your business address, it allows you to separate your private and business mail. Virtual mailboxes are superior to PO boxes in this regard because they can receive packages from all couriers, not just USPS, and they can be recognized as a commercial business address, whereas PO boxes cannot. Additionally, business permits cannot be issued for the addresses of PO boxes, as well as boxes with UPS or FedEx.

Why Tax Incentives Decree Holders Should Have a Virtual Mailbox

For tax incentives decree holders, there's a distinct advantage to having

Why You Need a Virtual Address to Protect Your Privacy (2/2)

a virtual address: privacy. In line with new regulations, at the end of January 2020, the Department of Economic Development and Commerce (DDEC) published the names of the more than 8,000 companies and individuals who enjoy the incentives of Acts 20, 22, 14, 273, and 27. On the [registry](#), the names of grantees, as well as the type of grant they have received and its issuance date, are visible. Going forward, all Export Services businesses and Individual Resident Investors will also be added to the registry.

The DDEC holds that this move will promote accountability and transparency, but the problem for tax incentive decree holders is that many use their home address as their commercial address. This means that many grantees now have their home addresses publicly available on the government's [Registry of Corporations and Entities](#), which is a serious privacy concern.

Tax incentive decree holders can easily establish a new commercial address to publish on the database if they subscribe to a virtual address, such as the one offered by PRelocate. We can help you protect your privacy while also giving you an easy and reliable way to monitor your mail when you are traveling. If you have questions about our virtual mailbox service, email us at info@relocatepuertorico.com.

PRelocate's First-Ever Client Appreciation Event (1/2)

On February 8, 2020, PRelocate hosted its first-ever client appreciation event, Brunch & Brews, in the Terrace of St. Mary's in Condado, San Juan. Act 20 and 22 decree holders came together from all over Puerto Rico for a day of networking, socialization, and delicious, professionally prepared food, and ultimately, the event was a major hit.

The scrumptious food came courtesy of Chef Lorrie Rojas, founder of [Bay Area Chef](#). An expert in gastronomy and food presentation, Lorrie prepared an exquisite Mediterranean menu that started with appetizers: hummus with lamb, butternut squash and tahini, babaghanoush, and tabbouleh. While these were good enough to constitute a meal on their own, they were complemented by some main dishes: falafel, Moroccan chicken, and kofta b'siniyah. Finally, no meal would be complete without dessert, and Lorrie's tahini and halva brownies and spice cookies really hit the spot.

To prep for the event, PRelocate Managing Partner Sam Silverman and Operations Manager Pilar Rivera teamed up with Lorrie to shop for supplies at Costco. The three had their hands full picking out and transporting the large amount of food and drink needed to make the event a success.

The day before the event, Lorrie got together with sous-chefs Pilar and Gisela Delgado, PRelocate's administrative assistant, to work her culinary magic. Anyone who attended would confirm that they were wildly successful in their gastronomical mission. Even Pilar's specialty, overly spicy falafels (the trick is to forget Lorrie's numerous reminders of how to calculate the measurements for the cayenne), was a hit.

PRelocate's First-Ever Client Appreciation Event (2/2)

To complement the delicious food, mixologist Mike worked behind the bar to provide guests with flawless cocktails and drinks. His two specialties were French 75, with gin, lime juice, simple syrup, and cava, and watermelon basil spark, which combines watermelon juice, rum, orange liquor, basil syrup, and prosecco. With his top-quality drinks, he ensured guests received a truly well-rounded meal.

The event was a blast not only for PRelocate clients but also our team. We're so grateful to everyone who showed up to share this day with us, and we truly enjoyed meeting everyone who attended. This was our first client-appreciation event, but it certainly won't be the last. If you missed the event this time, don't worry—you'll get more opportunities in the future. We look forward to seeing everyone we met again, as well as meeting those who couldn't make it this time.

See you at the next meet-up!

How to Protect Your Home in Puerto Rico When You're Away (1/5)

If you are planning to be away from Puerto Rico for an extended period, you will have to protect your home from mold. Puerto Rico's climate is generally classified as a tropical rainforest climate, giving the island the warm, sunny weather it's known for. However, this beautiful, year-round beach weather also comes with drawbacks, including a rainy season and high humidity. The high humidity is a serious issue across Puerto Rico, as it leads to mold easily growing in buildings that are not properly dehumidified.

You Need a Dehumidifier in Puerto Rico

Unlike the US, which houses various types of climates across its large landmass, Puerto Rico is a small island and thus features predominantly only a tropical rainforest climate. This means that no matter where you choose to live in Puerto Rico, you will be faced with high humidity that can lead to serious mold problems. The solution is to run both a dehumidifier and an air purifier almost 24/7.

Dehumidifiers take excess moisture out of the air and deposit it in their accompanying water bin. It's not worth it to buy low-quality, cheap appliances that will break easily or not do the job properly, since you need these appliances to keep your home—and, by extension, you and your family—healthy. Humidity can also harm electronics, so if you plan to keep the windows of your apartment open on a regular basis, it's best to keep the dehumidifier in your office or computer room with the door shut.

The need for constant dehumidification in Puerto Rico can present problems if you are planning to be away for extended periods of time. If you leave Puerto Rico for a while and do not leave the dehumidifier

How to Protect Your Home in Puerto Rico

When You're Away (2/5)

running, you may be greeted by mold all over your things when you return home. Be careful, though—some dehumidifiers do not come with a hose, and in those cases, you also can't just leave it running for weeks while you are away. If your dehumidifier doesn't come with a hose, make sure to buy one separately.

Here are some of the top-rated dehumidifiers on the market to keep your Puerto Rican home safe and mold-free:

[Frigidaire FFAD7033R1, 70 Pint White Dehumidifier](#)

This top-quality dehumidifier, rated as the overall best dehumidifier for 2020 by [The Spruce](#), comes decked out with all sorts of useful features, such as a 24-hour on/off timer, a splash guard, a humidity readout, and a full-tank alert. If you set it up next to a suitable drain, you can leave it running continuously without having to constantly empty the water bin. It takes not only excess moisture but also harmful bacteria that can make breathing difficult out of the air. It can operate in temperatures as low as 41 degrees, so it's a high-quality year-round dehumidifier. You can choose between a 30-pint, 50-pint, and 70-pint machine, depending on your needs.

[hOmeLabs 4,500 Sq. Ft Energy Star Dehumidifier](#)

If you need to dehumidify a particularly large room, this dehumidifier is your best bet, as it is suitable for rooms up to 4,500 square feet or particularly wet areas. It's easy to use—simply set your ideal moisture level, and let the machine run until its 1.8-gallon water bin is full, at which point it will automatically shut off to prevent overflowing. It also contains a hose outlet so you can leave it running without constantly draining it. An additional bonus is the removal of bacteria and allergens

How to Protect Your Home in Puerto Rico When You're Away (3/5)

[Honeywell 70 Pint with Built-In Pump Dehumidifier](#)

If you would like a high-quality dehumidifier with a built-in pump, alleviating you from the duty of constantly emptying the tank, this Honeywell dehumidifier is a good option. It can take up to 70 pints of water out of the air each day, and its ENERGY STAR certification means it is energy-efficient, saving you money. It comes with a built-in pump, meaning it requires minimal oversight from you. Additional features include an energy-saving timer, a sleep mode, and the ability to operate in low temperatures.

[TOSOT 1,500 Sq. Ft. 30 Pint Dehumidifier](#)

A good dehumidifier for the bedroom is the TOSOT 1,500 sq. ft. 30-pint dehumidifier, which runs at a quiet 48 decibels even at its loudest—that's approximately the volume of light rainfall. It features a gravity drain, so if you set it up by a floor drain, you can leave it running continuously on its own. It's also energy-efficient, so you can save a bit on your power bill as well as lessen your burden on the environment. Also, if you experience a power outage, this dehumidifier will turn back on automatically at the last-used settings once your power is restored.

[Tenergy Sorbi 1000ml Air Dehumidifier](#)

If you'd like a small dehumidifier for your bathroom, this Tenergy Sorbi appliance is a great choice. It can remove up to 750ml of moisture from the air per day in temperatures of 86 degrees with 80% humidity. Its operation is almost inaudibly quiet, and the plug-and-play design makes it extremely user-friendly. It comes with an auto shut-off feature to preventing spillage and can take 99.97% of microparticles out of the air, making the air in your home cleaner and healthier.

How to Protect Your Home in Puerto Rico When You're Away (4/5)

Sensibo Air Conditioner Remote Controls

Another way—albeit an expensive one—to combat humidity in Puerto Rico is to run your air conditioner full-time. This is not the best way to keep your home mold-free, but regardless, you will need an air conditioner in Puerto Rico, since they're necessary to keep your home at a cool, comfortable temperature, especially during the hot summer months. A good way to control your air conditioner for optimal comfort and efficiency is by using the [Sensibo air conditioner remote control](#), which allows you to oversee and control your air conditioner from your smartphone. Whether you are in a different part of Puerto Rico, visiting the US, or even traveling through Asia, you can check the temperature and humidity at your home through the Sensibo app. You can turn it on from abroad to help lower the humidity.

Thanks to a geo-location feature, the Sensibo app will also automatically turn on the air conditioner to your preferred settings when you come home, and it will automatically turn off once all synced-up phones have left the home. This feature may not be useful if not everyone in the family uses the app, however.

Other Ways to Regulate Your Home Environment When Away

If you plan to be away from Puerto Rico for a while but have someone you trust back home, such as a friend or close colleague, you could offer them a spare key and ask them to check on the humidity levels and water flow, water your plants, feed your cat, and carry out other necessary tasks. If you have a dehumidifier with a large tank but no hose, this may be a suitable workaround. Obviously, though, this can only work with someone you really trust. When you're back, take them out to a [nice Puerto Rican restaurant](#) as a thank you.

How to Protect Your Home in Puerto Rico When You're Away (5/5)

Another option for keeping your home fresh is [baking soda moisture-absorbing bags](#), which you can hang up in closets, bathrooms, and other small spaces. These bags are a cheap, easy way to keep the clothes in your closet fresh and mold-free even when you are away for extended periods—the bags are good for up to 60 days. This option will not work for large rooms but can also be a good addition to a dehumidifier if needed.

If, despite precautions, mold still grows in your home, Puerto Rico has many high-quality [mold remediation companies](#) to save your living space.

In addition to the humidity, when you are away from your home in Puerto Rico, you must also be mindful of the mail being sent to your address. Important mail may be arriving for you, but you can't check it until you return home. To keep on top of your mail while traveling, sign up for PRelocate's [virtual mailbox service](#). We will send you pictures of your incoming mail, and you can decide whether we should physically send it to you, open it and scan the contents to your e-mail address, shred it, or store it until you return. For more information, contact us at info@relocatepuertorico.com.

What to Do on Valentine's Day in Puerto Rico (1/3)

Are you spending this Valentine's Day in Puerto Rico with someone special? As a sunny Caribbean island territory, Puerto Rico offers an abundance of options for a romantic Valentine's Day in the sun. From beach picnics to Valentine's Day dinner dates, here's what you can do on Valentine's Day this year in Puerto Rico.

Beach Dates

The islands all across the Caribbean are primarily known for their beautiful beaches that people travel from all over the world to visit. Take advantage of Puerto Rico's natural beauty to enjoy a stroll on the beach or a beach picnic with your special someone. [Seven Seas Beach](#) in Fajardo is known for being particularly nice in February. Other alternatives include [Isla Verde](#), a popular resort beach in San Juan with all the amenities you could ever need, and [Playa Peña](#), a cozy little beach in the middle of Old San Juan with relatively few visitors, making it ideal for a romantic beach date.

If you like the sound of dining at the beach but don't want to pack your own food for a picnic, try the restaurant at [Numero Uno Beach House](#) in San Juan, formerly known as Pamela's. The restaurant offers a number of Caribbean favorites and boasts a range of signature cocktails and wines. It's the ultimate Caribbean dining experience on a beautiful Puerto Rican beach—a perfect Valentine's Day for any couple.

If a beach date sounds great but you're a little more adventurous, Fajardo's [bioluminescent bay kayaking tours](#) might be right for you. The plankton that live in the bay, a special type that can light up in the dark, give it a magical, mystical feeling, especially at night—definitely a romantic atmosphere for a Puerto Rican Valentine's Day.

What to Do on Valentine's Day in Puerto Rico (2/3)

Restaurant Dates

If you're the type that prefers a good, old-fashioned dinner date on Valentine's Day, Puerto Rico won't disappoint you. [Star Fish Restaurant](#) at the Fajardo Inn Resort is an elegant way to experience top-quality Puerto Rican dining, with different dishes lovingly crafted each evening by experienced professional chefs. You can decide which is more romantic—dining inside the elegantly decorated venue or on the veranda, which offers an exquisite view of the resort's pool and gardens as well as the Atlantic Ocean.

If you're in Condado, consider taking your special someone to [1919 Restaurant](#) in the Condado Vanderbilt Hotel, a high-end restaurant with exquisite dishes prepared by Michelin Star-rated chef Juan José Cuevas. The restaurant uses only the highest-quality local and artisanal ingredients to ensure a delicious, healthy, and socially conscious meal.

A further option for dinner is [Marmalade](#), a restaurant and wine bar that brings together fresh, local ingredients to create mouthwatering dishes from around the globe. From kimchi and poke to jamón Ibérico and gnocchi, Marmalade offers a menu to suit everyone's tastes, topped off with a scrumptious dessert to end the night. Enjoy the meal with a large selection of unique cocktails and quality wines.

Outdoor Dates

With sunny weather year-round, Puerto Rico is a great place to enjoy outdoor dates. Why not spend the evening taking a romantic stroll through [Old San Juan](#) with your beloved? As one of the oldest cities in the Americas, Old San Juan's quaint cobbled streets make for the ideal romantic stroll on Valentine's Day. Restaurants are plentiful, so you can stop into a restaurant of your choice for a romantic dinner along the

What to Do on Valentine's Day in Puerto Rico (3/3)

way. You can choose to book one of the numerous walking tours or explore Old San Juan's unique history on your own.

If you and your partner are nature lovers, why not take a hike through [El Yunque](#), Puerto Rico's natural rainforest, for Valentine's Day? One of the most biologically diverse forests in U.S. territory, El Yunque offers breathtaking nature views, making it the ideal Valentine's Day attraction for sporty couples. With towers, observation points, pools, and more, there's lots to see—just make sure to research [what's open](#) beforehand.

Rooftop Dates

If you'd like a sophisticated night out on the town with your partner, check out [Mist Rooftop Bar+Kitchen](#) at the San Juan Water Beach Club Hotel. You can enjoy a cozy evening with your special someone with delicious casual food, refreshing cocktails, and relaxing lounge beats, all from the rooftop of the San Juan Water Beach Club Hotel, which offers breathtaking views of the Atlantic Ocean. Go at sunset for the most impressive—and romantic—views.

Another option for a romantic evening under the stars is at [Eter Rooftop Lounge & Rest](#) in San Juan. Enjoy a panoramic view of San Juan as you savor expertly crafted delicacies throughout the night in a three-course meal. The night lasts from 5 p.m. until 11 p.m., giving you plenty of quality time with your beloved on Valentine's Day.

Puerto Rico Relocation Checklist: What to Do Before Your Move (1/5)

Opting to relocate to Puerto Rico to take advantage of the generous tax benefits of Act 60 is a big decision. It offers lucrative benefits and a comfortable Caribbean island life, but there are many processes you have to undertake before you make the move. Use this post as a checklist to make sure you do not forget any essential moving procedures.

Gather Your Birth Certificate and Social Security Card

Make sure you have your birth certificate and Social Security card ready, because you will need them to complete various procedures. Your Social Security card is necessary to apply for the IRI tax grant and to put utilities in your name. You will also need to make sure they are originals—copies will not suffice. Once you have your birth certificate and Social Security card, you can start with the more involved procedures.

Request a Background Check From Your State

Puerto Rico wants to make sure you are not a criminal before you set off to reside on its shores, so requesting a criminal background check from your state is a must. The procedure varies from state to state, so be sure to read up on the [requirements for your particular state](#). Notably, some states, such as California, New York, and Oregon, require fingerprinting, while others, such as Florida, Texas, and Michigan, do not. For the states that require fingerprinting, the background check typically takes longer, and you may have to wait a while to receive the results.

Request an Official Copy of Your State Driving Record

In order to apply for a [Puerto Rican driver's license](#), you need to present

Puerto Rico Relocation Checklist: What to Do Before Your Move (2/5)

a copy of your state driving record, and the easiest course of action is to obtain the record before you move. You can simply request a driving record at your local DMV for a small fee, which varies from state to state.

Apply for the Tax Incentive

Finally, it's time to apply for the tax incentives that have motivated you to move to Puerto Rico in the first place. We can [help you apply for these incentives](#) and advise you on what is best for you—just reach out to us.

Move to Puerto Rico!

Finally, board a plane and make the physical trip to Puerto Rico! Your move is finally here!

Give Up Your U.S. Voter Registration

Unfortunately, the bureaucracy does not stop once you have arrived in Puerto Rico. After you arrive on the island, make sure to give up your U.S. voter registration, as you will not be allowed to vote in U.S. elections as a Puerto Rican resident. Download and use the [Election Directory for Cancellation Notices](#) to determine the address to send your cancellation notice to.

Get a Puerto Rican Driver's License

Getting a Puerto Rican driver's license is recommended to help satisfy the closer connections test and prove bona fide residency in Puerto Rico. The process can be somewhat complicated, so check out our comprehensive guide to [how to get a Puerto Rican driver's license](#). You will be required to surrender your U.S. driver's license, as you are not allowed to have two different licenses.

Puerto Rico Relocation Checklist: What to Do Before Your Move (3/5)

Submit a Declaration of Non-Domicile

Finally, when you have a Puerto Rican address and have settled into your new home, submit a declaration of non-domicile to the Office of the Clerk in your current state of domicile. The declaration of non-domicile is necessary to cancel your domicile in your previous state and, depending on the state, void your income tax status there. Declaring non-domicile is also necessary to declare domicile in Puerto Rico, which you should do to indicate your intention to reside on the island long-term. [Templates for both declarations](#) are available for download on our blog.

Other Recommended Steps for Relocating to Puerto Rico

We have already covered all the key bureaucratic procedures you need to complete for your move to Puerto Rico, but there are a number of other procedures we strongly recommend to prepare for your new Caribbean life.

Get a Medical Checkup in the US

Once you are in Puerto Rico, you will have to switch your medical insurance and find a new doctor, so it is wise to get all your checkups out of the way while you are still in the US.

Join the Act 20/22 Resource Group on Facebook

Some of the best sources of information on relocation to Puerto Rico are the people who have already gone through the process themselves. In the [“Puerto Rico Act 20/22 – Resource Group”](#) on Facebook, members can communicate with others who have already moved to Puerto Rico under Act 20 or 22 or are in the process of doing so. The community is large and friendly, and members post polls and referrals as well as share events.

Puerto Rico Relocation Checklist: What to Do Before Your Move (4/5)

Brush Up on Your Spanish

Most Puerto Ricans can communicate in English, but they are still more comfortable with Spanish, and a working knowledge of Spanish can go a long way in Puerto Rico. If you can speak Spanish, you will have a leg up in official procedures and business matters, and it will allow you to develop deeper connections with the locals in your community.

While you could enroll in a class, it is often more effective to study independently, which you can do for free with resources like [Duolingo](#). If you prefer the guidance of a teacher, private lessons, such as on [italki](#), are more effective than group classes. From roughly an intermediate level, it is highly recommended that you watch Spanish movies, read Spanish books, and do other activities in Spanish to enhance your language skills.

Sell or Rent Your Home in the US

The Puerto Rican government wants to be sure that you intend to reside long-term in Puerto Rico, in which case you certainly do not need a house in the US. If you keep your U.S. home without renting it, the government may fear that you are not as committed to Puerto Rico as you claim, making it more difficult to satisfy the closer connections test. Additionally, selling or renting your home will give you some extra cash to help fund your new life in Puerto Rico or to invest in your business.

Research Puerto Rican Locations

Since you will be moving your entire life to Puerto Rico, including your family, it is important to consider the location to which you are moving. Puerto Rico features many unique areas, so whether you are looking for a family-friendly neighborhood, a cozy beachside town, or a place with a

Puerto Rico Relocation Checklist: What to Do Before Your Move (5/5)

lively nightlife scene, [if you do your research](#), you are bound to find the right Puerto Rican neighborhood for you.

Research Puerto Rico Schools

If you have school-aged children, schools will also be an important consideration in your move to Puerto Rico. The island features an array of [international schools](#) where children are taught in English, although enrollment in regular Spanish-speaking schools is also possible if your children have the necessary language skills. As an alternative, you can look into [homeschooling options](#).

Throw a Going-Away Party

While your move to Puerto Rico is exciting, don't get so caught up in moving procedures that you forget to spend quality time with your loved ones. Throwing a going-away party before your move is a good way to say goodbye to the people in your life in the US and close that chapter of your life before opening a new one in Puerto Rico.

Puerto Rico Culture and Lifestyle Guide (1/5)

Puerto Rico is known for its rich culture in addition to its warm weather and sunny beaches. Puerto Rico's [generous tax incentives](#) entice thousands of Americans to make the move to the island, but those who move fall in love with the year-round sunny weather and Caribbean lifestyle. We made this guide so you can live your new life in Puerto Rico to the fullest.

Restaurants

STK Restaurant

[STK](#) recently opened in Condado, San Juan, and has quickly gained acclaim thanks to its superior quality and unique atmosphere, complete with a DJ to fill the air with energy and a sleek environment to encourage guests to mingle. It's a steakhouse and lounge in one, additionally offering plentiful seafood options, desserts, and original entrées.

Lechonera Los Pinos

[Lechonera Los Pinos](#), located on Highway 184 in Guavate, Cayay, which has been nicknamed the Pork Highway, offers top-quality roasted pig. Lechoneras were traditionally restaurants that roasted pork on a spit, but recently, most have abandoned this practice, leaving Lechonera Los Pinos as one of the final—and best—spit-roasting lechoneras on the island. In addition to spit-roasted pork, the restaurant also offers local delicacies such as green banana salad.

Jose Enrique

[Jose Enrique](#), located in San Juan, is easily one of the most unique restaurants in Puerto Rico. Prices aren't cheap, but that doesn't stop people from flocking to experience the gastronomical wonders of Puerto

Puerto Rico Culture and Lifestyle Guide (2/5)

Rico native Jose Enriqu , who has amassed numerous culinary awards. The restaurant has no set menu—each day, dishes are customized based on the fresh, local produce available. This setup allows for unrestricted creativity, ensuring that each dining experience at Jose Enriqu  is unique. The restaurant does not accept reservations, so expect long lineups—but it’s worth it.

Lote 23

[Lote 23](#)—Spanish for “lot 23”—is a gastronomical park in Santurce, San Juan, that offers the best of Puerto Rican street food. Whether you’re in the mood for [pizza](#), [noodles](#), [poke bowls](#), [fried chicken](#), [home fries](#), [ice cream](#), or more, you’re bound to find something that suits your tastes among the numerous shops at Lote 23. Lote 23’s chefs are young, innovative, creative, and among the country’s best culinary masters. The park also puts on a market to support local artists and designers every two weeks and offers a free yoga class every Sunday, and depending on when you visit, you may be able to enjoy some live music.

Wellness Centers

Santosa Yoga & Health

[Santosa Yoga & Health](#) is a health and wellness center in San Juan that emphasizes meditation and healthy eating classes in addition to yoga. Focusing on both mental and physical health, Santosa Yoga & Health offers workshops and retreats that can be customized for groups of friends or colleagues. They aim to teach participants to find the beauty in small things and practice gratitude in their lives.

Phyt New York

[Phyt-New-York](#) is a top all-amenities gym located in, yes, New York, but

Puerto Rico Culture and Lifestyle Guide (3/5)

with a second location in Condado, San Juan. The gym offers top-quality fitness equipment and customized membership options to suit your lifestyle. Phyt New York also offers personal trainers to help everyone achieve their fitness goals, whether they're beginners, intermediate, or advanced. To complement the fitness training, the gym also offers nutrition services to help their clients eat clean.

Resorts and Nightlife

Dorado Beach

[Dorado Beach](#) is a luxury beach resort in Dorado that allows visitors to experience the highlights of Caribbean life. Visitors can stay at the resort at the multiple accommodation options offered, including [plantation resort residences](#), or make this island paradise their home with Dorado Beach [real estate offerings](#). The resort's [La Hacienda Clubhouse](#) is a community hub where friends and community members can gather and mingle at the many events the club hosts. Various experiences are offered across the resort, including [art exhibitions](#), a [fitness center](#), a [water park](#), and a [golf academy](#).

Chico Cabaret

[Chico Cabaret](#) is a cozy lounge in the Fairmont El San Juan Hotel in Isla Verda. What's special about Chico Cabaret is its speakeasy atmosphere—it was a real speakeasy in 1958, and the hotel has endeavored to recreate that authentic atmosphere. The venue brings out top Puerto Rican performers to make every night an unforgettable night of entertainment and hand-crafted cocktails.

Puerto Rico Culture and Lifestyle Guide (4/5)

BRAVA

[BRAVA](#), also located in the Fairmont El San Juan Hotel in Isla Verda, offers a different nighttime experience from Chico Cabaret without compromising on sophistication. This upbeat nightclub offers high energy and dancing with innovative lighting and elegant décor, making it the perfect venue for a night of excitement and partying in Puerto Rico's capital.

La Placita de Santurce

[La Placita de Santurce](#) is a marketplace with restaurants by day and an outdoor club by night. Historically, the place was a two-tiered market square offering a variety of produce and necessities, but now it has become one of Santurce's top nightlight venues. The square features kiosks that sell beloved Puerto Rican fried foods such as empanadillas, and from Thursday until Sunday, you can enjoy live music, ranging from salsa, to jazz, to rock, and can even enjoy some karaoke.

Outdoor Activities

Mona Island Adventures

[Mona Island Adventures](#) are beachside camping excursions on Mona Island, nestled between Puerto Rico and the Dominican Republic, organized by outdoor store [Acampa](#). Acampa provides all camping gear and meals, and each day, their highly experienced, bilingual tour guides take participants on new and exciting excursions across the island. You must be in good physical health to participate, as the activities can be demanding.

Puerto Rico Culture and Lifestyle Guide (5/5)

El Yunque National Forest

The [El Yunque National Forest](#) is the only tropical rainforest in the United States Department of Agriculture's (USDA) forest system. Although it spans only 29,000 acres, this national treasure is one of the most biologically diverse forests in the USDA forest system, with many plant and animal species not found in any other USDA forest. [24 miles of hiking trails](#) stretch through the forest and are open for adventurers and their leashed dogs to explore.

How to Obtain or Renew Your Annual Vehicle Registration (Marbete) in Puerto Rico (1/2)

If you want to drive a car in Puerto Rico, you will need a car tag, or “marbete” in Spanish, which is issued by the Department of Transportation and Public Works (DTOP by its Spanish acronym) or authorized inspection centers. All authorized inspection centers must display a sign stating they are “DTOP-authorized.” Your marbete will have one month punched, and you will be required to renew it each year on that month. The government does not usually send out renewal reminders, so it’s up to you to remember, and failure to renew your marbete can result in hefty fines or having your car towed, so make sure you don’t forget.

How to Renew Your Marbete

There are four main things you need to renew your marbete: vehicle registration, inspection, insurance, and the marbete fee.

Vehicle Registration

In order to obtain or renew your marbete, you need to renew your vehicle registration. The government should mail the registration form to you 30 to 40 days prior to the renewal date, but you can also print off the form from the [DTOP website](#). You can print the form off whenever you wish, but you can only use the registration to renew your marbete within 45 days of expiry or if the marbete has already expired.

Vehicle Inspection

The next step to obtaining or renewing your marbete is having your car inspected. This is like an annual health checkup but for cars—the purpose is to identify any mechanical issues that could pose safety hazards for you or others. Cars are not required to be inspected until they are at least two years old, so if you have a brand-new car, you can

How to Obtain or Renew Your Annual Vehicle Registration (Marbete) in Puerto Rico (2/2)

skip the inspection this time. You must present your vehicle registration in paper when you have your car inspected, and you must have it inspected in the same month you obtain the marbete.

Insurance

Every vehicle in Puerto Rico is required to be insured, whether privately or through “compulsory insurance.” If you have private car insurance, you need to request a certificate of insurance from your insurance company. If you do not have and cannot get private insurance, you will be required to purchase Puerto Rico’s compulsory insurance.

When you obtain or renew your marbete at an authorized entity (including official inspection stations, banks, or Coperativa [bank and trust]), simply include the insurance fee along with your registration fee and request compulsory insurance, which will be granted for one year. You will be given a selection form and may choose the insurer you wish to be insured by.

Get Your Marbete

Once you have your vehicle registration, inspection, and insurance (or money for the compulsory insurance), simply go to an authorized entity and present the above documentation along with an \$85 fee for the marbete. Once the payment is processed, you will receive your stamp registration and receipt along with your new marbete.

Finally, the last step is to physically replace the marbete. Make sure to replace the marbete only after the month for which it is punched has begun, as you aren’t allowed to use marbete tags with future dates.

The Importance of LLC Compliance (1/2)

Submitting reports—and especially paying the accompanying fees—is far from the most enjoyable part of running a company, but it is crucial that business owners maintain LLC compliance for their businesses. In Puerto Rico, all limited liability companies (LLCs), including Act 60 companies, are required to submit an annual report and pay a small fee to maintain good standing. Failure to comply with these regulations will result in administrative fines from the Secretary of State, so do not let this annual report slip your mind.

The annual report for the previous year is due on April 15 of each year and must be accompanied by a \$150 fee. While it is possible (for a fee of \$30) to apply for a two-month extension for the submission of the report itself, the \$150 must be paid by April 15. Failure to pay the fee by April 15 will result in late fees to the tune of \$500 plus 1.5% monthly interest.

What Information Is Needed for the Annual Report?

While corporations are required to submit detailed information, including a financial statement, LLCs have an easier workload: The information they must provide is more basic. This makes maintaining compliance much easier for LLCs.

Assistance Filing the Annual Report

While filing the mandatory annual reports is significantly less complicated for LLCs than it is for corporations, it still eats up valuable time and energy you could be spending on more lucrative actions for your business. Furthermore, putting it off could be dangerous—forgetting would be a simple, innocent mistake that could result in major financial ramifications.

The Importance of LLC Compliance (2/2)

For those interested in handing this task off to professionals and freeing up their minds to worry about other matters, we at PRelocate can handle this chore for you. Simply email us at info@relocatepuertorico.com to inquire about our annual report filing service. The process is simple: We will provide you with an Engagement Letter and a questionnaire to fill out, and we will handle everything else for you after that. If you are an existing client, we can even offer this service at a discounted rate.

Filing the annual report is crucial for LLCs, but engaging the help of professionals can lighten your load. Whatever you do, just do not forget to file this report.

Earthquakes Declared a Major Disaster – Effect on Puerto Rico Presence – Updated March 2, 2020 (1/5)

Please note the below article is based on our analysis, historical precedent, and conversations with advisors. There is currently no consensus on the specific effect on the presence test and if / which 14+ days will count towards bona fide presence. We strongly suggest you discuss the below analysis with your tax advisor and reach your own conclusions.

The Puerto Rico Earthquakes have been declared a national disaster by President Trump, and those Act 60 [formerly Act 20 and 22] decree holders seeking to qualify for bona fide residence in 2020 should automatically receive at least 14 days of presence in Puerto Rico based on our analysis of similar historical events

If you are one of those decree holders who always cut it close to the 183 days, now could be the time to do some off-island travel without eating into your planned 2020 travel days.

For those Act 60 (formerly Act 20 and 22) decree holders seeking to qualify as bona fide residents of Puerto Rico for 2020, it is important to understand that per the IRS rules (see [IRS Publication 570: Current Tax Guide for Individuals with Income from U.S. Possessions](#)), you must be present in the relevant possession [Puerto Rico] for at least 183 days during the tax year.

The IRS Publication 570 (updated February 21, 2020) specifically states that you are considered to be present in the relevant possession [Puerto Rico] on any of the following days: “Any day you are outside the relevant possession because you leave or are unable to return to the relevant possession during a 14-day period within which a major disaster occurs in the relevant possession for which a Federal Emergency Management

Earthquakes Declared a Major Disaster – Effect on Puerto Rico Presence – Updated March 2, 2020 (2/5)

Agency (‘FEMA’) notice of a federal declaration of a major disaster is issued in the Federal Register.”

For those in Puerto Rico who are living in the San Juan metro area or another area that is not within the [designated FEMA impact area](#), it is important to note that the IRS language specifically states that the major disaster must only occur “in the relevant possession” and not that it must occur in the specific town, city, county, etc. of the relevant possession where FEMA aid is being provided. As written and based on our analysis, if you are anywhere in the relevant possession [Puerto Rico], the 14-day-period rule applies to you.

Now let’s take a look back to see how this 14-day-period rule was applied for Hurricane Irma and Hurricane Maria. FEMA issued a notice of a federal declaration of a major disaster in the Federal Register on [September 7, 2017, for Hurricane Irma](#) (disaster #4335) and on [September 20, 2017, for Hurricane Maria](#) (disaster #4339). IRS Publication 570 states that the original 14-day period (which was extended to 268 days in total) began on September 6, 2017 – one day prior to the FEMA notice of a federal declaration in the Federal Register – and ended on May 31, 2018.

Applying the exact same procedure to the current series of earthquakes ([disaster #4473](#)), the initial 14-day period for automatic days of presence in Puerto Rico would begin on January 15, 2020, one day prior to the day the [official major disaster declaration](#), and would end on January 29, 2020.

The series of earthquakes that began on December 28, 2019, is listed by FEMA as having an incident period of December 28, 2019 and

Earthquakes Declared a Major Disaster – Effect on Puerto Rico Presence – Updated March 2, 2020 (3/5)

continuing. If we look back to Hurricane Irma and Hurricane Maria, we see that the incident period listed for Hurricane Irma is September 5, 2017, to September 7, 2017, and for Hurricane Maria, it is September 17, 2017, to November 15, 2017. The significance of this is that since the incident period for the Puerto Rico Earthquakes is still listed as continuing and the IRS language states a “14-day period within which a major disaster occurs in the relevant possession,” this implies that the 14-day period could be extended for at least 14 days after the end of the incident period listed by FEMA for the Puerto Rico Earthquakes. Therefore, this could mean that the effective period for counting days outside of Puerto Rico with respect to the Puerto Rico Earthquakes would very likely start on December 28, 2019 (the start date of the incident) and be extended to at least 14 days following the termination of the incident period listed by FEMA.

We will need to stay tuned and look for IRS guidance on the complete window of time that will be listed for days of automatic presence in Puerto Rico. The notice should look just like [Notice 2017-56 for Hurricane Maria](#), which was issued on October 2, 2017, and initially extended the [14-day period to 117 days](#). The IRS publishes these notices on its online bulletin page [here](#). Please note the official IRS guidance on the period and days has not been provided to date.

Conservative Conclusion: If your goal is to just hit the 183 days in Puerto Rico, then the 14-day period from January 15 through January 29, 2020, is a window where you can travel and be outside of Puerto Rico and still have those days count toward the required 183 days of presence to maintain your bona fide residence status. This is a

Earthquakes Declared a Major Disaster – Effect on Puerto Rico Presence – Updated March 2, 2020 (4/5)

conservative approach to the counting of automatic Puerto Rico presence days and follows the exact same start period methodology for counting days as was applied by the IRS for Hurricanes Irma and Maria.

Aggressive Conclusion: It is likely that the 14-day period will actually be a lot longer and that the period for automatic presence days in Puerto Rico will start on December 29, 2019 (the day immediately following the first earthquake) and will be extended to at least 14 days after the termination of the incident period as listed by FEMA, which, as of January 21, 2020, is still listed as **December 28, 2019, and continuing**, according the [official FEMA Puerto Rico Earthquakes page](#) (disaster #4773).

UPDATE AS OF MARCH 2, 2020

As of March 2, 2020, the major disaster (series of earthquakes) that began on December 28, 2019, is now listed by FEMA as having an incident period of December 28, 2019 through February 4, 2020. Click [here](#) to view the incident period on the FEMA website.

Updated Conservative Conclusion: The official incident period is now 39 days, from December 28, 2019 through February 4, 2020. If we apply the rule listed in Publication 570 “You are considered to be present in the relevant territory for any 14-day period within which a major disaster occurs in the relevant territory” then this means that you can apply the 14-day period against any days within the 38 days that comprise the incident period for the disaster. Example: if you travelled to Florida for 10 days (January 10-20, 2020) then you could apply the 14-day period against these Florida days and you would count all 10 as days in Puerto Rico.

Earthquakes Declared a Major Disaster – Effect on Puerto Rico Presence – Updated March 2, 2020 (5/5)

Disclaimer: PRelocate, LLC is not a law firm, and this is not legal advice. You should use common sense and rely on your own legal counsel for a formal legal opinion on maintaining bona fide residence in Puerto Rico or any other U.S. possession.

Why Declaration of Domicile and Non-Domicile Are Important When Relocating to Puerto Rico (1/2)

If you have moved to Puerto Rico to take advantage of the Act 60 tax incentives, you will be required to provide various forms of evidence of your bona fide residence on the island. One form of evidence you can use is declarations of domicile and non-domicile.

What Is the Declaration of Domicile?

The declaration of domicile is a formal document recognizing Puerto Rico as your official, legal territory of bona fide long-term residence. The document specifies your full name, the date you became a bona fide resident, your Puerto Rican address, your former city of residence, and the date on which you have executed the document. The document must be signed, sealed, and delivered in the presence of witnesses, who must provide their signatures, and must be sworn before a public notary, commissioner of oaths, or solicitor.

What Is the Declaration of Non-Domicile?

The declaration of non-domicile is a formal document recognizing your cessation of long-term residence at your previous state of domicile. The document specifies your full name, your previous city of residence, your Puerto Rican address, the date you became a bona fide Puerto Rican resident, and the date on which you have executed the document. The document must be signed, sealed, and delivered in the presence of witnesses, who must provide their signatures, and must be sworn before a public notary, commissioner of oaths, or solicitor.

Why Is the Declaration of Domicile Important?

The declaration of domicile helps prove that you are a bona fide resident of Puerto Rico, which is a requirement of the Act 60 tax exemption

Why Declaration of Domicile and Non-Domicile Are Important When Relocating to Puerto Rico (2/2)

program. After meeting the requirements of bona fide residency—spending at least 183 days of a given year on the island, making Puerto Rico your tax home, and having a closer connection to Puerto Rico than the US or another country—you should execute a declaration of domicile to officially change your domicile.

Residency and domicile are not the same thing. Your residence is a home you intend to inhabit temporarily, whereas your domicile is your permanent home. For many people, these overlap, but it is important to declare Puerto Rico as not only your residence but also your domicile, indicating to the Puerto Rican government that you intend to reside long-term on the island.

Why Is the Declaration of Non-Domicile Important?

The declaration of non-domicile serves as an official document informing your former state of domicile that you no longer intend to reside there long term. State domicile regulations differ from state to state, but in some states, a declaration of non-domicile is important to void your income tax status in that state. Furthermore, in the US, it is not possible to have multiple domiciles at the same time, so declaring your non-domicile in your previous state is necessary to declare domicile in Puerto Rico.

[Download Declaration of Domicile Template](#)

[Download Declaration of Non-Domicile Template](#)

The Withholding Requirements for Independent Contractors (1/4)

In general, companies or individuals in Puerto Rico paying for services rendered must withhold a certain percentage of the amount paid for tax purposes, as stipulated by a December 10, 2018 amendment to Section 1062.03 of the Puerto Rico Internal Revenue Code of 2011. Effective January 1, 2019, individuals and corporations paying for services rendered are obligated to deduct and withhold income tax. However, the exact requirements and specifications differ dramatically for employees and independent contractors, and numerous categories of businesses are exempt. For employees, the situation is more in depth, with the payer required to withhold income tax, Social Security, and any other benefits that may be applicable. For independent contractors, the key requirement is to withhold 10% of the amount paid and send it to the Puerto Rico Treasury Department (Hacienda) through the [SURI portal](#) monthly.

Exemptions

Not every payment for services rendered is subject to the withholding requirement. Notably, the first \$500 per calendar year paid to a given service provider is exempt.

However, there are other payments that are entirely exempt from the requirement, even if the payment exceeds \$500 in a given year:

- Payments to hospitals, clinics, homes for the elderly, and institutions for the disabled (if a laboratory is an integral part of a hospital or clinic, it is also exempt)
- Payments to bona fide farmers
- Payments to contractors or subcontractors rendering construction services (note that architectural, engineering, design, consulting, and similar services are not exempt)

The Withholding Requirements for Independent Contractors (2/4)

similar services are not exempt)

- Payments to the Puerto Rican government, including its agencies, public corporations, and political subdivisions
- Payments for church services
- Payments to nonprofit organizations certified by Hacienda
- Commission payments to direct salespeople of consumer products
- Payments of salaries and wages subject to withholding under Section 1062.01 of the 2011 Internal Revenue Code of Puerto Rico
- Payments to air or maritime carriers or entities providing telecommunication services between Puerto Rico and another region (any payments made by such entities to nonprofits for services such as bookkeeping or reporting the sales of air or maritime tickets are also exempt)
- Payments for insurance contracting
- Payments for printing, for television or radio broadcasts, or to newspapers, magazines, or other publications, including for ad placement
- Payments (lease or sale) for personal or real estate property
- Payments to foreign entities not involved in trade or business with Puerto Rico
- Payments for services rendered outside of Puerto Rico

If the payment includes fees for additional activities, such as travel or machinery, the payer should request that the service provider separate the amounts on the bill to facilitate the calculation of the withholding amount.

The Withholding Requirements for Independent Contractors (3/4)

Payments to Non-PR Residents

If a payer makes a payment to a non-resident service provider who is providing services in Puerto Rico without being registered in the Puerto Rico State Department to engage in trade or business in Puerto Rico, the payer must withhold 29% instead of the normal 10%. This percentage is reduced to 20% if the non-resident is a U.S. citizen.

As mentioned in the list above, payments for services rendered outside of Puerto Rico are not subject to the withholding requirement, but the payer must apply the B2B tax of 4%. Certain companies are exempt from this requirement.

Payer Responsibilities and Penalties

Payers are required to file the withholding amounts to Hacienda within the first 15 days of the month following the month during which the payment was made. Payers must also file quarterly and annual returns as well as informative declarations for payments not only for all services received but also for rent, advertising, insurance, telecommunications, and Internet and television access.

Payers incur a penalty of \$500 for each informative declaration filed late or not at all. If they do not file an informative declaration, they are also unable to deduct the relevant expenses on their tax return.

Waivers

Full Exemptions

A 100% exemption from the withholding requirement is available to new businesses. A new business is defined as an individual or entity that is in its first year of service and began operations (in or outside of Puerto Rico) during the calendar year for which it is requesting the exemption.

The Withholding Requirements for Independent Contractors (4/4)

Individuals or corporations requesting this waiver must meet a series of requirements, including a Merchant Certificate, the authorization to do business in Puerto Rico, an employer's identification number, and the submission of previously filed tax returns. Individuals must also fill out an affidavit form (Form SC 2678) and prove that they have no debt with Hacienda, have not had any previous business, and are in their first year of rendering services. The additional requirements for corporations are a completed Model SC 2680 to request a Withholding Waiver Certificate and proof that the company owner has not previously rendered the same kind of services.

Partial Exemptions

Corporations that meet certain requirements are eligible for a 6% reduction of the withholding requirement. To be eligible, a corporation or partnership must have filed all income tax returns, have no outstanding debts with Hacienda (or have an approved payment plan for any outstanding debts), have forwarded the amount of net loss in operations, and prove that the withholding will lead to a tax refund or credit.

The exemption renews annually, with Hacienda automatically issuing a certificate through SURI to corporations that meet the requirements. Those who do not receive a certificate can request one at the closest District Collection Office.

Whether a business is fully or partially exempt, it must fill out and submit form SC 2755 for the respective year in order to enjoy the benefits of exemption.

The Process to Purchase a Used Car (1/2)

We already outlined in a [previous post](#) the process of obtaining a driver's license in Puerto Rico. To accompany that driver's license, you need a car, and if you would prefer to buy a used car from a private owner, this post details the procedure to follow.

Craft a Bill of Sale

Once you find a car that you like from a private seller and strike up an oral agreement to purchase the car, you need to move the agreement to paper to legalize it. For this, you need to craft a bill of sale. The exact form can differ, but it must be a legally binding agreement that stipulates all necessary conditions of the transaction.

We at PRelocate have a template for a bill of sale, and we would be happy to provide it to any of our clients who request it.

Make the Payment

How much you will pay is decided in negotiations between you and the seller, but you must pay the amount that both parties agree upon and write down on the bill of sale. Assuming you do not need to take out a loan to purchase the car, you can make the payment in cash, through a manager's check, or via a wire transfer. You must determine the payment method with the seller, but bear in mind that wire transfers, for example, incur a fee.

Go to a Notary

For the transaction to be legally recognized, both the buyer and seller must go to a notary for the title. Both parties must be physically present, and the document must be filled out correctly. It is entirely in Spanish, so if your Spanish is not quite up to speed, familiarizing yourself with the content of the document in advance may be a wise idea. Bringing along

The Process to Purchase a Used Car (2/2)

Buy Stamps

For the transfer of the title, you will require “sellos,” which are government stamps used instead of money to pay for government processes. You can purchase sellos at a bank, but there are also various stores and locations that offer both sellos and notary services. If you would like to look into these alternative locations, simply let us know. We have a long list of notaries who also sell government stamps all across the island, and we can provide it to any client who would like it.

Transfer the Title

Once you have completed all the above steps, you are ready to initiate the official process of transferring the title. After transferring the money to the seller, visit your local DTOP office with your signed and notarized title, the executed bill of sale, and your government stamps and have the officials process the title transfer. They will provide you with a title in your name and the respective license. Then, the car is officially and legally yours. Enjoy your newfound mobility across the island of Puerto Rico.

What to Do Over the Holidays in Puerto Rico (1/3)

It's the holiday season again, and it's a lovely time of year to spend quality time with your family and friends. Puerto Ricans love the holiday season and offer no shortage of activities throughout this eventful period. If you're wondering what you can do this holiday season in Puerto Rico, we've designed a list of the top activities to enjoy.

Christmas Activities

[Nutcracker-Ballet-\(El-Cascanueces\)](#)

From December 13 to 15 at the Centro de Bellas Artes, families, couples, or individuals can take advantage of a holiday classic, The Nutcracker. The play takes place at 8 p.m. on Friday and Saturday and at 4 p.m. on Sunday. Enjoy this Puerto Rican rendition of this world-famous play.

[Santa's Christmas Garden \(Jardín Botánico y Cultural de Caguas\)](#)

The botanical gardens in Caguas invite visitors of all ages from across Puerto Rico to partake in their Christmas beauty. The gardens will be decorated for Christmas, making the normally breathtaking botanical gardens even more magical. From December 19 until January 6, the venue will host a variety of events that families and individuals can participate in. Visit their [Facebook page](#) for more information.

[NaviTown \(Bahía Urbana\)](#)

If you have children to celebrate Christmas with this year, take them on down to Bahía Urbana, San Juan, for fun and games at NaviTown. Running from now until January 6, NaviTown offers games, parades, kids' rides, animals, and music—as well as elves and Santa Claus himself. This Christmas town, which is open from 11 a.m. until 11 p.m., is guaranteed to delight children of any age.

What to Do Over the Holidays in Puerto Rico (2/3)

[Other Christmas events](#)

Of course, we can't list every single Christmas event in Puerto Rico. We've only listed some highlights here, but if you're interested in looking into even more events, check out [this list](#) from the website of the city of San Juan.

New Year's Activities

[AUDACIA 2020 NYE BASH \(Serafina Beach Hotel\)](#)

If you want to welcome the new decade in style, celebrate at Serafina Beach Hotel's 2020 New Year's party. You must purchase tickets to the event, and the hotel offers three different levels, allowing guests to choose how they want to celebrate the new year. All levels feature live music, food, and asopao—a traditional Puerto Rican stew—at 1 a.m. The event is only for adults.

[Éter's New Year's Big Bang](#)

The Éter Rooftop & Lounge in San Juan is hosting a New Year's party to usher in 2020. The event will feature music and live entertainment, and from the venue's rooftop, guests will be able to enjoy the best fireworks from San Juan to Isla Verde. With tons of drinks to choose from and champagne and hors d'oeuvres all night, this New Year's celebration is sure to be a blast. Given the presence of alcohol, the event is for adults only, but it's a great party to visit with friends or your partner.

[New Year's Eve at Paseo Caribe](#)

El Mercado de Paseo Caribe, a prestigious eatery in San Juan featuring 15 different restaurants, is also throwing a New Year's party. The event will feature music and dancing, and guests can dine at the restaurant of

What to Do Over the Holidays in Puerto Rico (3/3)

their choosing. Children are welcome at the event, and ticket prices are \$35 for adults and \$15 for children, but children 12 years and older must pay the adult price for a ticket.

[Caribe Hilton New Year's Wonderland](#)

Every year, the Caribe Hilton throws a renowned New Year's party that always sells out. This year, the party offers a unique experience with six different atmospheres and numerous DJs and bands. With a VIP ticket, you can also skip the line, get valet parking, enjoy hors d'oeuvres, and access VIP areas.

[Three Kings Day Activities](#)

[Llegaron los Reyes \(Parque Luis Muñoz Marín\)](#)

On January 5, 2020, at Parque Luis Muñoz Marín in San Juan, families can enjoy a day-long event celebrating Three Kings Day. In addition to food and music, there will be activities—such as a card and box workshop and the “World of Dolls”—to keep the little ones occupied, and the event will feature a visit from the three kings.

[Las Fiestas de la Calle San Sebastian](#)

[Las Fiestas de la Calle San Sebastian \(San Sebastián Street Festival\)](#)

The San Sebastián Street Festival is a long-celebrated tradition in San Juan, attended annually by more than 200,000 people. The festival begins on January 15 and ends on January 20, giving even those with busy schedules an opportunity to partake in the festival. Attendees won't find themselves bored with all the food, music, dance, and even a circus performance. It costs nothing to participate in, and it's a family-friendly event, so bring the kids out and enjoy a local Puerto Rico tradition with your whole family.

What is the GILTI Tax, and How Does it Affect Non-Resident Export Services Tax Incentive Decree Holders? (1/4)

Introduced on January 17, 2012, the Puerto Rican Export Services Act, better known as Act 20, was designed to help accelerate the economic recovery of Puerto Rico by attracting new businesses and employment opportunities to Puerto Rico. Service businesses ranging from advertising to accounting to legal services, as well as hedge funds and a wide range of other consulting firms are eligible for the benefits. As of January 1, 2020, Act 20 has been replaced by Act 60, which brings with it some changes to the requirements. Please read about the new incentives code in our [Guide to Puerto Rico Export Services Tax Incentive – For Businesses](#).

Many companies have benefited from the 4% corporate tax rate that the export services tax incentive offers, with many not even leaving their residence in the US. While it is possible to benefit from the export services tax incentive as a non-Puerto Rico bona fide resident, this case is less compelling as of 2018 with Trump's tax reform and the implementation of what's called a GILTI tax.

What the GILTI Tax Changes

The GILTI—or Global Intangible Low-Taxed Income—tax was recently enacted by the Trump administration and targets U.S. companies that operate controlled foreign companies (CFCs) for tax purposes. U.S. business owners who run a Puerto Rican–incorporated company from the U.S. fall into this category, so naturally, all non-resident export services tax decree holders are subject to this new tax.

Under GILTI regulations, all US-owned CFCs are subject to a minimum corporate tax rate of 10.5%. This means that non-resident export

What is the GILTI Tax, and How Does it Affect Non-Resident Export Services Tax Incentive Decree Holders? (2/4)

services tax decree holders currently enjoying the 4% corporate tax rate must pay additional taxes to the IRS. A rate of 10.5% is still significantly lower than the standard U.S. corporate tax rate of 39%, so you can still enjoy lowered tax rates without moving out of the US.

In light of the GILTI tax, now only companies whose majority owner is a Puerto Rican resident can continue paying the low 4% rate. So, if you want to save that extra 6.5%, there's only one option: become a Puerto Rican resident.

We would recommend speaking with a CPA to be certain on your break-even, before pursuing the non-PR based route.

The Requirements to Become a Puerto Rican Resident

There are three key requirements you have to meet to be considered a [bona fide Puerto Rico resident](#). If you fail to meet even just one of the three, you will not be legally considered a Puerto Rico resident.

Prelocate offers a detailed residency guide to help you navigate the process.

Spend Most of Your Time in Puerto Rico

It is not enough to simply purchase a home in Puerto Rico. You must truly move your life to Puerto Rico and convince the Puerto Rican government that the island is your primary home. This means spending at least 183 days a year in Puerto Rico.

You can spend the other 182 days of the year anywhere in the world. You can spend time in other homes or jump from place to place nomadically, but you must always return to Puerto Rico, and if you own homes elsewhere, you must prove to the Puerto Rican government that

What is the GILTI Tax, and How Does it Affect Non-Resident Export Services Tax Incentive Decree Holders? (3/4)

your Puerto Rican home is the most significant one. It is not advised to spend 183 days in your Puerto Rican home and the remaining 182 in another home located off the island, since your non-Puerto Rican life will then seem as significant as your Puerto Rican life, and the government will not be convinced.

Make Puerto Rico Your Tax Home

Your tax home is the center of your economic activity—in other words, your office. In order to continue benefiting from the export services tax incentive under the GILTI tax, you have to move your office to Puerto Rico. You can still own and operate bank accounts in the US, but it is not recommended to conduct all your financial activity through your U.S. accounts, as this will not help convince the Puerto Rican government that Puerto Rico is your tax home. The more economic ties to Puerto Rico you can demonstrate, the better, so it is recommended to make heavy use of your Puerto Rican bank account.

Prove That You Don't Have Closer Connections Elsewhere

There are various ways that you can persuade the Puerto Rican government that you don't have closer connections anywhere else. Moving yourself and your family into a permanent home on the island is just one factor (it will not be so convincing if you don't move your family). Move significant personal belongings to your new Puerto Rican home, as well.

You should also become part of your local Puerto Rican community, befriending locals and making professional contacts.

What is the GILTI Tax, and How Does it Affect Non-Resident Export Services Tax Incentive Decree Holders? (4/4)

Establish your ties on paper, too. Obtain a Puerto Rican driver's license, list Puerto Rico as your official country of residence on documents and forms, and register to vote (and actually vote) in Puerto Rico.

Fill Out the Necessary Forms

Moving to another territory always involves paperwork, and relocating to Puerto Rico is no exception. If you begin or end bona fide residence in Puerto Rico, you are obligated to fill out the [IRS Form 8898](#) – Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession IRS. A separate file with instructions is provided. Make sure to reference it so that you fill out the form correctly.

Do Not Cut Corners

Some people try to cut corners and trick the Puerto Rican and U.S. governments into believing they are bona fide Puerto Rican residents, but this can end up being a costly endeavor. Either commit fully to your new life in Puerto Rico, or pay the extra taxes to the IRS to continue enjoying your life in the US. If you are willing to fully commit to the move, you will gain not only remarkably low corporate tax rates but also a life in a Caribbean island paradise with beautiful beaches and great weather (except for the occasional hurricane).

Local Holiday Shopping Guide for Puerto Rico (1/4)

The holidays are approaching fast, so if you have not yet started your holiday shopping, you should do so soon. If you would like to support local Puerto Rican businesses this holiday season instead of funding the giants like Amazon, we have created a list of the best local stores for your holiday shopping.

For the Kids

[Bambola](#)

If you're shopping for little ones this holiday season, stop into Bambola in San Juan. The store offers a wide variety of toys for children, ranging from dolls, to trucks, to art and craft supplies, to games. It also offers an array of children's books to teach your children about various subjects while honing their Spanish language skills. Bambola carries toys for children of all ages, with toys designed to help kids explore and discover new facets of the world, so whether your child is 2 or 12, you're bound to find something here.

For the Interior Design Enthusiast

[Bath & Bed Boutique](#)

If someone on your shopping list can't get enough of home decoration, from candles, to house plants, to artfully designed shower curtains, Bath & Bed Boutique is the perfect Puerto Rican store for their gift. The company's wide selection of products for the bedroom, bathroom, and every other room in the house makes it easy to find the right gift, no matter who you're shopping for.

Local Holiday Shopping Guide for Puerto Rico (2/4)

For the Thrill Seeker

[Toroverde](#)

Do you have someone on your list who loves to live on the edge? If someone close to you loves a good adrenaline rush, a pass to Puerto Rico's Toroverde adventure park is the ideal gift. Located in Orocove, the adventure park is the largest of its kind in the Americas and offers various tours to choose from. Adventure seekers can test their skills on the rope courses in the jungle or zoom across ziplines, including the biggest in all of the Americas, The Monster, where participants can reach a flight speed of over 150 km/h (93 mph).

For the Sweet Tooth

[Enhorabuena Dulzuras](#)

What better way to spoil the sweet tooth on your list than to treat them to the best homemade cookies in all of Puerto Rico? This artisan bakery in Bayamón offers a variety of exquisite homemade cookies, such as butter cookies, lemon wafers, and guava sticks. It's the best way to experience local Puerto Rican sweets, and your gift recipient will be left wishing for even more.

For the Artist

[El Nido PR](#)

El Nido PR, with locations in San Juan and Plaza las Americas, is the perfect local Puerto Rican business for anyone who loves art, fashion, and dining in style. The store serves beers, rums, and cocktails in addition to burgers, brunch, and grilled and fried food, catering to a wide variety of tastes. It's loved for its unique, creative atmosphere, and patrons can also purchase clothing and local artwork and accessories.

Local Holiday Shopping Guide for Puerto Rico (3/4)

POP

If someone on your list loves new, creative, independent design, be sure to check out POP in one of its two locations: in Santurce, San Juan, or the San Patricio shopping center in Guaynabo. POP carries a wide variety of locally crafted items, so whether the person you're shopping for would prefer accessories and clothing, books, art, or handmade jewelry, POP has you covered. The business even offers services such as hairstyling, so a gift card might also be a thoughtful present for your artist friend.

For the Fashionista

Concalma

Who on your list needs a stylish, locally designed handbag that they'd be proud to carry around? There's no shortage of designs and styles at Concalma, where you can find simple but fashionable handbags, backpacks, beach bags, pencil cases, hip pouches, and everything in between. You can visit the store in person in San Juan or order their products online from their website. Additionally, Concalma is passionate about supporting the local community, using local resources, industry, and designers, and their products are all fair trade.

For the Rum Connoisseur

Ron del Barrilito

If someone on your shopping list loves rum, they'll be thrilled about a gift from Ron del Barrilito, Puerto Rico's oldest running rum brand, which boasts the finest sipping rum on the island. You can choose from a number of rums, created lovingly and aged to perfection, or you can pick up tickets to one of Ron del Barrilito's tours for the rum lover in your life.

Local Holiday Shopping Guide for Puerto Rico (4/4)

With three different tours—a heritage tour, a mixology tour, and a tasting tour—there's something for everyone's tastes.

For the Coffee Lover

Cuatro Sombras

There are coffee lovers all over the world, but not all coffee is equal, and Cuatro Sombras's specially made coffee is among the best. The beans are harvested from the Yauco mountains in Puerto Rico, and the coffee is special due to its use of peaberry beans, which result in a more even roast and a cleaner cup. Cuatro Sombras also believes in fair trade and fairly remunerates the people who work hard to produce its specialty coffee. Coffee from this Puerto Rican coffeehouse would delight any coffee lover on your list.

What Permits Are Needed to Operate a Business in Puerto Rico (1/3)

The Top Five Most Common Permits

The type of permits a business needs depends on its industry, operation, and municipality. However, many companies need to apply for the following permits:

1. Permiso de Uso (Use Permit)
2. Certificación para la Prevención de Incendios (Fire Prevention Certificate)
3. Licencia Sanitaria (Sanitary License)
4. Exclusion Categorical (the Categorical Exclusion)
5. Certificación de Cumplimiento Ambiental por Exclusión Categórica (Certification of Environmental Compliance by Categorical Exclusion)

A full list of permits and corresponding manuals is available at the [Single Business Portal](#), although the manuals are offered in Spanish only.

The Single Permit

Starting June 7, 2019, Puerto Rico's Permits & Endorsements Management Office (OGPE by its Spanish acronym) combined numerous permits required to run a business on the island into a single permit fittingly called the Permiso Unico (Single Permit). The Single Permit consolidates the Use Permit, the Fire Prevention Certificate, the Sanitary License, and the Certification of Environmental Compliance by Categorical Exclusion, all of which are among the most common permits businesses need, into a single permit.

Prior to the introduction of the Single Business Permit, companies generally had to file for five to seven individual permits, depending on

What Permits Are Needed to Operate a Business in Puerto Rico (2/3)

the type of business, in order to continue or commence operations. Now, eligible companies may only file a single application. The Single Business Permit is renewed each year.

Documents and Information Needed to Obtain Permits

Businesses are required to present a number of documents and pieces of information to obtain permits and certificates. The most common are listed below:

- Documentation from the corporation, including the registration, EIN, and Merchant Registry Certification
- A notarized property lease that indicates the exact square-foot area of the property
- Photographs of the property
- The tax number of the property
- A sketch of the property that includes the layout and dimensions
- A Municipal Business License or patent (businesses must register with the municipality in which they are located within six months of commencing operations)
- ABC Fire Extinguishers that undergo annual certification and are installed based on the square-foot area of the property
- Emergency signage and lights, including for the bathrooms (this need differs depending on the square-foot area of the property, its location, and the type of business)

The above is not an exhaustive list. Depending on the type of business you run, you may be required to submit additional documents or information. If you are unsure what permits are necessary for your

What Permits Are Needed to Operate a Business in Puerto Rico (3/3)

business, it is a good idea to contact OGPE or an expeditor to discuss your business needs. One such expeditor, Carlos Rivero, can be reached at cmrivero@rivero.consulting.

Save Time and Money with Our Virtual Mailbox Services

Applying for the necessary business permits, even the simplified Single Permit, is tedious and time-consuming. Your time and money can be put to better use focusing on your business. That is why we have implemented the Virtual Mailbox system. Using our system saves you precious time and removes the stress and hassle of applying for permits, keeping track of renewal dates, and worrying about inspections from OGPE. Our solution is affordable and will also save you money.

For more information on our Virtual Mailbox services or to get started right away, send us an email at info@RelocatePuertorico.com.

Puerto Rico Incentive Codes (Act 60-2019) Signed into Law (1/3)

SAN JUAN, PR, November 8, 2019 – Governor of Puerto Rico, Ricardo Rosselló, signed Act 60–2019, commonly known as the Puerto Rico Incentives Code, into law on July 1, 2019, with an effective date of January 1, 2020. The Incentives Code consolidates various tax decrees, incentives, subsidies, and benefits, including [Act 20, the Promotion of Export Services Act](#), and [Act 22, the Act to Promote the Relocation of Individual Investors to Puerto Rico](#).

Chapter 3 of the Incentives Code replaces Act 20 and governs the exportation of goods and services. It introduces significant changes relating to employment, oversight, eligible businesses, tax exemptions, and municipal contributions.

Under the new law, exempt businesses with actual or projected total revenue of more than \$3 million must directly employ at least one full-time employee, which may be the business owner. Moreover, the Office of Industrial Tax Exemption (OITE) will perform an independent audit of exempt businesses at least every two years. Whether this applies to business established before the implementation of the Incentives Code remains unclear. Additionally, blockchain-related services are specifically included as an eligible business activity.

Exempt businesses will enjoy a 75% exemption on the municipal and state property taxes during the validity of the decree, and they will enjoy a 50% exception on municipal contributions or municipal patents applicable to eligible services provided by the businesses during the validity of the decree. Qualifying small and medium businesses will also enjoy 100% exemption on municipal and state property taxes during their first five years of operation.

Chapter 2, “Individuals,” replaces Act 22 and changes regulations relating to annual charitable donations, the purchase of real estate,

Puerto Rico Incentive Codes (Act 60-2019) Signed into Law (2/3)

and crypto assets, among others. The required annual charitable donation will double from \$5,000 to \$10,000, with half payable to a government-approved charity and half to any Puerto Rican charity of the grantees' choice. Within two years of obtaining the decree, grantees must purchase property in Puerto Rico. This property will be the grantees' primary residences throughout the validity of the decree, and grantees cannot rent out these properties. Finally, cryptocurrencies and other cryptoassets are explicitly included as eligible for tax exemption.

From January 2020, the initial decree will be granted for a term of 15 years, compared to the current 20 years, and may be extended for an additional 15 years, compared to the current 10. Furthermore, the Department of Economic Development and Commerce of Puerto Rico, also known by the Spanish acronym DDEC, will publish a yearly report on all the incentives requested and granted. The report will include the name of the business and principal shareholders, the date the decree was granted, the name of the municipality in which the business operates, and the number of jobs created by the business.

While the consolidation of the decrees, [incentives](#), subsidies, and benefits governing taxation in Puerto Rico improves transparency, it introduces more rigid, restrictive, and expensive requirements. According to Pilar Rivera, operations manager at PRelocate, "The changes to [Acts 20 and 22](#) will apply only to applications submitted after December 31, 2019. Prospective applicants who are planning to begin their residency and business operations in the 2020 tax year should apply now to make the most of the current rules." She further urged those who are interested in the program to consult an attorney for advice on specific legal and tax issues.

Puerto Rico Incentive Codes (Act 60-2019) Signed into Law (3/3)

To benefit from the current program requirements, such as the lower donation amount, those who want to apply for Act 20 and Act 22 decrees should [contact the PRelocate team](#) today to begin their applications.

[About PRelocate](#): PRelocate provides individuals and small businesses the knowledge and services they need to [relocate to Puerto Rico](#). The company believes that living and working in Puerto Rico is a tremendous opportunity that shouldn't be overlooked due to cost, disjointed information, and an overall lack of clarity. Its goal is to enable and empower its clients to make a sound decision about whether Puerto Rico is right for them. If it is, PRelocate makes it happen for them in a straightforward, accurate, and economical way.

To view the official press release please [click here](#).

New Procedures on the Single Business Portal (1/3)

In July 2018, Puerto Rico's Department of Economic Development and Trade (abbreviated DDEC in Spanish) launched a new digital portal known as the Single Business Portal (SBP), which was meant to streamline the process of bureaucratic procedures, including setting up and managing a business in Puerto Rico. The system allows those setting up businesses on the island to apply for the necessary permits, licenses, certificates, and more simply and quickly from the online portal, eliminating the need for a trip to any government offices.

One of the system's goals is to attract investors to the Caribbean island territory by eliminating bureaucracy and facilitating the process of establishing a business in Puerto Rico. Economic Development Secretary Manuel Laboy also stated that the portal makes it possible to "measure the speed and effectiveness of the processes in a transparent manner," which has allowed the officials to tweak the development of the platform to improve the business environment and, ultimately, create more and better jobs across the island.

New Changes to the SBP

On October 2, 2019, after slightly more than a year in existence, the SBP was updated to include additional procedures, furthering the digitalization of the Puerto Rican business sector. From now on, the newly added procedures will be executed on the digital platform even if they were originally filed in person at the Office of Incentives for Business.

The following are the procedures that have been added:

- The filing of the following annual reports:
 - Act No. 8-1987 (Puerto Rico Tax Incentives Law) (under Law 8)

New Procedures on the Single Business Portal (2/3)

- Act No. 135-1997 (Tax Incentives Act of 1998) (under Law 135)
- Act No. 73-2008 (Puerto Rico Economic Incentives for Development Act) under (Law 73)
- Act No. 83-2010 (Green Energy Incentives Act of Puerto Rico) (under Law 83)
- Section 5023.04 of Act No. 1-2011 (Law 1 – Brewery)
- Notice of Residence Date (under Law 22)
- Notification of Commencement of Operations (under Laws 73, 83, and 20)
- Selection of Flexible Tax Exemption (under Laws 8, 135, 73, and 83)
- Opposition
- The following procedures related to laws administered by the Office of Incentives for Business:
 - Unconditional Acceptance of Decree and Amendments
 - Voluntary Delivery of Decree
 - Certification of Status of Request for Decree or Amendment
 - Certification of Compliance with Decree
 - Conversion of Decree

In addition to these new procedures, the SBP also now allows users to file amendments to annual reports (including the abovementioned) that they previously filed through the SBP. All payments are processed through the digital portal (additional processing fees apply).

New Procedures on the Single Business Portal (3/3)

Setting Up an Account

Users manage their affairs on the SBP through a Unique Profile, which they register for using their Social Security number, national identifier, or employer identification number. Users can register as individuals, companies, or representatives of other individuals. From the Unique Profile, users can easily submit new applications and view the status and profile of existing applications. Users can also edit the information on their profile and add companies or individuals to it.

The SBP provides a [simple video tutorial](#) in English to help users get set up.

All in all, the Single Business Portal dramatically simplifies and expedites the bureaucratic processes required to set up a business in Puerto Rico and make the island an even more attractive destination for investors. If you have any additional questions or require further assistance with the portal, send us an email at info@relocatepuertorico.com or schedule a free intro call with us on our website.

Info on the Puerto Rico's Treasury 7% Tax on Prepared Foods (1/3)

Good news for restaurant owners and patrons in Puerto Rico—as of October 1, 2019, the Puerto Rico Treasury has cut the sales and use tax (abbreviated IVU in Spanish) on prepared foods to 7%. The tax rate is down from its previous 11.5%, saving restaurant patrons 4.5% in taxes per visit. The Treasury recognized the importance of the restaurant industry and prepared food establishments in the Puerto Rican economy in a press release, stating that these establishments demonstrated their significance in the aftermath of devastating hurricanes Irma and Maria.

The tax cut was first determined in Act 257 of 2018 of the New Tax Model, and Puerto Rico Treasury Secretary Francisco Parés Alicea worked with José Salvatella, president of the Association of Restaurants of Puerto Rico (ASORE), to discuss the requirements for the lowered tax rate. Salvatella stated that while ASORE would like to see the sales and use tax eliminated entirely for prepared foods, the organization is pleased with the benefits this tax reduction will afford consumers, restaurant businesses, and the Treasury alike.

Establishments eligible for the tax cut

The tax cut applies not only to restaurants but to any commercial establishment that sells food or beverages that are hot and/or served with utensils. This means that not only restaurants but also bars, pubs, canteens, cafés, food trucks, food stands, caterers, and food service contractors can take advantage of the new 7% tax rate. It is important to note, however, that the tax cut applies only to prepared food items, carbonated beverages, candy, and pastries, and alcoholic beverages are not subject to the new rate.

Info on the Puerto Rico's Treasury 7% Tax on Prepared Foods (2/3)

Requirements for restaurants to charge the lowered tax rate

Before they can charge the new, lower rate, restaurants and other food establishments need to possess an Authorized Business Certificate, which they must display in a visible area of the establishment to notify patrons of the lowered tax rate.

The Authorized Business Certificate is only issued to restaurants that hold a valid Merchant's Registration Certificate (MRC) within the North American Industry Classification System (NAICS) and that meet certain requirements, most notably the following:

- The merchant must be up to date on all its IVU filings and declarations.
- The merchant must not have any outstanding tax debts or be registered in a tax debt payment program.
- The merchant must own, install, and maintain an IVU terminal at all of its point-of-sale systems.

Merchants who meet all the requirements were automatically granted the Authorized Business Certificate on September 23, 2019, and could start charging the new rate on October 1, 2019. The certificates are valid until September 30, 2020, regardless of when they were issued. Every year on September 30, establishments that continue to comply to the requirements will have their certificates automatically renewed. Those who are no longer in compliance will lose their certificates and can request another certificate once they are in compliance again.

Restaurants charging the new 7% tax rate

According to the Treasury Department's records, there are around 22,000 registered restaurants in Puerto Rico, but ASORE asserts that

Info on the Puerto Rico's Treasury 7% Tax on Prepared Foods (3/3)

this number is misleading, given that some establishments on the list have since gone out of business or operate within a larger business, such as a small restaurant in a gas station. The number of open businesses eligible for the tax cut is significantly smaller, and the Unified Internal Revenue System (SURI)'s [website](#) lists as of this writing 7,155 locations that offer the reduced tax rate.

The search feature makes it easy for users to check for establishments, offering the ability to search by city or restaurant name. The cities are listed alphabetically, with each city featuring an alphabetically ordered list of the applicable restaurants. The list features everything from McDonald's and Burger Kings, to pizzerias, to cafés, to even hotels.

What to Do on Halloween in Puerto Rico (1/4)

Like the mainland, the United States' Caribbean territory of Puerto Rico also celebrates Halloween, with children donning costumes and knocking on doors in the neighborhood for candy, adults spending the night partying, and children and adults alike participating in various events leading up to the celebration. For those who will be spending this Halloween in Puerto Rico, here's a list of some of the activities you can enjoy.

Halloween Activities for Children

Trick or Treating

For kids, going trick or treating is the essence of Halloween. Have your kids dress up in costumes as normal (maybe something PR-themed, like Hamilton Via Puerto Rico or a Vejigante, a demon from Puerto Rican folklore with a break and horns), and take them out to gather candy in the neighborhood.

For a more authentic Puerto Rican experience, have them pronounce "trick or treat" the Puerto Rican way: *tricortrí*. If you want to go a little further, have your kids memorize the longer PR Halloween rhyme: *Halloween, tricortrí, dame chavos, no maní* ("Halloween, trick or treat, give us money, not peanuts").

Be sure to take normal safety precautions, however. Take your kids out in a familiar neighborhood and try to finish before it gets dark.

Malls

Malls across Puerto Rico typically hold Halloween events on or around October 31. These family-friendly events are particularly nice if the weather isn't so great, providing a way to enjoy Halloween while staying warm and dry.

What to Do on Halloween in Puerto Rico (2/4)

To find out if a particular mall is holding a Halloween event, all you typically have to do is check their social media pages.

The Full Moon Mansion at Plaza Las Américas (Hato Rey, San Juan)

Plaza Las Américas is the largest mall in the Caribbean, and until November 3, it's hosting a kid-friendly haunted house called [Full Moon Mansion](#) to scare the whole family. This year, they are offering two events: glow-in-the-dark Spooky Mini Golf and the 13 Doors of Horror.

Halloween Activities for Adults

House of Phobia at San Patricio Plaza

[House of Phobia](#) is one of the biggest Halloween events in the entire Caribbean, taking place in the former Kmart building at San Patricio Plaza. This year, the event is called Lucky Deadly Seven, where participants face the worst fears in history through seven entities. There are also additional events in the form of challenges and missions, where participants try to escape from serial killers or the temple of death.

Soul Screams Haunted House

[Soul Screams Haunted House](#), located in Castillo Serralles, Ponce, features two different haunted houses in 2019: Assecula and The Hill Asylum. In addition, running from Thursdays to Sundays until November 1, the venue hosts the Fright Fest, which features the Nightmare Woods event at the Caguas Botanical Gardens. For children, Soul Screams hosts a similar Halloween Woods event at the same location.

Fort Buchanan Chambers of Terror

Fort Buchanan, located in Guaynabo, is opening its horror maze

What to Do on Halloween in Puerto Rico (3/4)

attraction, [Chambers of Terror](#), considered the best in all of Puerto Rico, to the general public for another year. The event takes place at the Fort Buchanan Community Club for a \$10 fee. Children ages 10 and up are allowed to participate but must be accompanied by an adult.

Trail of Horror

On October 26 at the University of Puerto Rico's Botanical Gardens in Rio Piedras, San Juan, you can have the opportunity to experience the chilling journey of the [Trail of Horror](#). The half-hour event will challenge participants with obstacles and trivia, and children 15 and older can attend if accompanied by an adult.

Haunted Beach

[Vivo Beach Club](#) and [Ocean Lab Brewing Co.](#) are teaming together to host the Haunted Beach event on October 26. They have a lineup of popular artists ready to make the night unforgettable.

Fort Buchanan's Nightmare at the Club Halloween Party

Fort Buchanan offers more than just the Chambers of Terror: They also host the Nightmare at the Club Halloween Party. Well-known Puerto Rican DJ Barón López will be playing hits from the 80s and 90s at the event, which is scheduled for the night of the 26th. Anyone 16 and older is allowed in with proper identification.

Halloween Concert with La Orquesta Camerata Filarmónica

If you're in the mood for a classier Halloween experience, [La Orquesta Camerata Filarmónica](#) is putting on a Halloween concert at the Centro de Bellas Artes in San Juan on October 27. The orchestra will be playing hits from well-known movies and shows such as *The Nightmare Before Christmas*, *Harry Potter*, and *The Corpse Bride*.

What to Do on Halloween in Puerto Rico (4/4)

Paranormal Nights

In Añasco, on the west coast of the island, you can find the [Paranormal Nights](#) haunted house, taking place on Thursdays through Sundays until November 3. Right next to the venue is a restaurant and a bar to top off the night. Minors are allowed if accompanied by an adult.

Ghost hunting

If you're more independent and would rather do your own thing, take the opportunity to explore some of Puerto Rico's most famous haunted locations. One of San Juan's most famous places is Teatro Tapia, a theater constructed in the 1800s. An actress once dropped dead on stage in the middle of a performance, and many have since reported seeing her spirit wandering the building. Fort Castillo San Cristobal, found in Old San Juan, is also a notable hotspot for ghosts. Legend has it that the daughter of the city's executioner fell in love with a drifter later found guilty of theft and hanged by the girl's father. Stricken with grief, the girl hanged herself next to him. The couple's ghosts are reported to be seen together throughout the fort.

How to Hire an Employee in Puerto Rico (1/5)

All over Puerto Rico are businesses that operate under Puerto Rico's Export Services tax incentive, formerly known as Act 20. Going forward, new Export Services businesses established under Act 60, will start to pop up rapidly. Since hiring at least one full-time Puerto Rican employee is a requirement for many of [Puerto Rico's tax incentives](#), one of the most common questions Export Services decree holders have is how to hire employees in Puerto Rico.

Luckily for those looking to hire employees in Puerto Rico, the hiring practices are relatively similar to those in the US, and Puerto Rico boasts a strong, vibrant workforce full of qualified workers for various positions.

Puerto Rico's Workforce

When the predecessor of the Puerto Rico Incentives Code, Act 20, was first introduced, the Puerto Rican government [released a report](#) to show prospective decree holders the [many advantages](#) of moving or establishing a business in Puerto Rico. The report highlighted Puerto Rico's workforce of 1.3 million, which includes a sizeable proportion of highly skilled workers. The 30,000+ advanced degrees in STEM fields that Puerto Rico grants every year are clear evidence of the skills of the Puerto Rican workforce.

How to Recruit Employees in Puerto Rico

If you're looking to hire employees in Puerto Rico, check out the [job bank](#) maintained by the Puerto Rico Department of Labor. It's an entirely free service that allows you to create an employer account and sift through the resumes of potential employees.

Of course, the Internet is rife with other opportunities to find employees,

How to Hire an Employee in Puerto Rico (2/5)

as well. Many job banks that are popular in the US, such as Indeed and GlassDoor, also have a strong presence in Puerto Rico, making them ideal recruitment platforms for Act 60 businesses. Social networks such as LinkedIn and Facebook can also serve as high-quality recruitment platforms. You can also try out Puerto Rico's own [classifieds website](#), which, however poorly visually designed it is, is a fantastic way to hire employees in Puerto Rico.

Wages in Puerto Rico

One major bonus of hiring employees in Puerto Rico is the relatively low wages compared to the United States. According to [Indeed statistics](#), here are the average wages for select jobs as of March 2020:

- Administrative assistant – \$10.11 per hour
- Call center representative – \$9.68 per hour
- Supervisor – \$11.37 per hour
- Tutor – \$20.49 per hour
- Home health aide – \$100 per day
- Programmer analyst – \$55,839 per year
- Software engineer – \$26.35 per hour

Employee Benefits in Puerto Rico

Offering health and dental insurance benefits to employees is optional, but the Puerto Rican government has set various leave, wage, and hour requirements that all employers must adhere to.

How to Hire an Employee in Puerto Rico (3/5)

Overtime

Any full-time employee who works more than 40 hours a week or 10 hours a day entitled to overtime pay at one-and-a-half times their hourly wages. Any employee who works at least six hours a day has the right to a minimum 30-minute meal break.

Sick leave

Any employee who works at least 115 hours a month, which translates to 28 hours a week, or five and a half hours a day, is entitled to one day of sick leave per month. Companies with at least 15 employees must also allow workers to use sick time to care for family members, including parents, spouses, and children.

Paid time off

Any employees who work at least 130 hours a month are also entitled to paid vacation time. They accrue vacation days based on the amount of time they have worked for the company, as follows:

- 0.5 days per month the first year
- 0.75 days per month in the second through fifth years
- 1 day per month in the sixth through fifteenth years
- 1.25 days per month beyond the sixteenth year

You can find more information about Puerto Rico's hiring practices and labor laws at the [Puerto Rico Department of Labor website](#).

Puerto Rico Payroll Taxes

Certain payroll taxes are applicable to any business that hires employees in Puerto Rico. They're generally similar to those in the US,

How to Hire an Employee in Puerto Rico (4/5)

so if you've hired employees in the US before, you may already be familiar with the general practices.

- **FICA taxes.** Puerto Rico employees are covered by Medicare and Social Security, so employers pay 7.65% in FICA taxes.
- **FUTA.** The unemployment tax rate is 0.6% on the first \$7,000, after the 5.4% credit for the Puerto Rico unemployment tax.
- **Puerto Rico unemployment tax.** You pay 5.6% of the first \$7,000 for each employee.
- **Disability tax.** This tax is shared equally between employer and employee and amounts to 0.6% of the first \$9,000 in salary.
- **Worker's compensation insurance.** This tax is based on the type of work the employee performs.

Do I Have to Hire Employees in Puerto Rico under Act 60?

When Act 20 was originally passed, Puerto Rico's unemployment rate was nearly 18%, so the legislation included a provision that Act 20 businesses employ at least five employees in Puerto Rico, one of which could be the business owner. Later, after Puerto Rico's economy improved and the unemployment rate sank, the employee requirement was dropped.

Things changed again when Act 20 [was replaced by Act 60](#). Act 60 brought a new employee requirement: Exempt businesses that generate at least \$3,000,000 in annual revenue must directly employ at least one full-time employee. The employee has to be a [bona fide resident of Puerto Rico](#) who directly contributes to the business activities covered by the decree.

How to Hire an Employee in Puerto Rico (5/5)

All in all, even if you have to hire employees in Puerto Rico, the process is relatively simple and straightforward. You can take advantage of a highly skilled labor force that works for significantly lower wages than in the US while enjoying Puerto Rico's generous tax incentives.

The 2020 Guide to the Foreign Earned Income Exclusion for Expats (1/4)

Tax season is always stressful, especially for expats, whose income is subject to double taxation. U.S. citizens on foreign soil pay income tax to the host country's government as well as to the IRS. Fortunately, the Foreign-Earned Income Exclusion (FEIE) in the U.S. tax code allows expats to keep more of their money as long as they meet residence or presence requirements.

In 2020, the FEIE increased from the first \$105,900 in foreign-earned income to \$107,600. Since the exclusion is pegged to inflation, it's likely it will increase again in 2021. It is important to note, however, that Puerto Rico is **not** a foreign country.

Qualifying income

Only wages and self-employed earnings are eligible for FEIE. You may also be able to deduct foreign housing costs if they exceed 16% of the FEIE. In 2020, the maximum excludable housing amount is \$15,064.

[IRS guidelines](#) exclude the following types of income:

- Salaries for civilian employees or military service members of the U.S. government
- Income earned for work in international waters
- Certain combat zone pay
- Housing, meal, and travel allowances paid by your employer
- Social Security, pension, and annuity payments

Keep in mind that these exclusions only lower your income tax liability, not any self-employment taxes you owe for Social Security and Medicare benefits.

The 2020 Guide to the Foreign Earned Income Exclusion for Expats (2/4)

Passing the bona fide residence tests

You have to be a full-time resident of a foreign country for the full 12-month period of the tax year (January 1 through December 31) to qualify as a [bona fide resident](#). Vacations, including short trips back to the U.S., won't make you fail the residence test, as long as the trips were short and you clearly intended to return to your home in the foreign country.

One thing to keep in mind: If the host government has determined you are not a resident subject to its income tax laws, you can't use the FEIE regulation to lower your U.S. tax liability.

Passing the physical presence test

To use the FEIE, you need to demonstrate that you are either a bona fide resident or were physically present in the country for at least 330 consecutive days in a single year.

The year doesn't have to be a calendar year—it can be any 12-month period you choose. A “day” for the purposes of the test is a full 24 hours, so your arrival and departure days in the country don't count.

If you choose a 12-month period that overlaps two different tax years, you can prorate the maximum exclusion and spread it out over the tax returns of those two years.

If there is war or civil unrest in the foreign country, you may apply for a waiver for the presence or resident test, but only if you can show that you would have stayed in the host country if those events hadn't occurred.

Understanding the housing exclusion

This exclusion only applies to employees earning wages in a foreign

The 2020 Guide to the Foreign Earned Income Exclusion for Expats (3/4)

country, not for contract workers or other self-employed individuals, although those workers can still deduct actual housing expenses.

The FEIE and the housing exclusion can be combined, as long as the same income isn't counted in both exclusions. In other words, you should have an income of at least \$122,664 between your wages and any housing allowances paid by your employer.

The following expenses generally qualify for the exclusion:

- Rent or fair-value rent for employer-provided housing
- Property and personal property insurance
- Utilities (minus personal phone service)
- Parking fees
- Furniture rental

You can't exclude things such as domestic services (maids, gardeners), mortgage principal and interest, or home improvements.

Comparing Act 60 and the Foreign Earned Income Exclusion

If you operate a business in a foreign country and use the FEIE to reduce your tax liability, it may be worth comparing the tax advantages of [Puerto Rico's Act 60](#) for export services businesses. Eligible businesses pay a corporate tax rate of just 4%, and dividends are 100% tax exempt.

Act 60's Export Services tax incentive approaches income tax from the opposite perspective of the FEIE. In other words, you pay yourself [a reasonable salary](#), and everything else is taxed at the 4% corporate rate. As a bona fide resident of Puerto Rico, you don't pay U.S. income

The 2020 Guide to the Foreign Earned Income Exclusion for Expats (4/4)

tax on your salary, although you must pay [Puerto Rican income tax](#) on it.

With FEIE, you exclude the first \$107,600 of foreign-earned income from your U.S. income tax and pay your regular rate on any earnings above that amount.

If you have a service-based business (consulting, creative services, professional services, data processing, call centers, import-export, or trading, for example), you may be surprised by the [financial advantages](#) available under Puerto Rico's Export Services Act.

Disclaimer: The contents of this post are meant for informational purposes only and should not be construed as legal or financial advice. Please consult a tax or legal professional for more information on your specific situation.

Everything You Need to Know about Hurricane Preparation in Puerto Rico (1/5)

Puerto Rico is a beautiful Caribbean island territory with gorgeous beaches and year-round warm weather—a paradise by all accounts. From all over the United States and even the world, business owners and individuals take advantage of its [many tax incentive programs](#) to relocate to the island. However, while immigrants have [beautiful cities to choose from](#) island-wide, the reality is that the entire island is at high risk for hurricanes each year.

Puerto Ricans know how to weather hurricanes—it's part and parcel of living in Puerto Rico. However, if you're from a place where hurricanes aren't a big risk, you may not know proper hurricane preparation procedures. If you're planning to make Puerto Rico your home, here's what you should know to protect yourself, your family, and your home during a Puerto Rico hurricane.

Be aware of storms during hurricane season

Technically, Puerto Rico's hurricane season runs from June through November, but most hurricanes take place between August and October. The National Oceanic and Atmospheric Administration (NOAA) maintains the [National Hurricane Center website](#) which gives up-to-date information about developing storms.

Check it often during hurricane season and have a plan to evacuate or shelter in place long before a storm is bearing down. Keep an NOAA weather radio and extra batteries in your emergency kit.

Buy a generator and stock up on gas

There's a good possibility you'll lose electricity if a hurricane strikes, and it may take several days before power is restored. Buy the smallest possible generator that will meet your needs—most people only need

Everything You Need to Know about Hurricane Preparation in Puerto Rico (2/5)

something to power a fan, charge a few devices, and keep a small refrigerator cold.

Remember to follow the directions for [safe generator use](#); never plug your generator directly into the wall to avoid backfeed that may injure powerline workers.

Don't forget to keep enough gas on hand to fuel your generator for several days. It's a good idea to keep 8 to 10 gallons on hand in case fuel trucks can't get to your part of the island to restock local gas stations.

Prepare an emergency supplies kit

In addition to a three-day supply of water and non-perishable food per person, [FEMA reminds everyone](#) to remember these other essentials:

- Devices to communicate with family either by phone or email
- A seven-day supply of any daily medications you take
- First-aid kit
- Pet food and other necessary pet supplies
- Birth certificates, passports, and other critical documents (stored in a waterproof container)
- Matches, flashlights, and a multi-tool with can opener
- Trash bags, bathroom tissue, and other hygiene supplies
- Sleeping bag or blanket and pillow
- Books, cards, or other items to help pass the time
- Irreplaceable items you cannot afford to lose

Everything You Need to Know about Hurricane Preparation in Puerto Rico (3/5)

Of course, this is a non-exhaustive list. We have a further list of important actions you should take to keep yourself safe during a hurricane in Puerto Rico:

- Fill your bathtub with water. Your water supply is likely to be cut off during a hurricane, and filling your bathtub with water gives you a supply for flushing the toilet and other applications for non-potable water.
- Harness the power of the sun: Keep the lights on with solar-powered lights. Solar-powered fans are also a good way to keep cool during a summertime hurricane. A solar mosquito zapper will also keep things bug-free as you weather the storm.
- Get a generator. You'll have to shell out some money for this, but you don't need a huge one—just get a small one that will allow you to power the fridge, a fan, and other essentials.
- Freeze water bottles. They double as ice packs and can help keep your food cold if the power goes out.
- Buy earplugs. If there are a bunch of generators in your area running, you might find it difficult to sleep without earplugs.
- Stock up on batteries—you don't know how long you'll be without power.
- Get and charge a power bank to keep your phone charged. In a power outage, mobile data on your cell phone will be your only means to connect with the wider world, and it may be important to contact friends and family or access information.
- Buy a battery-powered radio to keep up with important news, announcements, and warnings

Everything You Need to Know about Hurricane Preparation in Puerto Rico (4/5)

Keep a go-bag in case you need to evacuate

Each member of your family should have his or her own bag; a backpack or drawstring nylon bag are good options. Have a change of clothes, daily medications, device chargers, and copies of your birth certificate or ID and insurance cards.

If you're the head of your household, keep copies of everyone's documents in your go-bag. Buy a flash drive and store photos of all your household possessions in case you need to file an insurance claim later. It's a good idea to scan all your family's important records and documents, as well, such as medical and vaccination records, passports, and Social Security cards. If you own your home, scan your deed or title documents.

Keep a week's worth of cash on hand at a minimum. When the power goes out, credit and debit cards are useless. After the storm ends, banks may limit the daily amount of cash you can withdraw for awhile, so make sure you have cash to cover your needs.

Stay safe after the storm

If you evacuated, don't re-enter your home until it has been inspected and declared safe. The electrical lines and sewer system may be damaged.

Throw away any food in your fridge and any other foodstuffs exposed to floodwater. It's better to be overly cautious and throw away anything you're not sure about. Don't drink tap water until you know it's safe. Boil it or use a purifying system if you don't have bottled water on hand.

Floodwater is packed with germs and bacteria. Use an alcohol-based

Everything You Need to Know about Hurricane Preparation in Puerto Rico (5/5)

hand sanitizer if you come in contact with it. Thoroughly disinfect any surfaces in your home affected by flood.

Follow the government's warnings about flooded roads; avoid and report any downed power lines.

Protect against insects

Bug populations multiply in the standing water after a hurricane.

The [Centers for Disease Control and Prevention](#) recommends using insect repellent with DEET to protect against floodwater mosquitoes.

Use a product such as Mosquito Dunks on any standing water near your home to kill mosquito larvae.

Be prepared for an explosion of fire ants after a hurricane. These nasty ants are actually waterproof and flock together for survival in a flood. Wear cuffed gloves, rubber boots, and long pants when you're cleaning standing water in your yard in case you run into a fire ant colony.

Final thoughts

Hurricane season in Puerto Rico is stressful, but you can do a lot to secure yourself and your property if you stay informed and prepared. Have your evacuation route planned in advance and keep your car's gas tank at least half full during the season. It's also a good idea to have life vests for every member of your family, including your pets.

Change to Act 20/22 – New Incentives Code of Puerto Rico for Jan 1, 2020 (1/3)

As of January 1, 2020, Act 20 and 22 have been replaced by Act 60, which brings with it some changes to the requirements. We have reviewed the language of the new law and are pleased to share the major changes to the Act 20 and 22 program below.

Chapter 2 – Individuals (Previously known as Act 22)

- **Annual charitable donation**: Under the new law, grantees will need to make a \$10,000 annual charitable donation – \$5,000 of that donation will go to a government-approved list of charities and \$5,000 may go to any Puerto Rican charity of your choice.
- **Real estate requirement**: Under the new law, grantees must purchase – within two years of obtaining the decree – real estate property in Puerto Rico, which shall be the grantee’s primary residence throughout the validity of the decree. Based on our interpretation, this purchased real estate property cannot be rented out.
- **Crypto and other crypto-assets**: Under the new law, cryptocurrencies and other crypto-assets are explicitly included as eligible for tax exemption.

Chapter 3 – Exportation of Goods and Services (Previously known as Act 20)

- **Employee requirement**: Under the new law, exempt businesses that generate an annual business volume of at least \$3,000,000 must also directly employ at least one full-time employee. The employee must be a Puerto Rican resident and directly participate in the business activities pertinent to the decree.

Change to Act 20/22 – New Incentives Code of Puerto Rico for Jan 1, 2020 (2/3)

- **Audit by OITE**: Under the new law, the Office of Industrial Tax Exemption (“OITE”) will perform an independent audit of exempt businesses at least every two years. *Please note: it is unclear if this will apply to prior Act 20’s established prior to the new incentive code..*
- **Blockchain**: Under the new law, Blockchain-related services are specifically included as an eligible business activity.
- **Reduction of property taxes**: Under the new law, exempt businesses will enjoy a seventy-five percent (75%) exemption on the municipal and state property taxes during the validity of the decree. Businesses that qualify as “Small and Medium Businesses” (“PYMES”, as its Spanish acronym) will also enjoy 100% exemption on municipal and state property taxes during their first 5 years of operation.
- **Reduction of municipal taxes**: Under the new law, the exempt businesses will enjoy a fifty percent (50%) exception on municipal contributions or municipal patents applicable to eligible services provided by the businesses during the validity of the decree.

General Changes

- **Validity of the decrees**: Under the new law, the initial decree is granted for a term of 15 years and may be extended for an additional 15 years.
- **DDEC Annual Report**: Under the new law, The Department of Economic Development and Commerce of Puerto Rico (“DDEC”, as its Spanish acronym) will publish a yearly report on all of the tax incentives requested and granted. The report will include the name

Change to Act 20/22 – New Incentives Code of Puerto Rico for Jan 1, 2020 (3/3)

of the business and principal shareholders, the date the decree was granted, name of the municipality where the business operates, number of jobs created by the business, etc. *Please note: it is unclear if this will apply to decrees established prior to the new incentive code..*

Disclaimer: This list is not exhaustive. The information in this email should not be construed as, and should not be relied upon for, legal or tax advice. An attorney should be contacted for advice on specific legal issues.

Security in Puerto Rico (1/5)

Moving to Puerto Rico is a huge life event, and there are many things you need to take into consideration. One particularly important thing to know before your big move is the level of security in Puerto Rico. These factors may influence where on the island you choose to make your home, so comprehensive research is advisable.

For the most part, Puerto Rico is perfectly safe, so don't worry. However, there are some things you should be aware of, and you should take normal safety precautions as you would in any U.S. city.

Puerto Rico vs. the US

One of the most important considerations when deciding where in Puerto Rico to relocate is the crime levels. When researching security in Puerto Rico, you must keep in mind that crime is found in every major city, whether in Puerto Rico or the US. Puerto Rico, being a Caribbean island with a poor economy, often gets a bad reputation in terms of security, but in fact, [2018 FBI crime statistics](#) reveal that the island has a lower crime rate than many U.S. states, including New York, California, and Texas.



	Violent crime	Rape	Robbery	Property crime
Puerto Rico	6,417 0.20%	198 0.01%	2,271 0.07%	24,851 0.78%
California	176,982 0.45%	15,505 0.04%	54,326 0.14%	941,618 2.38%
New York	68,495 0.35%	6,575 0.03%	18,187 0.09%	281,507 1.44%
Texas	117,927 0.41%	14,693 0.05%	28,256 0.10%	679,430 2.37%

Security in Puerto Rico (2/5)

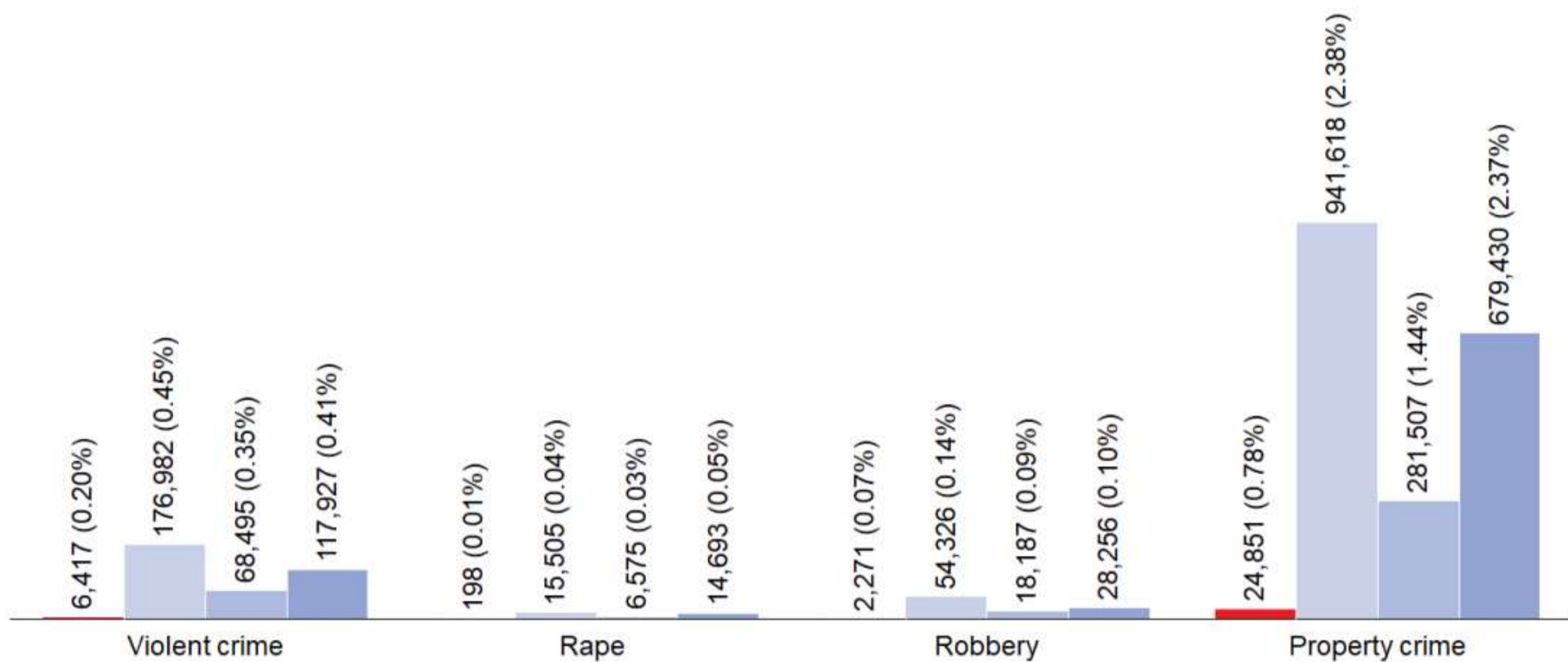


	Puerto Rico	California	New York	Texas
Population	3,195,153	39,557,045	19,542,209	28,701,845
Violent crime ¹	6,417 0.20%	176,982 0.45%	68,495 0.35%	117,927 0.41%
Murder and nonnegligent manslaughter	639 0.02%	1,739 0.00%	562 0.00%	1,322 0.00%
Rape ²	198 0.01%	15,505 0.04%	6,575 0.03%	14,693 0.05%
Robbery	2,271 0.07%	54,326 0.14%	18,187 0.09%	28,256 0.10%
Aggravated assault	3,309 0.10%	105,412 0.27%	43,171 0.22%	73,656 0.26%
Property crime	24,851 0.78%	941,618 2.38%	281,507 1.44%	679,430 2.37%
Burglary	5,486 0.17%	164,632 0.42%	31,137 0.16%	117,911 0.41%
Larceny-theft	15,658 0.49%	621,775 1.57%	237,233 1.21%	491,702 1.71%
Motor vehicle theft	3,707 0.12%	155,211 0.39%	13,137 0.07%	69,817 0.24%

¹ The violent crime figures include the offenses of murder, rape (revised definition), robbery, and aggravated assault.
² The figures shown in this column for the offense of rape were estimated using the revised Uniform Crime Reporting (UCR) definition of rape. See data declaration for further explanation.



■ Puerto Rico ■ California ■ New York ■ Texas



Things to Watch Out For

Petty theft can be a problem in Puerto Rico, so avoid drawing attention to yourself by wearing expensive clothing or accessories, and keep your belongings with you at all times. Try to blend in with the locals so you don't look like a tourist. If you can speak Spanish, now's the time to put your skills to use—English-speaking tourists are more likely to be targeted by pickpockets.



Security in Puerto Rico (3/5)

Puerto Rico has a fairly high homicide rate, but this shouldn't affect ordinary people, as it's almost entirely related to gang violence and drugs. As long as you stay out of gang areas, you should be fine. Public housing areas, called "caserios" by the locals, are also known for their high crime rates, particularly San Juan's Louis Lloren Torres. Other areas in San Juan to avoid at night include Piñones, Parque de las Palomas, La Perla, and Puerta de Tierra.

In contrast, Old San Juan, Isla Verde, Miramar, and Condado are considered some of the safest neighborhoods of San Juan at night and have regular police patrols. Bayamón and Dorado are also safe areas—our team lives in Condado, Bayamón, and Dorado. We have never experienced any problems here. If you have questions about these neighborhoods, don't hesitate to send us an email at info@relocatepuertorico.com.

We want to stress, though, that we are simply pointing out these problems so that you are aware of them. Puerto Rico is no more dangerous than any other U.S. city, and if you feel safe in the US, you'll feel safe in Puerto Rico, too.

Hurricanes

An unfortunate reality of living in Puerto Rico is natural disasters, particularly [hurricanes](#). The destruction the island sustained from Hurricanes Maria and Irma in 2017 is no secret. During hurricane season—June to November—keep an eye on the weather forecast, and take any warnings seriously. If a major hurricane strikes, you will probably lose power, so it's a good idea to buy a generator to power your fridge and other essential appliances.

Security in Puerto Rico (4/5)

You should always keep an emergency kit, too, just in case. Make sure to include a first-aid kit, any medications you might need to take, a device to communicate with your family, important documents (in a waterproof container), and a flashlight, among other things.

Earthquakes

Earthquakes are an additional threat to the otherwise peaceful life on this Caribbean island. All of Puerto Rico can experience strong earthquakes, although the island's west coast is most vulnerable. If you are from the West Coast of the US, you're probably already familiar with how to deal with earthquakes, but if this isn't a hazard you have to consider in the US, here's an overview of measures you can take to protect yourself and your home.

To prepare your home for earthquakes, secure heavy appliances such as your fridge to the wall. Use wall studs to secure your water heater in place to avoid possible ruptures to gas and water connections. Secure expensive electronics and any valuable items to prevent falls or other damage. You can use anti-skid pads or Velcro to secure electronics like TVs and computers.

You should also set up your bedroom so you will be safe if an earthquake strikes in the middle of the night. Position your bed away from windows and chimneys, and keep the blinds or curtains shut at night to help prevent broken glass from falling on the bed. Avoid hanging pictures, light fixtures, or anything else that could fall above the bed.

During an earthquake, if you are inside, drop to the ground. Cover your head and take refuge under a table, desk, or other sturdy piece of

Security in Puerto Rico (5/5)

furniture. Hold onto it so you aren't thrown around. If there is no suitable furniture to hide under, crouch against an interior wall. Do not attempt to leave the building—this is where many injuries occur. If you are outside during an earthquake, stay outside and distance yourself from any buildings. It's dangerous to be around exterior walls.

It's also important to avoid bookcases, tall furniture, and light fixtures during an earthquake, as they can fall on you. Avoid doors because they can slam shut suddenly, and avoid windows because they may break. Don't use the elevator during an earthquake, and if you are already in one when the earthquake strikes, get out as soon as possible. Avoid the coastline because dangerous tsunamis may occur.

A 3-Minute Guide to Puerto Rico's Act 60 (1/3)

Puerto Rico's status as [a top tax haven](#) is undisputed. Each year, the island welcomes new, ambitious Americans and others who wish to keep more of their money while enjoying the island lifestyle Puerto Rico offers. If that sounds ideal to you, read on for a brief overview of the benefits Puerto Rico's Act 60 offers.

Export Services Tax Incentive – For Businesses

Business owners who establish a qualifying business in Puerto Rico can enjoy significant tax benefits:

- 4% corporate tax rate
- 100% tax exemption on distributions from earnings and profits
- 50% tax exemption on municipal taxes
- 75% tax exemption on municipal and state property taxes (small and medium businesses can receive a 100% exemption during their first five years of operation)

To qualify, the business model must be concentrated around exporting services outside of Puerto Rico. Consulting companies, auditing firms, marketing businesses, and [more](#) are eligible business types. The owner must also take out a reasonable salary for him- or herself, which is subject to normal Puerto Rico income tax rates.

How to qualify for the Act 60 Export Services Tax Incentive

Owners of existing businesses can qualify for the Act 60 business tax incentives in one of two ways:

- Moving the entire company, including employees, to Puerto Rico and ceasing all operations in the United States

A 3-Minute Guide to Puerto Rico's Act 60 (2/3)

- Establishing a Puerto Rico subsidiary and recording the percentage of business income and expenses related to the Puerto Rico entity so that it can be taxed under the Act 60 incentives

Application costs

You'll have to pay a one-time fee of \$750 when you file your initial application. Then, you'll be required to file an annual report each year along with a \$300 fee.

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Individual Resident Investor Tax Incentive

The tax incentives enjoyed by [Individual Resident Investors](#) in Puerto Rico are perhaps the most impressive of all Puerto Rican tax incentives:

- 100% tax exemption from Puerto Rico income taxes on all dividends
- 100% tax exemption from Puerto Rico income taxes on all interest
- 100% tax exemption from Puerto Rico income taxes on all short-term and long-term capital gains
- 100% tax exemption from Puerto Rico income taxes on all cryptocurrencies and other crypto assets

Just keep in mind that to qualify for these generous incentives, you must become a [bona fide resident of Puerto Rico](#), which involves spending the majority of your time in Puerto Rico, making Puerto Rico your tax home, and establishing closer connections in Puerto Rico than in the US.

A 3-Minute Guide to Puerto Rico's Act 60 (3/3)

Passing the residency tests

As a basic overview, here's what you have to do to pass the three tests to establish bona fide residency in Puerto Rico:

- Be physically present in Puerto Rico for at least 183 days of each tax year
- Make Puerto Rico your tax home by establishing your office or primary place of work there
- Buy property in Puerto Rico, move your family and possessions there, get a Puerto Rican driver's license, register to vote in Puerto Rico, and do other things that demonstrate your commitment to a life on the island

Capital gains before moving to Puerto Rico

Capital gains accrued prior to your move to Puerto Rico are treated differently depending on when they are recognized:

- If the gains are recognized within 10 years of your move, they are taxed at the U.S. rate
- If the gains are recognized after 10 years of your move, they are taxed at Puerto Rico's preferential 5% flat tax rate, and you do not owe U.S. taxes on them

Applying for the Individual Resident Investor Act

There is a \$750 fee due with your application, which you are to submit to the Office of Industrial Tax Exemption. Upon approval, you will be required to pay a one-time \$5,000 acceptance fee. Afterward, each year, you will have to make a \$10,000 charitable donation and submit an annual report along with a \$300 fee.

The New York Times Names Puerto Rico the #1 Place to Go in 2019 (1/2)

No matter what you're looking for in your next home or vacation destination, you'll find it in Puerto Rico. San Juan, the capital and largest city, is an exciting blend of old and new. Oozing with Spanish charm, San Juan's cobblestone streets are lined with art galleries, museums, and [exciting restaurants](#), and the nightlife in Isla Verde rivals that of any Caribbean city.

Nature lovers hike El Yunque, a tropical rain forest just two hours from San Juan. Vieques Island is perfect for kayaking—it's one of the most impressive bio-luminescent bays in the world. And the unspoiled beauty and beaches of Culebra and Culebrita are ideal for snorkeling and romantic getaways. The Camuy cave system, the third largest in the world, is made for eco-adventurers.

The rise of responsible travel

But it's not just Puerto Rico's natural charms that make it a top destination. More travelers are embracing responsible travel, that is, giving back to the places that bring them joy. Puerto Rico is just such a place.

Recently [devastated by Hurricane Maria](#), the islands are making a bold recovery, but they rely on tourism dollars to sustain them. In addition to some 77,000 jobs in the tourism sector, the tourism and ex-pat economy fuel the replanting of the coffee farms and red mangrove forests and the rebuilding of the fishing industry.

[Discover Puerto Rico](#), the commonwealth's destination marketing company, is working with agencies such as the [Center for Responsible Travel](#) in Washington, D.C. to promote Puerto Rico's amazing ecosystem as a top choice for authentic travel experiences.

The New York Times Names Puerto Rico the #1 Place to Go in 2019 (2/2)

The effort is paying off. After a steep drop-off post-Maria, Puerto Rico is open for visitors, who are returning in droves to enjoy the laid back vibe and lively Caribbean culture. There are no over 400 flights to Puerto Rico every week from the U.S. alone.

Living in Puerto Rico

Ex-pats who make their [home in Puerto Rico](#) enjoy a [low cost of living](#) and a high quality of life. Housing choices range from gorgeous colonial homes in Old San Juan to rambling beachfront villas to ultra-modern condos with every amenity.

In addition to shopping, dining, museums, and galleries, Puerto Rico has its share of famous golf clubs and spas; some of the most famous resorts in the world have a property in Puerto Rico.

There's no lack of amenities, either. Puerto Rico shares the U.S. postal, communications, and banking systems, and the health care system is similar to that of the U.S. mainland. There are private insurance and concierge health care options for Puerto Rican residents.

If you are interested in making your home in Puerto Rico, [we're here to answer your questions](#) and show you how you can benefit from the financial and lifestyle advantages the commonwealth has to offer.

Top 10 Tax Havens to Consider in 2019 (1/4)

You don't have to watch legal thrillers on the big screen to know that some places are just more friendly toward money than others. There's a reason the bad guys always escape to some exotic offshore tax haven to stash their ill-gotten gains.

But you don't have to be a bank robber to want more favorable tax treatment for your business and personal wealth. Individuals from all over the world can take advantage of [tax incentives](#) and loopholes to help you keep more of your money.

If you're looking for a tax haven for your cash in 2019, these 10 places might fit the bill.

Puerto Rico/The United States

If you're surprised to see Puerto Rico and the U.S. at the top of the list, you shouldn't be. Delaware, Nevada, and Wyoming are some of the most corporate-friendly destinations in the world when it comes to taxes and red tape.

Puerto Rico is making a name for itself as a tax haven for businesses and individuals, too. For [qualifying businesses](#), the effective corporate tax rate is just 4%, and [resident individuals](#) who earn investment income avoid capital gains and dividend taxes altogether.

Luxembourg

Part of the Benelux triad, Luxembourg has extremely friendly corporate tax laws that allow businesses to shelter billions from the tax authorities. The lack of withholding tax and a wealth of corporate tax loopholes draw corporations from all over the world. It's estimated that 35% of the Fortune 500 countries have a subsidiary in Luxembourg.

Top 10 Tax Havens to Consider in 2019 (2/4)

The Netherlands

Another Benelux country, the Netherlands also has extremely favorable corporate tax laws. It's considered the top tax haven for huge multinational corporations, due in part to generous incentives designed to lure them there. It also has some of the lowest healthcare costs in the developed world.

The Cayman Islands

For a country with just 0.000008% of the world's population, the Cayman Islands has an enormously outsized financial footprint: Over 6% of the entire world's banking assets are parked in this British Overseas Territory. Both individuals and corporations get favorable tax treatment here.

Bermuda

With a 0% corporate and personal tax rate, Bermuda is one of the world's great tax havens. Of course, Bermuda has a ridiculously high cost of living; compared to the U.S., Bermuda gets a rating of 99%, which means it costs 99% more to live here than in the U.S. on average, although housing is closer to 200%. Plus, onerous restrictions, such as one car per household, make it not quite as attractive as a tax haven for families.

Singapore

Previously a British colony, Singapore stands on its own as one of the world's favorite tax havens. Although it has nominal corporate tax laws on the books, incentives and other loopholes make it extremely competitive for multinational corporations. For individuals, on the other hand, Singapore is more of a mixed bag.

Top 10 Tax Havens to Consider in 2019 (3/4)

The Channel Islands

Located between England and France, the Channel Islands has increasingly built a reputation as a corporate tax haven. Morgan Stanley has 30 subsidiaries there alone, and Apple has one worth \$250 billion. Private citizens have been parking their money in the Channel Islands for decades to escape the 80% inheritance tax in Britain.

Monaco

This tiny one-square-mile country has kept its tax rates steady since 1869—if you can claim residency, you keep 100% of what you earn. It's no wonder Monaco is home to the world's ultra-rich.

Switzerland

Of course, Switzerland would make the list; its low taxes and super-secret banking laws make it a top destination for corporations and individuals alike. Zurich is the 9th largest financial center in the world. American multinationals such as Pepsi, Merck, and Marriott all have large Swiss subsidiaries.

Malta

Although Malta has a corporate tax rate of 35%, its system of loopholes and rebates virtually wipes it out. Most corporations in Malta have an effective tax rate of around 5% after navigating the country's complex web of tax laws. Individuals also benefit from Malta's tax structure—only income generated from activities in Malta are taxed.

Top 10 Tax Havens to Consider in 2019 (4/4)

Tax Advantages for Americans in Puerto Rico

[Tax incentives](#) and the low cost of living have made Puerto Rico an attractive option for businesses and individuals who want to escape onerous personal and business tax liability in the U.S. Best of all, you keep your U.S. citizenship and all the advantages that entails.

If you want to learn more about making a home in Puerto Rico, check out our articles on the [best places to live](#), [how to plan your move](#), and [residency](#).

Guide to Income Tax in Puerto Rico (1/4)

Puerto Rico may be a U.S. territory, but it has its own tax system. That means that, in general, bona fide residents of Puerto Rico who receive decrees for Act 60 (formerly Acts 20 and 22) and [other Puerto Rican tax incentives](#) no longer have to deal with the IRS—they deal only with the Puerto Rican tax system, which can be remarkably favorable for those holding tax incentive decrees.

There are many similarities between Puerto Rico and the US. The court system, banking system, and statutory laws in Puerto Rico won't be unusual for you, but when it comes to taxes, Puerto Rico is like a foreign country that still has Medicare and Social Security. If you have an Act 60 decree, this is very good news for you.

In Puerto Rico, you'll no longer have to annually submit a 1040 with the IRS, and your tax on wages, dividend and interest income, and capital gains will generally be due to the Puerto Rican government. Your taxes will help fund the Commonwealth of Puerto Rico, not the US, unless you work for the federal government in Puerto Rico.

What Makes Puerto Rico Better Than Other Tax Havens?

There are only two countries in the world that implement a worldwide income tax system: Eritrea and the United States. Even if you moved to the other side of the world and never returned to the U.S., you would still be required to pay U.S. income tax. The only way out would be to renounce your U.S. citizenship, which is undesirable for most Americans and incurs an expatriation tax of nearly 24% on your unrealized capital gains.

The one solution? Move yourself (and your business, if applicable) to Puerto Rico. Technically, you'll still be in the US, but you won't have to

Guide to Income Tax in Puerto Rico (2/4)

pay U.S. taxes, and there's no expatriation fee (because, after all, you are technically still in the US). In this sense, Puerto Rico is the only true tax haven for Americans. Puerto Rico allows you to escape from U.S. taxes without giving up your citizenship and still offers you the protection of the U.S. law and banking system.

What Taxes Do You Need to Pay in Puerto Rico?

Puerto Rico's many tax incentives don't let you entirely escape income taxes. While they may waive or lower some taxes, there are still others you will be required to pay. If you fall into Puerto Rico's highest-earning category, you might have to give up 33% of your income to the Puerto Rican government. And given that Puerto Rico's average income is quite a bit lower than that in the US, you only have to make more than \$60,000 to be a very high earner.

What the Individual Resident Investor Tax Incentive (formerly Act 22) saves you is the income tax on dividends and capital gains—under the tax incentive, these are taxed at 0%, as long as you are a [bona fide resident of Puerto Rico](#). Similarly, with the Export Services Tax Incentive (formerly Act 20), you are required to pay yourself a reasonable salary and must pay income tax on that amount, but otherwise, your corporate income tax rate is only 4%.

Puerto Rico Income Tax Rate

Net taxable income	Tax rate
Up to \$5,000	0%
More than \$5,000 but not more than \$22,000	7%
More than \$22,000 but not more than \$40,000	14%
More than \$40,000 but not more than \$60,000	25%
More than \$60,000	33%

Guide to Income Tax in Puerto Rico (3/4)

Puerto Rico's tax table is fairly simple, but the important thing to note is that the threshold for high earners is much lower than in the US. You only need to earn \$60,000 to land yourself in the highest-earning category, which is subject to a tax rate of 33%.

ABT income	Tax rate
Over from \$25,000 but not more than \$50,000	1%
More than \$50,000 but not more than \$75,000	3%
More than \$75,000 but not more than \$150,000	5%
More than \$150,000 but not more than \$250,000	10%
Over \$250,000	24%

If you have alternative basic tax (ABT) income, it is also subject to Puerto Rican income taxes. You can earn up to \$25,000 in ABT income for free, and up to \$50,000 will incur an ABT rate of 1%. ABT income in excess of \$250,000 is subject to an ABT rate of 25%.

Optional tax income	Tax rate
Up to \$100,000	6%
More than \$100,000 but not more than \$200,000	10%
More than \$200,000 but not more than \$300,000	13%
More than \$300,000 but not more than \$400,000	15%
More than \$400,000 but not more than \$500,000	17%
More than \$500,000	20%

If you are a self-employed individual rendering services, you may choose to pay Puerto Rico's optional self-employed tax rates instead of the regular income tax rates. To qualify, at least 80% of your income must come from your self-employed services, and the income tax is calculated based on your gross income. With a rate of only 6% on the first \$100,000, increasing to only 20% at the highest bracket, \$500,000, this can be a favorable option for self-employed individuals.

Guide to Income Tax in Puerto Rico (4/4)

Puerto Rico is the ultimate tax haven for U.S. citizens—significantly reduced or waived tax requirements without giving up the security of U.S. citizenship, laws, and banking system. The income taxes you need to pay to Puerto Rico won't offset the massive advantages the generous tax incentives offer. Contact us at info@relocatepuertorico.com or call us at 1 (855) 735-2283 for more information on your specific tax situation in Puerto Rico.

Puerto Rico Issues Opportunity Zone Legislation (1/3)

The Tax Cuts and Jobs Act of 2017 included a program to stimulate development in economically disadvantaged areas. Taxpayers who invested capital gains into projects in Qualified Opportunity Zones were eligible for tax incentives, including a reduction and deferral in capital gains taxes. The Opportunity Zones have now been approved, and [95% of Puerto Rico](#) has been designated an Opportunity Zone.

In an attempt to further incentivize development in Puerto Rico, the legislature has submitted Bill No. 1887, The Act for Development of Opportunity Zones and Economic Development of 2018. The Act is expected to generate \$600 million in new investment in Puerto Rico's communities.

What House Bill 1887 does

Quite simply, the bill offers additional [local tax incentives](#) and makes a path for domestic taxpayers to take advantage of the tax benefits.

Through a combination of tax credits and exemptions, the bill increases the overall return on investment for development in Puerto Rico.

The bill creates a "Priority Projects in Opportunity Zones Committee" made up of the Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority, the Public Chief Financial Officer, and the Public Chief Investment Officer. The committee will fall under the jurisdiction of the governor's office and is tasked with accepting and evaluating written proposals for development, and crafting rules and regulations for administering the program.

Under the terms of the bill, a Priority Project is defined [as a business](#) that is primarily focused on diversification, recovery, and economic and social improvement in a Qualified Opportunity Zone.

Puerto Rico Issues Opportunity Zone Legislation (2/3)

Investors hoping to take advantage of the tax incentives and credits must submit a written proposal to the Committee identifying their eligible activities for approval.

Tax incentives in HB 1887

Once a project is approved by the Committee, it is eligible for an exemption lasting for a period of 15 years. There will be a flat income tax of 20% on income generated during the term of the exemption. Additionally, no tax or withholding will be applied to any dividend distributions resulting from earnings and revenue from eligible activities as defined by the committee.

Royalties paid to a non-resident party not engaged in the business will be subject to a 20% withholding tax.

For license and property taxes, an exemption of 50% will also be granted. If the Priority Project includes residential housing development, the exemption increases to 90%. Additionally, there will be no construction tax levied on Priority Projects. Interest income generated by financing Priority Projects engaged in eligible activities will also be exempt from income tax.

Finally, there is a 15% transferable tax credit on funds invested in exempted businesses, which can be sold to a third party. This credit will be given priority ranking over other tax credits available in Puerto Rico.

The Act proposes amending Puerto Rico's tax code to align with the federal tax rules regarding Opportunity Zone projects. In other words, capital gains taxes will be deferred until 2026 to mirror current IRS rules, and there will be a 10% step-up in basis after five years, with an additional 5% step-up to a total of 15% on investments held for seven years.

Puerto Rico Issues Opportunity Zone Legislation (3/3)

The code allows [new residents](#) to defer capital gains taxes on earnings realized during the non-residency period.

Who is eligible

Any business seeking Priority Project approval must submit a proposal in writing to the Committee. If approval is granted, the business must file an exemption application with the Office of Industrial Tax Exemption.

Businesses currently receiving incentives under the Puerto Rico Film Industry Incentives Act, the Green Energy Incentives Act, the Export Services Act, the Tourism Development Act, or the Economic Incentives Act for the Development of Puerto Rico are not eligible for additional incentives under the Priority Project program.

Guide to Puerto Rico's Best Airbnbs (1/5)

These days, more and more travelers are opting for Airbnbs instead of traditional hotels, which has prompted the rise of Airbnbs all across the world, including [Puerto Rico](#). Airbnb offers a unique opportunity to experience your vacation destination like the locals do, and some Airbnbs offer far more than a hotel ever could. Airbnb isn't only useful for tourists, either—if you're moving to Puerto Rico for, say, the [tax incentives](#) under Act 20 and 22 (now Act 60), you can book a long-term stay at an Airbnb for a comfortable abode while you search for or prepare a more permanent home on the island.

You have to search carefully to access the best Airbnbs, however. Here's our list of the best Airbnbs in Puerto Rico.

Casa Maya @ Hilltop | Culebra

If you're looking to vacation in Culebra, a small island off the eastern coast of Puerto Rico, [this cozy beach house](#) may be the perfect way to spend your time there. With a beautiful pool on the veranda and an unbeatable view of this island paradise, this Airbnb offers one of the best ways to experience Culebra. The house itself is fairly small, making it a nice, cozy, romantic abode for a couple.

El Yunque View Treehouse | Río Grande

Want a truly unique experience in Puerto Rico's breathtakingly beautiful El Yunque rainforest, the only rainforest in the United States and its territories? Then make a reservation for the [El Yunque View Treehouse](#) in Río Grande. The house is small (it is a treehouse, after all), but it's cozy and romantic, even featuring a wood-burning fireplace. Outside, there are hammocks and gardens for the perfect Puerto Rican experience, and the property is situated in the middle of the unspoiled

Guide to Puerto Rico's Best Airbnbs (2/5)

unspoiled nature of the El Yunque rainforest.

Art Retreat/Studio | Las Piedras

Are you an artist? Any artists visiting Las Piedras are invited to check out the [Art Retreat/Studio](#), located just 25 minutes from the El Yunque rainforest. Superhost Tom provides an abundance of art supplies, and the breathtaking views provide all the inspiration an artist could ever need. Sitting on five acres of private land, this Airbnb is perfect for a relaxing retreat in Puerto Rico even if you're not an artist.

HW Tiny Home | Bayamón

The [HW Tiny Home](#) Airbnb in Bayamón makes for the perfect accommodations for nature lovers. Despite self-identifying as "tiny," the home can fit four guests in its two bedrooms, making it ideal for both romantic escapades and family getaways. It's secluded by nature, featuring a private hot tub and dartboard in the front yard, but restaurants, grocery stores, and everything else you could possibly need are close by. With a kayak and pedal boat included, this Airbnb offers an unforgettable Puerto Rican adventure.

Rancho Esto Es Vida | Villalba

If you want a truly luxurious way to spend your stay in Puerto Rican, we recommend [Rancho Esto Es Vida](#). It's small, but that's not bad—it's cozy and romantic—and what it lacks in size it makes up for in luxury. Most of the house is open, giving guests unbeatable views of unspoiled nature from the private hot tub, kitchen, living room, and more. You're coming to Puerto Rico to enjoy its beautiful nature, so why not stay outside the entire time—even when you're inside?

Guide to Puerto Rico's Best Airbnbs (3/5)

Luxury Retreat with Private Pool / Beach Access | Dorado

Are you traveling with a large group or simply want tons of space for yourself and your small group? For a truly spacious living experience in Puerto Rico, check out [this Airbnb](#) in the Dorado del Mar gated community. With four bedrooms and 2.5 bathrooms, it has room for up to 8 guests and comes complete with a barbecue grill and a private pool with a waterfall feature. The interior is beautifully decorated to fit the beach paradise theme, and book lovers can relax in the comfy reading nooks. This Airbnb is also perfect for families with children, as the hosts will provide a pool fence, high chair, children's books, and toys upon request.

Villa Azulejo | Old San Juan

Most people who come to Puerto Rico spend at least some time in San Juan, and why wouldn't they? It's a vibrant city with some of the most [unique restaurants](#) and exquisite views in the Caribbean. One of San Juan's biggest draws is Old San Juan, with cobblestone streets and historical villas donned in vibrant colors. Airbnb offers the opportunity to stay at one of these villas, such as [Villa Azulejo](#), nestled in the heart of this 500-year-old town. While history permeates the air outside in Old San Juan, the inside of Villa Azulejo is distinctly modern, with a fully equipped kitchen, a flat-screen TV, and a well-decorated interior.

Casa Valencia Suite 5 | Rincón

If you're looking for a getaway with a friend or partner in Rincón, a surfing hotspot nestled in the northwestern corner of Puerto Rico, [Casa Valencia Suite 5](#) is worth checking out. It's part of a multi-suite boutique property with a shared pool, but all suites feature their own private

Guide to Puerto Rico's Best Airbnbs (4/5)

bathroom and kitchen. With a walk-in closet, plasma TV, and luxury rain shower, this Rincón suite has all the amenities you need for a perfect beach getaway.

Breathtaking Ocean View | Fajardo

Fajardo, situated in the northeastern corner of the island, is the hub of Puerto Rico's boating activity. If you're planning on spending some time there, why not do so in style at the [Breathtaking Ocean View](#) Airbnb listing? This way, you can enjoy, as the listing suggests, a breathtaking view of all the boats sailing around in the Fajardo harbor from a hammock on the balcony. Even when you're inside, you'll feel like you're outside thanks to the distinctly beach-themed decoration style of the condominium.

10th Floor Studio ON Beach w/Pool & Parking @ Máre | Carolina

[This Airbnb listing](#) in Carolina is the ultimate in accessibility, just five minutes from the SJU airport and 15 minutes from Old San Juan. With Uber, gourmet restaurants, and tons of beautiful beaches close by, there's hardly a better place for a beach getaway near San Juan. Guests have access to a pool, gym, sauna, ping pong table, and more, making this listing ideal inside and out.

Treehouse w floating deck steps from the beach | San Juan

Treehouse Airbnbs are popular in Puerto Rico, giving guests a cozy, whimsical way to experience the best island in the Caribbean. "Cozy" is indeed the perfect word to describe this San Juan [treehouse Airbnb](#), a studio apartment that allows you to connect with nature in the middle of the big city. The treehouse features an outdoor shower with hot water and a communal kitchen in the garden where guests can either prepare

Guide to Puerto Rico's Best Airbnbs (5/5)

their own meals or enjoy a complimentary vegetarian breakfast from superhost Sylvia.

Hacienda Mi Cielo | Aguas Buenas

Nothing says “luxury” like this spacious [Airbnb](#) in Aguas Buenas. With four bedrooms and five bathrooms, this house can fit up to 13 guests. Decked out with a hot tub, infinity pool, basketball court, state-of-the-art barbecue, bonfire pit, game room, and nature trails, not to mention the breathtaking views from atop a mountain, this Airbnb is like your own private beach resort. The pool is heated, so you can enjoy it year-round, and the host can arrange a chef, masseuse, yoga instructor, grocery delivery service, helicopter transportation, and daily cleaning for an additional fee.

Puerto Rico Tax Incentives: Young Entrepreneurs (1/3)

The two well-known Puerto Rican tax incentives are Export Services (formerly Act 20) and Individual Resident Investor (formerly Act 22), but they aren't the only tax incentives Puerto Rico offers. There are [various other tax incentives](#) that aim to bring specific types of businesses to the island or, in the case of the Young Entrepreneurs, foster the talent already on the island. The Young Entrepreneurs tax incentive is open to any Puerto Rico resident between the ages of 16 and 35.

The Young Entrepreneurs tax incentive was formerly known as Act 135 before the introduction of Act 60 in 2019. While Act 135 offered, in addition to tax incentives for businesses, tax exemptions for salaries, services rendered, and self-employment income for young Puerto Rican professionals between 16 and 26, the revised Young Entrepreneur Act focuses only on businesses launched by young Puerto Rican entrepreneurs. The Puerto Rican government's intention with the act is to entice young professionals who have left Puerto Rico to return to their homeland and start a business under favorable startup conditions.

Benefits of the Young Entrepreneur Act:

- 0% fixed income tax rate (for the first \$500,000)
- 100% tax exemption on property taxes
- 100% tax exemption on municipal taxes

Who Can Be a Young Entrepreneur?

The young and innovative contribute thousands of new businesses to the U.S. economy yearly. A 2012 study found that 26% of the new entrepreneurship activity in the US was conducted by young entrepreneurs between the ages of 20 and 34. With the Young Entrepreneur tax incentive, Puerto Rico is endeavoring to bring more of

Puerto Rico Tax Incentives: Young Entrepreneurs (2/3)

Entrepreneur tax incentive, Puerto Rico is endeavoring to bring more of that entrepreneurial spirit to the island.

To qualify, a young entrepreneur must be between 16 and 35 years of age and a [bona fide resident of Puerto Rico](#). The entrepreneur must have a high school diploma or equivalent certification or be studying to obtain one. The entrepreneur's business must be an original, standalone venture that does not operate through an affiliated company. The company must be run specifically by young entrepreneur(s) only, and the entrepreneur(s) must intend to own and operate the long-term business indefinitely. To obtain the decree, the entrepreneur must apply for the incentives before launching the business and must sign a special agreement with the Secretary of the DDEC.

It is important to note that the Young Entrepreneur Act is valid for three years and is void if the entrepreneur receives a different tax incentive, such as the [Export Services Act](#) (formerly Act 20). Young entrepreneurs can receive the grant for a single business only.

Qualifying entrepreneurs require the following documents:

- Photo ID
- Original birth certificate
- High school diploma or equivalent certification, or a college degree
- Recent certification of No Tax Debt from the Treasury Department
- Tax return filing certification from the last five years with the Department of Finance
- Certificate of Incorporation, if applicable

Puerto Rico Tax Incentives: Young Entrepreneurs (3/3)

- Recent Negative Real Property Certification of CRIM (with statement)
- Compliance Certifications Administration for Child Support

The Puerto Rico Startup Culture

A vibrant and energetic city, San Juan has become a hotspot for entrepreneurship in Puerto Rico. The city boasts numerous accelerator-type programs for entrepreneurs offered by groups such as Grupo Guyacán, StartUp Popular, and Parallel 18, providing Puerto Rican entrepreneurs with funding, investment, mentorship, and a unique place to work, among other benefits. The Young Entrepreneur Act is just a further incentive to launch a business in San Juan (or elsewhere in Puerto Rico), adding to the already favorable startup environment the island offers.

Disclaimer: The material on this site is for informational purposes only and is not intended to and should not be relied upon or construed as legal or accounting advice.

Where to Live in Puerto Rico Guide (1/9)

There are many unique regions in Puerto Rico, each with its own amenities and features. With an array of locations to choose from, there is a high likelihood of finding your ideal neighborhood. With our guide, you will have no trouble finding what area is best suited for you.

We have looked into nine popular living spots:

1. Old San Juan (San Juan)
2. Condado (San Juan)
3. Miramar (San Juan)
4. Isla Verde (San Juan)
5. Guaynabo & Bayamon (San Juan)
6. Dorado
7. Bahia
8. Palmas del Mar
9. Rincon

Old San Juan

Safety: Good

Cost profile: High

Walkability: High

Population density: High

Travel time to SJU airport: 15 minutes

Serving as base for over 500 years, the island of Old San Juan is widely known and visited for its historical significance. Popular with residents

Where to Live in Puerto Rico Guide (2/9)

and locals alike, the area is teeming with life and color, from assorted boutique shops and busy restaurants, to beautiful Spanish architecture and more.

The cobblestone streets are ideal for exploring on foot, bike, or the free trolley system. History lovers can indulge in hundreds of 16th and 17th century buildings that have been restored and are open to the public, including the three forts of Old San Juan—El Morro, San Cristóbal, and San Gerónimo.

Due to the wide variety of people living here, home buyers with different budgets have several purchasing options available to them. Most of the residential housing consists of three- to four-story row-homes and multi-family structures. Prices change significantly depending on the size, unit, and location within this area. You can find units ranging from 300 square feet to more than 5,000 square feet, and prices from \$165,000 to over \$2.5 million. Rent in Old San Juan is reasonable, with a 900-square-foot property in a good area coming in at \$1,500 per month.

Condado

Safety: Good

Cost profile: High

Walkability: High

Population density: High

Travel time to SJU airport: 10 minutes

Just a few minutes from Old San Juan, Condado sits on a beautiful beach strip. The pedestrian focused region is a popular residential spot known for its peace and tranquility, as well as a good police presence

Where to Live in Puerto Rico Guide (3/9)

and a feeling of security. An array of different restaurants, shops, and casinos serve as fun destinations with the beach only a few steps away. Condado is known for having one of the most beautiful beach areas – Ocean Park. Outdoor activities are big in the area, including paddle boarding, surfing, kitesurfing, volleyball, beach tennis, and more.

Living spaces in the region offer a good mix of condos and houses, averaging \$650,000 for a multi-room condo. Prices start in the mid \$200,000 for a nice, quaint apartment, and go as high as \$3 million for a penthouse beachfront unit atop a high rise condominium. A 900-square-foot rental can be found for as low as \$1,200 per month.

Miramar

Safety: Average

Cost profile: Average

Walkability: Average

Population density: High

Travel time to SJU airport: 10 minutes

Serving as one of the two entrances to Old San Juan, the historic district of Miramar is a great location for anyone looking to be close enough to the action while enjoying more space and quiet. The more residential community appeals to families with children and retirees coming from the mainland US.

The neighborhood is home to the recently constructed Puerto Rico Convention Center that connects to the sweeping green lawns and gently spraying fountains of the Paseo de las Fuentes park. Many restaurants are also located in the area, providing several dining

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options. The Club Nautico de San Juan offers sailing enthusiasts access to a boating club, sailing lessons, and fishing events. The club hosts the annual International Billfish Tournament that lures in fishermen from around the world.

Miramar offers a more elegant neighborhood, with townhouse/condo-style housing and Spanish-style houses replete with patios and gardens. Even with a few trophy properties exceeding a \$2 million price tag, housing costs in Miramar are lower than in Old San Juan or Condado. Prices for condos come in under \$200,000, while houses generally start in the \$300,000 range. Rent in the area is inexpensive compared to other regions, with a 900-square-foot property as low as \$1,000 per month.

Isla Verde

Safety: Average

Cost profile: Average

Walkability: Average

Population density: High

Travel time to SJU airport: 5 minutes

Directly north of SJU airport is the popular social spot of Isla Verde. The busy area is home to many activities, most of them found in hotels and high rises. Apart from residential condominiums, the area hosts countless hotels that offer visitors direct access to the beaches. The coast is lined with restaurants and lounges, some of them even offering dining tables and projected movies on the sand. Rooftop lounges, nightclubs, and casinos offer great nightlife activities. The island's

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largest casino is in Isla Verde, located within two floors of the Ritz Carlton (to be reopened end of 2018).

Searching for real estate in Isla Verde is rewarding considering the number of units on the market at any given time. With a good mix of condos and residential homes with close proximity to San Juan, finding a spot for \$300,000 is easy. Luxurious properties in the area can exceed the \$1 million price tag, though most homes cost less than \$600,000. Rent in Isla Verde is inexpensive with, 900-square-foot apartments available for as low as \$1,000 per month.

Guaynabo & Bayamon

Safety: Average

Cost profile: Low

Walkability: Low

Population density: High

Travel time to SJU airport: 30 minutes

Sitting four miles apart from each other, Guaynabo and Bayamon are considered one by many. Home to about 250,000 residents, this regions is detached from the busy San Juan city and beach commotion. Offering a much more residential feel, this region is home to several industries covering healthcare, social aid, finance, insurance, retail trade, educational services, tech, and more. About 20 minutes inland, Guaynabo and Bayamon have several restaurants and popular attractions. You can find one of the islands most beautiful waterfalls, Poza Prieta Waterfall, hidden in Bayamon, along with the recently reopened 42-acre science museum. For great authentic Puerto Rican

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food, Guaynabo has many spots offering delicious and inexpensive bites.

Only a few miles from the capital, real estate prices significantly drop. It is typical to find a nice property with a yard for under \$250,000.

Investing \$300,000 for a new residence in the area will get you far.

Residences of all sizes are available. Large properties can be found for \$5,000 per month, but overall, rent is low, with 3-bedroom apartments costing \$1,000 per month.

Dorado

Safety: Good

Cost profile: High

Walkability: Low

Population density: Low

Travel time to SJU airport: 35 minutes

About 30 minutes west of San Juan, Dorado offers residents ocean views with quiet and peaceful neighborhoods. A hot spot for tourists, surfers, and boaters, the hotels, golf courses, tennis courts, and beaches draw in visitors looking for a break from the action in San Juan. With about 40,000 residents, 10% of San Juan's population, getting in and out of Dorado is rarely a problem. While Dorado is amenity rich, the commute and traffic in and out of San Juan for business and pleasure should be a consideration. Oftentimes, transportation like Uber is only available from San Juan, not to it. On the plus side, Dorado is close to all cities and spots towards the western part of the island.

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Real estate prices in the Dorado Beach Resort are some of the highest on the island, almost always topping \$1 million. If you choose to live outside of the gated portion, prices revert back to around \$300,000 for a 3-bedroom, 3-bath property.

Bahia

Safety: Good

Cost profile: High

Walkability: Low

Population density: Low

Travel time to SJU airport: 35 minutes

Located in the northeast of the Island, Bahia is blooming with nature and tranquility. Bahia Beach Resort is affiliated with the St. Regis, a popular alternative to Dorado's Ritz Carlton.

Similar to Dorado, if you decide to live here, you'll be more isolated from the metro area and with less population. Living near Rio Grande, the closest city to Bahia, does enable quicker access to the coastal city of Fajardo, the most popular place to store a boat with quick access to the islands of Culebra and Vieques. You will also be closer to El Yunque, the sprawling rain forest national park.

Real estate here is generally cheaper than Dorado, but with less options. The starting purchase price for living inside one of the golf course communities is \$300,000.

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Palmas del Mar

Safety: Good

Cost profile: Average

Walkability: Average

Population density: Average

Travel time to SJU airport: 1 Hour

Residents of Palmas del Mar, near the city of Humacao, love to tout the strong sense of community and family. Located in the southeast corner of Puerto Rico, 1 hour from San Juan, this is a popular location to live “away from San Juan.” Living here is affordable, amenity-rich, and nearly on the beach. Similar to the city of Fajardo just to the north, Palmas is a boating mecca with some of the best boating infrastructure. One thing to consider is your travel time to San Juan, and how your social and entertainment options may be reduced by living outside of the main city.

Real estate here is varied, with many price points and developments from which to choose. Starting at \$250,000 you can live within a community on the beach.

Rincon

Safety: Good

Cost profile: Low

Walkability: Average

Population density: Low

Travel time to SJU airport: 2.5 hours

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Quiet and peaceful, Rincon is nestled in the westernmost end of the island, about 2 hours from San Juan. With open views of the Atlantic, the smaller beaches have not yet been taken over by hotels. You'll find a very "local" feel here, albeit with many expats who relish the outdoors. Rincon is famous for surfing, which draws in people from around the world, especially during surf competitions. Despite being far from San Juan, Rincon has the infrastructure and services to support your needs, and the needs of families and business owners alike. The major city of Mayaguez is just to the south, and offers a small airport and common shops.

Real estate here is generally very affordable, with small houses starting at \$150,000. If you like the vibes of Rincon, you should also take a look at the nearby coastal cities of Aguadilla and Isabela.

Have specific questions, want our personal opinion, or need a real estate referral? [Contact or chat with us.](#)

Cost of Living in Puerto Rico vs. Cost of Living in the U.S. (1/4)

Living in Puerto Rico under one of its [many tax incentive programs](#) offers numerous advantages to U.S. citizens: the beautiful weather, the vibrant Caribbean lifestyle, and, of course, the comparatively low cost of living. What's really great about Puerto Rico is that the quality of life is high and residents can access state-of-the-art health care, high-speed internet, and exciting cultural experiences, all for a lower price than in the Mainland U.S.

Though Puerto Rico is a U.S. territory, it has developed its own economy and laws as a Caribbean island. It is American yet offers an island paradise lifestyle with relatively low prices: in other words, it's the perfect destination for Americans looking to relocate.

Cost of Living in Puerto Rico

The cost of living varies across different regions of Puerto Rico, and the same is true for the U.S. Therefore, it's impossible to give a comparison that will be accurate for all situations. Here, we'll compare the two most expensive cities in Puerto Rico and the U.S.—San Juan and New York City—using [data pulled from Numbeo](#) to give you a rough idea. If you are moving from a rural area to San Juan, the price differences may not be so stark, but in general, if you are moving from a U.S. city, anywhere in Puerto Rico will be considerably cheaper.

Overall, the living costs in San Juan are roughly 50% of those in New York City. Restaurant meals are much easier to afford in San Juan, with prices 50% to 70% lower. Good news for beer lovers: it's as much as 160% cheaper. Supermarket prices are also generally lower, varying depending on the food, but expect to save around 50% on your overall grocery list.

Cost of Living in Puerto Rico vs. Cost of Living in the U.S. (2/4)

In San Juan, you can use public transportation for significantly less than in NYC—a monthly pass is nearly 300% cheaper. However, taxis, gasoline, and new cars are, surprisingly, more expensive in San Juan. Similarly, you'll have to pay more for utilities in San Juan—not everything is better.

When it comes to the most important expense, though—rent or housing prices—San Juan is clearly far superior to New York City. You're almost guaranteed to pay significantly less in San Juan for an equivalent apartment or house in New York City, with savings around 300%. In San Juan, the average three-bedroom apartment in the city center costs \$1,532.35 per month, whereas it would be \$6,805.79 in NYC.

Live a Better Life in Puerto Rico

Under tax incentives like the [Act 60 Export Services incentive](#), you can live a better life in Puerto Rico than in the Mainland United States. Businesses that qualify for the Export Services tax incentive are based in Puerto Rico but export their services overseas, meaning they can boost their income through Puerto Rico's lower cost of living, since their revenue comes from abroad. With this setup, it's easy to live a luxurious life in Puerto Rico.

Puerto Rico's low expenses are one of the main draws of people to the island—alongside, of course, its beautiful weather and vibrant culture. Everyone's situation is different, but in general, living in Puerto Rico is cheaper than living in the Mainland U.S.

Have specific questions? [Contact or chat with us.](#)

Cost of Living in Puerto Rico vs. Cost of Living in the U.S. (3/4)

Cost of living in San Juan vs. NYC			
Category	Item	PR Price (\$)	US Price (\$)
Food	Meal for 2 in standard restaurant	\$13.00	\$20.00
	Meal for 2 in fast food chain (Burger King, etc.)	\$7.00	\$10.00
	Pepsi (0.33 L)	\$1.37	\$2.28
	Water (0.33 L)	\$1.06	\$1.83
	Bread (1 loaf)	\$2.29	\$3.82
	Cheese (1 kg)	\$8.82	\$15.08
	Eggs (1 dozen)	\$2.84	\$3.69
	Milk (1 L)	\$1.78	\$1.17
	Boneless Chicken (1 kg)	\$8.64	\$14.08
	Tomatoes (1 kg)	\$4.98	\$5.35
	Onions (1 kg)	\$2.49	\$3.72
Housing	1 BR apt. in city center (cities vary)	\$792.11	\$3,329.08
	1 BR apt. Away from city center (cities vary)	\$547.06	\$2,022.47
Transportation	Internet	\$66.45	\$63.00
	Fuel (1 L)	\$0.77	\$0.76
	One-month public transport pass	\$32.50	\$127.00
	Taxi (1 km)	\$2.00	\$1.86
	New vehicle (Volkswagen Golf 1.4)	\$25,000.00	\$22,000.00

Cost of Living in Puerto Rico vs. Cost of Living in the U.S. (4/4)

Cost of living in San Juan vs. NYC			
Childcare	One month of preschool for 1 child	\$390.83	\$2,390.81
Clothes	Jeans	\$45.42	\$54.65
	Business shoes	\$89.41	\$136.29
	Dress	\$50.83	\$40.82
Entertainment	Gym membership (monthly)	\$34.56	\$74.89
	Movie ticket	\$8.00	\$17.00
	Local beer (0.5 liter)	\$1.67	\$3.19

How 1031 Exchanges Work in Puerto Rico (1/3)

The United States encompasses quite a few bits of land around the world. From the U.S. Virgin Islands in the Caribbean to Guam in Micronesia, American soil stretches far. But how far around the world can a 1031 real estate exchange go?

Where do 1031 exchanges work?

The Northern Marianas, Guam, and the U.S. Virgin Islands are all listed as viable locations to carry out a U.S. to U.S. 1031 exchange thanks to a series of government treaty interpretations and regulations last updated in 2005. However, Puerto Rico is not included on this list of coordinated territories. Meaning that while Puerto Rico is most certainly a United States Territory, you cannot carry out a 1031 exchange selling within the 50 United States and purchasing there.

While this might be disappointing for an investor eyeing Puerto Rico as a potential place for investment, there may be alternative ways to get the most out of investing in the islands.

Other options for Puerto Rico

Of course, an investor could simply decide to forgo the tax deferral of the 1031 exchange for a potentially more lucrative offshore opportunity. Common wisdom is to not let the “tax tail wag the dog.” In other words, don’t forgo greater potential returns simply to save less money come tax season.

However, there are also a couple of ways to have your tax deferral cake and eat it too. For someone desiring to keep the tax deferral inside their 1031 activity, it is still possible to complete a 1031 domestically and then refinance to pull cash out to invest in Puerto Rico. Proceeds from a

How 1031 Exchanges Work in Puerto Rico (2/3)

cash-out refinance are not taxable. All tax would still be deferred inside the 1031 and the cash generated is now free to be deployed wherever the investor desires.

Another option that is now available is to use the cash to invest in something called a “Qualified Opportunity Zone.” [Qualified Opportunity Zones](#) were created recently as part of the Tax Cuts and Jobs Act bill of December 22, 2017. Established to stimulate community development, the zones are set up to attract long-term investors with alluring tax benefits. Investments in areas of states that have been deemed economically distressed will be granted a new tax break that lets investors reduce, defer, and potentially eliminate capital gains taxes with investments into [Opportunity Funds](#). While some of the tax benefits are available to investors immediately, Opportunity Zones are designed to encourage investors to stay long term. Investors that remain a full ten years in an Opportunity Zone will receive the most tax incentives.

To qualify, an area must have at least a 20% poverty rate to be an Opportunity Zone, and the average income within the zone must be lower than 80% of the state’s median income. While states have a limited number of areas that may be classified as an Opportunity Zone, the whole of the islands of [Puerto Rico](#) is designated as a Qualified Opportunity Zone. This means that any [investment in Puerto Rico](#) can now be a tax-free activity for those who keep their capital there using the structure of the Qualified Opportunity Zone.

Investors can defer taxes on prior gains until at least December 31, 2026, as long as the gain is then reinvested in a Qualified Opportunity Fund.

How 1031 Exchanges Work in Puerto Rico (3/3)

Regulations and interpretations are being issued almost weekly, including guidance on elimination and not just deferral of the capital gain from investing in a Qualified Opportunity Zone. Stay tuned – Utilizing Opportunity Zones may be the next great way to maximize one's real estate investing while having a positive impact on communities in need.

The Best Puerto Rican Cities for Vacations and Retirement (1/4)

Puerto Rico is a popular vacation destination, welcoming between [three to five million](#) visitors each year. It's particularly beloved among U.S. vacationers, and it's no surprise why: As Puerto Rico is a U.S. territory, U.S. tourists can still use Medicaid and U.S. dollars (while enjoying Puerto Rico's [much lower expenses](#)!) and don't even need a passport.

Puerto Rico is not only popular among vacationers—there are also countless people who have or are planning to relocate to this Caribbean island paradise, whether it's for retirement or to take advantage of Puerto Rico's generous [tax incentives](#) under Act 60, like the Export Services and Individual Resident Investor tax incentives (or both!). If you're planning to come to Puerto Rico for a long-term stay, there are plenty of different cities to choose from to reside in. Here are some of the top Puerto Rican cities to live in, whether for retirement, a long vacation, or the Act 60 tax incentives.

San Juan

You just can't have a list of Puerto Rican cities without mentioning San Juan, Puerto Rico's beautiful capital. With a population of nearly 400,000, San Juan offers tons of excitement and attractions but is still relatively down-to-earth compared to major cities like New York City or Los Angeles. It's a great option for those seeking top [entertainment venues](#), unique and high-quality restaurants, and exciting nightlife.

As with any city, it's also important to research the individual neighborhoods before actually relocating. Certain parts of San Juan can be dangerous at night, particularly lower-income areas. However, San Juan also boasts a variety of beautiful neighborhoods that are safe at any time of day. Old San Juan, Isla Verde, Miramar, and Condado are

The Best Puerto Rican Cities for Vacations and Retirement (2/4)

great options for anyone looking to spend a significant amount of time in San Juan. Everything is so accessible that many people who move to these neighborhoods simply walk or take an Uber to their favorite places instead of buying a car.

Rincón

Rincón is a beautiful beach town nestled on the northwestern tip of Puerto Rico. Its many beaches make it a popular destination for surfers, but even if you're not interested in riding the waves, this small town is a wonderful option for a slower, quieter life. With only 15,000 inhabitants, Rincón lets you escape the hustle and bustle of city life and enjoy a relaxed beach lifestyle.

The large number of tourists the town welcomes means that despite its size, it's well-equipped with high-quality restaurants, accommodations, and other entertainment venues. Nonetheless, it remains a remarkably affordable option, with a lower cost of living than San Juan or other popular vacation and retirement destinations, such as Dorado.

Dorado

Dorado isn't cheap, but in return for the relatively high cost of living, you get to enjoy a life of luxury—a true Caribbean paradise lifestyle. It's the go-to city for Puerto Rican politicians and celebrities, too. The entire town offers a resort-life lifestyle, with golf courses, shopping centers, and a water park, despite its low population of around 30,000. This luxurious town hugging the island's northern coast is also, naturally, endowed with countless beautiful beaches.

The Best Puerto Rican Cities for Vacations and Retirement (3/4)

Dorado's popularity is also its downside, however. Since so many people, particularly Americans relocating to Puerto Rico under Act 60 tax incentives, want to make this luxurious beach paradise their home, finding real estate can be a challenge, and when you do find a suitable property, expect to pay a hefty sum for it.

Humacao

In the center of Puerto Rico's eastern coast, you'll find a cozy little beach resort town with a population of only 2,000 but all the facilities and amenities of a big city. If you want to enjoy the luxury and convenience of a big city with the peace and serenity of a small town, Palmas del Mar is the place for you. In addition to shopping centers, top-quality restaurants, and breathtaking beaches, the beach resort town also offers two golf courses, an equestrian center, and an astounding 20 tennis courts.

Sound too good to be true? You do have to bear in mind two downsides. First, life in Palmas del Mar is a bit on the pricy side. Second, it's a bit of a drive from San Juan, which can be inconvenient if you want to get to the airport or attend an event in Puerto Rico's bustling capital.

Ponce

Ponce, located on Puerto Rico's southern coast, is the island's second-biggest city, boasting a population of around 145,000. If you're looking for culture, Ponce may be a good city to check out, given its historical importance and numerous cultural assets, including museums, libraries, galleries, and parks. The city also hosts several festivals and cultural events each year, so life in Ponce never gets boring. As the locals say, "Ponce is Ponce; everything else is parking."

The Best Puerto Rican Cities for Vacations and Retirement (4/4)

The biggest downside of Ponce is its relative isolation, located away from most other major cities and on the opposite side of the island from San Juan. Since Ponce is surrounded by the relatively rural and impoverished regions of the island's southwest, travel within Puerto Rico is a bit less convenient from Ponce.

Culebra

If you're looking for a true tropical island paradise, Culebra might be right for you. Culebra is a collection of sparsely populated islands off the eastern coast of Puerto Rico with a population of less than 2,000. The islands offer a laid-back lifestyle, and all the stores and restaurants are local and Puerto Rican—there are no major chains on the island. It's home to some of the nicest beaches in the country and perfect for anyone who loves swimming or snorkeling.

The obvious disadvantage to Culebra, however, is its isolation—18 miles off the coast of mainland Puerto Rico, getting to and from San Juan isn't that easy.

Cayey

Puerto Rico is renowned for its beautiful beaches, but that doesn't mean the island has nothing to offer inland. If you're more interested in the fresh air and beauty of the heart of Puerto Rico's mountains, Cayey might be the right place for you. It has cooler weather than the rest of famously hot Puerto Rico, making it ideal for people who wish to relocate to Puerto Rico for the Act 60 tax incentives but who don't particularly like the beach lifestyle. The 6,000-acre Carite Forest Reserve is perfect for nature lovers, featuring a dwarf forest and ample bird-watching opportunities.

15 Things to Know Before Moving to Puerto Rico (1/7)

This post was authored by Puerto Rico resident Sean King on July 24, 2018, and updated for Act 60 on March 13, 2020.

We did years' worth of diligence before moving to Puerto Rico, and it mostly panned out. We absolutely love PR and San Juan and are so very grateful for the experience and how welcoming everyone has been to us.

However, there are a few things I wish I had known and planned for that simply didn't come up during our diligence. I'll post most of them here in case any readers considering a move can benefit from knowing them in advance. (If I have any of these wrong, I welcome being corrected by those more knowledgeable or experienced.)

1. Your Act 60 (formerly Act 20 and Act 22) decrees only offer the lower tax rate on certain types of income, not all types.

[The Individual Resident Investor tax incentive](#) applies only to any interest or dividends, or to any capital gains, on the sale of valores. Valores is a Spanish word that translates as “values” or “valuables,” but it can also have the narrow, technical meaning of “securities.” Most decrees, which are, in theory, binding contracts with the Puerto Rico government, currently translate it simply as “investment assets,” which is a pretty broad term. In this case, broad is good. [The Export Services](#) tax incentive only applies to “export services income”—that is, to income earned for providing certain types of pre-approved services from Puerto Rico to people or entities outside of Puerto Rico. So, don't make the mistake of assuming that you get the favorable Act 60 rates on all types of income. You don't.

15 Things to Know Before Moving to Puerto Rico (2/7)

2. PR taxes its residents on their *worldwide income*, not just income earned within or sourced to PR.

Even income sourced to the mainland (such as for services you provide while visiting the mainland) or to another country (such as for services provided while in another country) must generally be reported on your PR tax return and any resulting taxes calculated there. However, that same income will also generally get reported on your US (or foreign) tax return with any resulting taxes calculated there too. Does that mean you're effectively double-taxed? No. PR gives you a foreign tax credit against your PR taxes for any taxes you pay to the mainland (or a foreign country), so you don't end up double-paying taxes on this income. But, if PR rates are higher than the mainland or foreign rates, and they often are if the income in question doesn't qualify under your Act 60 decree, you'll still effectively end up paying the higher of the two tax rates on that income. Again, this only applies to income earned (sourced) outside of PR. Income earned within (sourced to) PR is only reportable on your PR returns (if you are a U.S. citizen, at least) and only subject to the PR tax rates, which are very low if it is a type of income that qualifies under Act 60.

3. Act 60 Export Services tax incentive benefits are presently only available to PR business entities (corporations, LLCs, etc.) and not to sole proprietorships.

You'll need to form a new PR entity that will apply for the Act 60 decree. If you presently operate as a sole proprietorship, you'll need to figure out how to redirect qualifying future income to your new PR entity. This may mean rewriting contracts with your customers/suppliers. In some

15 Things to Know Before Moving to Puerto Rico (3/7)

industries (e.g., the securities industry), redirecting the income to a PR entity may be difficult or impossible due to licensing and regulatory issues. Be sure to think that through in advance.

4. PR requires companies with more than \$1 million in gross revenue to report their income using the accrual basis of accounting.

Why? Just because.

5. PR requires essentially all companies with more than \$3 million in gross revenue to have audited financials each year.

Why? Just because.

6. You must register your Act 60 business in the municipality(ies) from which it operates, even if you are working from home.

Those municipalities will assess a small tax on the entity's gross revenue generated from within the municipality. Though the rate will be reduced considerably for Act 60decree holders, it's not usually zero.

7. Items 4, 5, and 6 above operate together to incentivize maximizing your Act 60 entity's net income while minimizing its gross revenue.

Think about ways to do that in advance.

8. Assuming your Act 60 entity is owned only by bona fide residents of PR, it should be exempt from U.S. tax withholding for any payments made to it from U.S. people or companies.

You may need to provide each U.S. payer with a properly completed [IRS Form W-8BEN-E](#) so that they know not to withhold.

15 Things to Know Before Moving to Puerto Rico (4/7)

Once done, these U.S. payers should not have to issue your PR entity an [IRS Form 1099](#) each year.

10. PR does not recognize US–based retirement plans such as 401(k)s, IRAs, defined benefit plans, Roth IRAs, etc. as “tax-qualified” under PR tax law.

Combined with number 2 on this list, this means that PR residents will pay PR taxes on gains within these plans/accounts (even within Roth IRAs!) that accrue after their move to PR. Account balances that existed prior to the move to PR aren't subject to PR tax, as I understand it. Furthermore, PR residents will pay tax on post-move gains within these U.S. retirement plans at PR tax rates. Individual Resident Investor tax treatment appears to be unavailable for assets owned within these plans, unless the plans can somehow be characterized as grantor trusts under PR law. It's unclear to me whether those gains are taxed as they accrue within the plan after one's move or only upon withdrawal from the plan after one's move. Regardless, you'll need to plan around this unfortunate fact. For instance, depending upon your circumstances, it may be preferable to cash out your US-based retirement plans, even Roth arrangements, upon your move to PR, pay out any tax owed to the IRS on the cash, and then invest the proceeds in after-tax arrangements that qualify under the Individual Resident Investor act. That way, future gains will continue to grow tax-free under the Individual Resident Investor act, even though you will have suffered a one-time payment of U.S. tax on the cash-out. There may be other ways of resolving this issue, but my point is that you should think it through in advance.

15 Things to Know Before Moving to Puerto Rico (5/7)

11. Notaries in Puerto Rico are legally required to be lawyers.

In other words, only lawyers can be notaries. Seriously. Why? Because Puerto Rico.

12. You have to have a notary's/lawyer's signature to do pretty much anything in PR.

To buy real estate, to get a license for medical cannabis, or even to just file your rinky-dink San Juan Municipal “Volume of Business” tax return—you need a notary's or lawyer's signature for it all. So, make friends with a good notary. Since, presumably, most people in the PR legislature are lawyers, they apparently want to make sure that lawyers get paid a small piece of every deal by requiring a notary signature on most everything.

13. In Puerto Rico real estate transactions, a notary basically provides the services that a title company would in the mainland but at a much higher cost.

The fee charged by notaries for real estate mortgage transactions is apparently fixed by statute and is a percentage of the original mortgage balance. This fee gets charged whether you're doing a bank mortgage or a private mortgage. For a large mortgage, the notary fees can be tens of thousands of dollars. And, unfortunately, a notary must be involved both when you originate the mortgage and when you retire or cancel that same mortgage. So, notaries get paid the statutorily mandated percentage twice for every mortgage! How convenient! Alas, without understanding this, I bought a residence down here with a large mortgage that I retired about six months later, costing me tens of thousands in unnecessary notary fees. I should have just paid cash up

15 Things to Know Before Moving to Puerto Rico (6/7)

front, but there were reasons that I didn't. I'm not complaining—I'm just trying to make sure that you understand the system better than we did.

Just like the government is looking out for the notaries, they are apparently also looking out for the banks.

14. The government won't take a personal or corporate check for hardly anything (neither for tax payments, nor for filing fees, nor for tickets), no matter how small.

Instead, they demand a certified check or manager's check, for which you'll pay the bank a pretty penny and probably waste an hour of your time, regardless of how large a customer you are for them.

5. The banking services here... well... suck.

Everything is ridiculously slow, and you get charged a pretty penny for everything—for a certified check, to send a wire, to receive a wire (in what other states do banks charge to RECEIVE wires?)—no matter how big or important you are. Plus, the banks here are very nosey. They take AML/KYC and fraud prevention to an extreme no matter who you are. Expect lots of annoying and invasive questioning about large or small checks, wires, etc. The banking experience here is manageable, but don't expect a mainland type of experience.

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15 Things to Know Before Moving to Puerto Rico (7/7)

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Puerto Rico is 90% heaven and 10% hell. So long as you're prepared for the hell, you'll love it here. We certainly do. I'm just sharing this information so that you can be prepared for all of this wonderful place, the good and the bad.

Disclaimer: The views expressed in this article are those of the author and do not necessarily reflect those of PRelocate. The contents of this post are meant for informational purposes only and should not be construed as legal or financial advice. Please consult a legal or tax professional for more information on your specific situation.

Where to Obtain a Background Check in Puerto Rico (1/17)

A criminal background check is required for all Puerto Rico tax applications. Use the table below for instructions on how to obtain a background check in your last state of residence.

[Contact us](#) for clarification on fingerprints, certified copies, and issuing authorities.

Arkansas

State Identification Bureau
Arkansas State Police
One State Police Plaza Drive
Little Rock, AR 72209
(501) 618-8500

<https://www.ark.org/criminal/index.php>

Arizona

Arizona Department of Public Safety
Post Office Box 6638 Mail Drop 1120
Phoenix, AZ 85005-6638
(602) 223-2000

http://www.azdps.gov/services/records/criminal_history_records/

Alaska

Criminal Records and Identification Bureau
Department of Public Safety
5700 East Tudor Road
Anchorage, AK 99507-1225
(907) 269-5767

<http://www.dps.state.ak.us/statewide/background/>

Where to Obtain a Background Check in Puerto Rico (2/17)

Alabama

Alabama Bureau of Investigation
Department of Public Safety
Post Office Box 1511
Montgomery, AL 36102-1511
(334) 353-1100

<http://www.alea.gov/home/wfContent.aspx?PLH1=plhACJIC-CriminalHistory>

California

Bureau of Criminal Information and Analysis
California Department of Justice
Room G-118
4949 Broadway
Sacramento, CA 95820-1528
(916) 227-3849

appagencyquestions@doj.ca.gov

<https://oag.ca.gov/fingerprints/security>

Colorado

Colorado Bureau of Investigation
690 Kipling Street, Suite 3000
Denver, CO 80215-5825
(303) 239-4201

<https://www.colorado.gov/pacific/cbi/internet-background-checks>

Where to Obtain a Background Check in Puerto Rico (3/17)

Connecticut

Criminal Justice Information Systems
Department of Emergency Services and Public Protection
Connecticut State Police
1111 Country Club Road
Middletown, CT 06457-9294
(860) 685-8190
<http://www.ct.gov/csao/cwp/view.asp?q=428036&csaoNav=>

Delaware

Delaware State Bureau of Identification
Post Office Box 430
Dover, DE 19903-0430
(302) 672-5300
http://www.dsp.delaware.gov/state_bureau_of_identification.shtml

District of Columbia

Fingerprint Analysis Branch
Metropolitan Police Department
Room 4056
300 Indiana Avenue, NW
Washington, D.C. 20001
(202) 727-4081
<http://mpdc.dc.gov/page/automated-fingerprint-identification-section>

Florida

Florida Department of Law Enforcement
2331 Phillips Road
Tallahassee, FL 32308

Where to Obtain a Background Check in Puerto Rico (4/17)

BackgroundChecks@fdle.state.fl.us

(850) 410-8161

<https://www.fdle.state.fl.us/Criminal-History-Records/Record-Check>

Georgia

Georgia Crime Information Center

Georgia Bureau of Investigation

3121 Panthersville Road

Decatur, GA 30037-0808

(404) 270-8403

<https://gbi.georgia.gov/obtaining-criminal-history-record-information>

Hawaii

Hawaii Criminal Justice Data Center

Department of the Attorney General

Room 102, Kekuanao'a Building

465 South King Street

Honolulu, HI 96813-2911

(808) 587-3110

<http://ag.hawaii.gov/hcjdc/criminal-history-records-check/>

Idaho

Idaho State Police

Bureau of Criminal Identification

700 South Stratford Drive, Suite 120

Meridian, ID 83642-6251

(208) 884-7136

<https://isp.idaho.gov/BCI/>

Where to Obtain a Background Check in Puerto Rico (5/17)

Illinois

Bureau of Identification

Illinois State Police

260 North Chicago Street

Joliet, IL 60432-4075

(815) 740-5160

www.isp.state.il.us/crimhistory/chri.cfm

Indiana

Records Division

Indiana State Police

Indiana Government Center, North

100 North Senate Avenue, RM# N301

Indianapolis, IN 46204

(317) 232-8265

<http://www.in.gov/dcs/2363.htm>

Iowa

Iowa Department of Public Safety

Division of Criminal Investigation

215 East Seventh Street

Des Moines, IA 50319-0045

(515) 725-6010

http://www.dps.state.ia.us/DCl/supportoperations/crimhistory/obtain_records.shtml

Where to Obtain a Background Check in Puerto Rico (6/17)

Kansas

Information Services Division
Kansas Bureau of Investigation
1620 Southwest Tyler Street
Topeka, KS 66612-1837
(785) 296-8200

<http://www.kansas.gov/kbi/criminalhistory/>

Kentucky

Criminal Identification and Records Branch
Kentucky State Police
1250 Louisville Road
Frankfort, KY 40601-1907
(502) 227-8700

<http://courts.ky.gov/aoc/criminalrecordreports/Pages/default.aspx>

Louisiana

Bureau of Criminal Identification and Information
Office of State Police
Louisiana Department of Public Safety and Corrections
Post Office Box 66614 Mail Slip A-6
Baton Rouge, LA 70896-6614
(225) 925-6096

<https://ibc.dps.louisiana.gov/faq.aspx>

Maine

Maine State Bureau of Identification
45 Commerce Drive, SHA42
Augusta, ME 04333-0042

Where to Obtain a Background Check in Puerto Rico (7/17)

(207) 624-7200

<https://www.maine.gov/boardofnursing/licensing/criminal-background-check.html>

Maryland

Criminal Justice Information Systems

Central Repository

Maryland Department of Public Safety & Correctional Services

Post Office Box 32708

Pikesville, MD 21282-2708

(410) 764-4501

<https://www.dpscs.state.md.us/publicservs/bgchecks.shtml>

Massachusetts

Massachusetts State Police

State Identification Section

59 Horse Pond Rd.

Sudbury, MA 01776

508-358-3170

<https://www.mass.gov/criminal-record-check-services>

Michigan

Science, Technology, and Training Bureau

Michigan State Police

Post Office Box 30634

Lansing, MI 48909-0634

(517) 332-2521

http://www.michigan.gov/msp/0,4643,7-123-1878_8311—,00.html

Where to Obtain a Background Check in Puerto Rico (8/17)

Minnesota

Minnesota Justice Information System

Minnesota Department of Public Safety-BCA

1430 Maryland Avenue East

Saint Paul, MN 55106

(651) 793-2400

<https://dps.mn.gov/divisions/bca/Pages/background-checks.aspx>

Mississippi

Mississippi Criminal Information Center

Mississippi Department of Public Safety

Post Office Box 958

Jackson, MS 39205-0958

(601) 933-2600

http://msdh.ms.gov/msdhsite/_static/30,0,206.html

<https://apps.msdh.ms.gov/fts/>

Missouri

Criminal Justice Information Services Division

Missouri State Highway Patrol

Post Office Box 9500

Jefferson City, MO 65102-9500

(573) 526-6153

www.mshp.dps.missouri.gov/MSHPWeb/PatrolDivisions/CRID/crimRecChk.html

Where to Obtain a Background Check in Puerto Rico (9/17)

Montana

Investigative Support Bureau
Division of Criminal Investigation
Montana Department of Justice
Post Office Box 201417
Helena, MT 59620-1417
(406) 444-9759

<https://dojmt.gov/enforcement/background-checks/>

Nebraska

Criminal Identification Division
Nebraska State Patrol
Post Office Box 94907
State House Station
Lincoln, NE 68509-4907
(402) 471-4545

<http://www.nebraska.gov/clickBackground/>

Nevada

Records and Technology Division
Nevada Department of Public Safety
Suite 100
333 West Nye Lane
Carson City, NV 89706
(775) 684-6262

http://rccd.nv.gov/Services/Records_Bureau/

Where to Obtain a Background Check in Puerto Rico (10/17)

New Hampshire

Criminal Records Unit
Division of State Police
New Hampshire Department of Safety
33 Hazen Drive
Concord, NH 03305
(603) 223-8402

<https://www.nh.gov/safety/divisions/nhsp/ssb/crimrecords/>

New Jersey

State Bureau of Identification
New Jersey State Police
Post Office Box 7068
West Trenton, NJ 08628-0068
(609) 882-2000

www.njsp.org/criminal-history-records/

New Mexico

Law Enforcement Records Bureau
New Mexico Department of Public Safety
Post Office Box 1628
Santa Fe, NM 87504-1628
(505) 827-9000

<https://www.dps.nm.gov/top-links-for-nm-residents/fingerprinting-and-background-checks>

Where to Obtain a Background Check in Puerto Rico (11/17)

New York

Record Review Unit

Office of Criminal Justice Operations

New York State Division of Criminal Justice Services

80 South Swan Street

Albany, NY 12210

(518) 485-7675

www.criminaljustice.ny.gov/ojis/recordreview.htm

North Carolina

North Carolina State Bureau of Investigation

Post Office Box 29500

Raleigh, NC 27626-0500

(919) 662-4509

<https://www.ncdps.gov/our-organization/law-enforcement/background-checks>

North Dakota

Bureau of Criminal Investigation

North Dakota Office of the Attorney General

Post Office Box 1054

Bismarck, ND 58502-1054

(701) 328-5500

<https://attorneygeneral.nd.gov/public-safety/criminal-history-records/requesting-criminal-history-record-check>

Where to Obtain a Background Check in Puerto Rico (12/17)

Ohio

Ohio Bureau of Criminal Identification and Investigation

Post Office Box 365

London, OH 43140-0365

(740) 845-2000

<https://www.ohioattorneygeneral.gov/FAQ/Background-Check-FAQs.aspx#FAQ86>

Oklahoma

Criminal Identification Section

Oklahoma State Bureau of Investigation

6600 North Harvey

Oklahoma City, OK 73116-7910

(405) 848-6724

<https://www.ok.gov/osbi/faqs.html>

Oregon

Oregon State Police

General Headquarters

3565 Trelstad Ave SE

Salem, OR 97317

Phone: (503) 378-3070

<https://www.oregon.gov/osp/programs/cjis/Pages/CCH.aspx>

Pennsylvania

Operational Records Division

Bureau of Records and Identification

Pennsylvania State Police

Where to Obtain a Background Check in Puerto Rico (13/17)

1800 Elmerton Avenue
Harrisburg, PA 17110
(717) 783-5599

<http://www.psp.pa.gov/Pages/Request-a-Criminal-History-Record.aspx#.V1CJQL7Ozmw>

Texas

Crime Records Service
Texas Department of Public Safety
Post Office Box 4143
Austin, TX 78765-4143
(512) 424-2590

<https://records.txdps.state.tx.us/dpswebsite/criminalhistory/>

Utah

Bureau of Criminal Identification
Utah Department of Public Safety
Post Office Box 148280
Salt Lake City, UT 84114-8280
(801) 965-4939

<https://bci.utah.gov/obtaining-utah-criminal-history-records-of-your-employees/>

Rhode Island

Bureau of Criminal Identification
Department of Attorney General
150 South Main Street
Providence, RI 02903

Where to Obtain a Background Check in Puerto Rico (14/17)

(401) 274-4400

<http://www.riag.ri.gov/homeboxes/BackgroundChecks.php>

South Carolina

Criminal Justice Records Section
South Carolina Law Enforcement Division

Post Office Box 21398

Columbia, SC 29221-4012

(803) 737-9000

<https://catch.sled.sc.gov/>

South Dakota

South Dakota Division of Criminal Investigation

Mickelson Criminal Justice Center

1302 East Highway 14, Suite 5

Pierre, SD 57501-5070

(605) 773-3331

http://uj.s.sd.gov/Self_Help_Center/recordsearch.aspx

Tennessee

Records and Identification Section

Tennessee Bureau of Investigation

901 RS Gass Boulevard

Nashville, TN 37216-2639

(615) 744-4078

<https://www.tn.gov/tbi/article/background-checks>

Where to Obtain a Background Check in Puerto Rico (15/17)

Vermont

Vermont Criminal Information Center
Vermont Department of Public Safety
103 South Main Street
Waterbury, VT 05671-2101
(802) 244-8727

<http://vcic.vermont.gov/>

Virginia

Criminal Justice Information Services
Virginia State Police
Post Office Box 27472
Richmond, VA 23261-7472
(804) 674-2000

http://www.vsp.state.va.us/CJIS_Criminal_Record_Check.shtm

Washington

Criminal Records Division
Washington State Patrol
Post Office Box 42619
Olympia, WA 98504-2619
(360) 534-2000
<https://www.dshs.wa.gov/fsa/background-check-central-unit/background-check-central-unit>

West Virginia

West Virginia State Police
725 Jefferson Road
South Charleston, WV 25309-1698

Where to Obtain a Background Check in Puerto Rico (16/17)

(304) 746-2100

<http://www.wvsp.gov/Criminal%20Records/Pages/default.aspx>

Wisconsin

Crime Information Bureau
Wisconsin Department of Justice
Post Office Box 2718
Madison, WI 53701-2718
(608) 264-6207

<https://recordcheck.doj.wi.gov/>

Wyoming

Criminal Justice Information Section
Wyoming Division of Criminal Investigation
208 South College Drive
Cheyenne, WY 82007
(307) 777-7181

<http://wyomingdci.wyo.gov/dci-criminal-justice-information-systems-section/criminal-records-section/criminal-history-checks>

Guam

Marshal Division
Guam Judicial Center
120 West O'Brien Drive
Hagatna, GU 96910
(671) 475-3315

http://www.guam.gov/?pg=resident_services

Where to Obtain a Background Check in Puerto Rico (17/17)

Puerto Rico

Technical Services Bureau

Police of Puerto Rico

G.P.O. Box 70166

San Juan, PR 00936

(787) 793-1234

<https://servicios.pr.gov/info>

U.S. Virgin Islands

National Criminal History Improvement Program

Law Enforcement Planning Commission

8172 Sub Base, Suite #3

Saint Thomas, VI 00802-5803

(340) 774-6400

http://www.vipd.gov.vi/Departments/Office_of_the_Police_Commissioner/Records_Bureau.aspx

Are Puerto Ricans United States Citizen? (1/2)

Native-born citizens of Puerto Rico clearly identify as Puerto Rican and most of them speak Spanish as their primary language. Yet due to Puerto Rico's status as a US territory, [Puerto Ricans are US citizens](#).

US Citizenship for Puerto Ricans

There are differences in US citizenship rights conferred to Puerto Rican citizens.

As an unincorporated territory of the United States, the US government decides which benefits residents of the island are granted. People who work in Puerto Rico pay into the Social Security and Medicare systems (and receive benefits when eligible), which is a federal program. But in Puerto Rico, federal taxes are not levied; this is one of the attractions causing mainland Americans to consider moving to Puerto Rico, which leaves their tax status in the hands of Puerto Rican laws.

When it comes to voting, Puerto Ricans are also subject to different treatment than citizens living in an official state in America. Like other US territories, Puerto Ricans vote in presidential primary elections but are not given the vote for the presidential election. Similarly, Puerto Rico is granted a limited presence and representation in the House of Representatives through a Resident Commissioner. This official may sponsor legislation and participate in House committees but cannot vote on legislation brought to the House floor.

Tax Benefits for Individuals Moving to Puerto Rico

Exemption from US federal income taxes is a strong incentive for individuals looking to become a Puerto Rico resident; local tax laws unlock the possibility of special programs. As part of its effort to attract

Are Puerto Ricans United States Citizen? (2/2)

new businesses and residents from the US to Puerto Rico, tax programs have been enacted by the Puerto Rican government.

[Act 60's Export Services Tax Incentive](#) was developed for businesses. By providing business services to organizations or individuals outside the Island, those operations are treated to a flat corporate tax rate of 4%.

[Act 60's Individual Resident Investor Tax Incentive](#) gives individuals special income tax preferences. All dividend income and capital gains are 100% exempt from local Puerto Rico income taxes.

[Contact us](#) for more information.

Top 10 Tax Havens to Consider for 2018 (1/4)

For decades, Switzerland has been known as the land of secret bank accounts, a place where the rich quietly and secretly gain riches by socking away lots of cash and avoiding income tax liabilities. Over the years, other nations have gotten into the game of developing attractive tax havens, and it is estimated that as much as [\\$32 trillion dollars](#) is now sitting in private bank accounts around the world.

The Best Tax Havens

While Switzerland still holds the top position as a tax haven nation according to our research, the other positions on this top ten list regularly changes:

1. Switzerland
- 2. The United States – Puerto Rico**
3. The United States
4. Cayman Islands
5. Hong Kong
6. Singapore
7. Luxembourg
8. Germany
9. Taiwan
10. Dubai

Most people are surprised to learn that the United States sits near the top. America earned this high spot on the list thanks to the assistance of Delaware, Nevada, and Wyoming, each of which passed corporate-friendly legislation that makes it easier for corporations to operate

Top 10 Tax Havens to Consider for 2018 (2/4)

without incurring deep tax liabilities or being required to disclose corporate income tax information with the IRS.

These three states lure businesses, both national and international, to create corporations in their state because they offer some or all of the following benefits:

- No state corporate income taxes are levied.
- Corporate shares are not subject to taxation.
- Stockholders are not publicly revealed.
- There are no minimum capital requirements.
- Corporate tax information is not collected, so there is nothing to disclose to the IRS.
- One-person corporations can be created.
- Minimal initial and annual filing fees are incurred, with no franchise tax imposed.
- Meetings can be held in locations convenient to stockholders, even out of state.

An Overlooked Opportunity for Americans

Americans who are interested in learning how tax havens can benefit their business or investments have another unique tax opportunity available. Because Puerto Rico is a commonwealth of the US, special tax advantages can accrue to those who relocate through simple moves and arrangements.

Although many Americans are aware of a special relationship between the US and Puerto Rico, most of them cannot specify how that

Top 10 Tax Havens to Consider for 2018 (3/4)

relationship functions. For instance, the following questions are commonly answered incorrectly:

1. Are Puerto Ricans US citizens?
2. Does Puerto Rico pay federal taxes?
3. Are there separate or additional Puerto Rico taxes to be paid?
4. Is living in Puerto Rico different than living on mainland US?

About Puerto Rico and You

The first question is easy—the answer is an emphatic yes, but that positive confirmation needs a little extra explanation. While most US rights are also conferred upon Puerto Ricans, there are a few minor limitations that should be clarified.

For instance, Puerto Ricans may vote in primary elections, but cannot vote in presidential elections. While Puerto Rico does not have any voting members in Congress, Puerto Rico does elect a Resident Commissioner in the US House of Representatives who can vote in House committees and on procedural measures but cannot vote for specific legislation on the floor of the House.

When it comes to taxes and government benefits, Puerto Rico again earns special treatment and consideration. Puerto Ricans pay Social Security, Medicare, and payroll taxes, but do not owe or pay federal income taxes. At retirement, they become eligible for Social Security and Medicare benefits. While other states qualify for full Medicaid benefits, Puerto Rico only gets a 57.2% match on Medicaid expenditures.

Top 10 Tax Havens to Consider for 2018 (4/4)

Tax Advantages for Americans in Puerto Rico

Individuals and businesses relocating to Puerto Rico have available to them tax incentives such as Act 60, which provides special tax advantages for individuals and businesses. [Act 60's Export Services Tax Incentive](#) (formerly Act 20) allows businesses to move their operations to Puerto Rico and dramatically reduce their corporate income tax down to a lowly 4% rate. This incentive was created to infuse new businesses and revenue into the Puerto Rican economy and it has been quite successful. [Act 60's Individual Resident Investor Tax Incentive](#) (formerly Act 22) is for individuals who own substantial investments and pay excessive taxes on their capital gains and dividend income. By becoming [bona fide Puerto Rico residents](#), capital gains and dividend income are subjected to zero taxes, as the tax rate on these types of investment income is zero percent.

In Puerto Rico, these incentives have served the local economy by attracting wealthy retirees and successful entrepreneurs who use their resources and assets to boost prosperity on this American tropical paradise. If you are ready to take advantage of this unique opportunity only open to American citizens, want to learn more details about the tax advantages, or find the best place to live in Puerto Rico, read other articles on our website where we provide the type of information and recommendations you are seeking.

[Contact us](#) for more information.

Puerto Rico Earns Opportunity Zone Designation (1/3)

On April 18, 2018, Governor Ricardo Rosselló of Puerto Rico announced positive and encouraging news for the island: the U.S. Treasury Department and the IRS officially designated PR as an Opportunity Zone as defined under the [US Tax Cuts and Job Act of 2017](#). According to Rosselló, “These zones are created to foster investment in the nation’s disadvantaged communities. New investments in Opportunity Zones can receive preferential tax treatment, which will, in turn, be a boost to our economy.”

Structuring a Qualified Zone Business

To begin, an investor must commit funds to a Qualified Opportunity Fund. A minimum of 90% of the assets from this fund must be invested in Qualified Opportunity Zone properties. These assets include:

- Tangible property acquired in 2018 or later which is used in the business or trade of a Qualified Opportunity business. Original use of the property must originate with the Qualified Opportunity Fund or, if acquired, the fund must substantially improve the property.
- Qualified Opportunity Zone stock is any domestic corporation operating as a Qualified Opportunity Zone business during most of its holding period; the stock must be procured in 2018 or later and paid for in cash (not cash equivalents or illiquid assets).
- Qualified Opportunity Zone partnerships mirror the terms and conditions placed upon Qualified Opportunity Zone stocks, but they are held in the form of a domestic partnership (instead of shares in a domestic corporation).

Any business whose assets are significantly composed of qualified opportunity zone properties is considered a qualified zone business.

Puerto Rico Earns Opportunity Zone Designation (2/3)

Tax Deferred Benefits for Qualified Opportunity Zone Investors

Investments in Opportunity Zones earn deferrals on capital gains taxes. The deferral period ends at the time the investor sells its investment in the Qualified Opportunity Fund or December 31, 2026, whichever is earlier. The gain is calculated as follows:

Determine the cost basis of the investment (determined to be \$0 initially).

Subtract the lesser of the excluded gain or the fair market value from the cost basis.

The difference is the capital gains that must be declared.

The cost basis of the investment, which starts out as zero, will increase (thus reducing potential capital gains) based upon the following timeline:

If the investment is held for at least five years, the cost basis for the taxpayer will increase by 10% of the deferred gain. For example, if the deferred gain is estimated to be \$1 million, the cost basis will increase by \$100,000, or 10% of the \$1 million deferred gain.

If the investment is held for at least seven years, the taxpayer is granted an additional 5% increase in cost basis to 15% of the deferred gain. Using the example above, the cost basis would increase to \$150,000, or 15% of the \$1 million deferred gain.

If the investment is held for at least 10 years and extends beyond the December 31, 2026 maximum deferral date, the cost basis of the taxpayer's investment becomes equal to the fair market value of the investment, ending up with no capital gains to declare.

Puerto Rico Earns Opportunity Zone Designation (3/3)

The best approach for a Qualified Opportunity Fund investor is to commit funds for at least one decade. Investors willing to risk funds in distressed communities for an extended period will be able to take full advantage of the tax savings that can accrue.

[Contact us](#) for more information.

Hurricane Maria Recovery Progress Report

May 2018 (1/6)

It was only last September when Hurricane Maria, following on the heels of Hurricane Irma, directly hit the island of Puerto Rico and devastated this U.S. territory and popular vacation destination. Hurricane Maria is on record as the worst natural disaster to strike PR, with an official death toll of 6000+, and over [\\$91 billion in damage](#).

Hurricane Maria Damage Summary

With winds increasing from 85 mph to 165 mph in a 24-hour period and directly striking PR, this Category 4 storm gained the upper hand, wiping out structures and the electrical grid for almost the entire island. The damage was unavoidable and extensive.

Equally destructive was the downpour of rain accompanying the raging winds. Some areas experienced as much as 38 inches of rainfall; the La Plata River quickly overran its watershed. The northern part of the island was affected the most by the flooding. The capital, San Juan, was flooded throughout; in some areas, water was waist-deep and many structures lost their roofs.

Just two weeks prior to the landing of Maria, Hurricane Irma had already left about 80,000 residents without power when Maria hit the shores. The power grid, which was already stressed and fragile, was destroyed, eliminating power throughout the entire island. A week later, when experts were finally able to make a reasonable assessment, it was determined that 95% of the population had no power or cell phone service. Almost half the population did not have access to drinking water.

The agricultural industry was also hit hard. Hurricane Maria wiped out 80% of the island's crops, with losses tagged at \$780 million and

Hurricane Maria Recovery Progress Report

May 2018 (2/6)

necessitating a shift towards imported fresh produce, creating another unexpected expense. Another industry directly affected by the storm was tourism. Puerto Rico was not officially announced as reopened until the middle of December, three months after Maria left her destructive mark. Even then, tourism got off to a slow and tentative start, as many travelers were hesitant, uncertain about how much damage remained and whether it would limit their activities and enjoyment.

Initial Recovery Process

As is common with network news cycles, tragedy and outrage attract viewers. For most Americans, the first stages of recovery in PR were fraught with confusion, incompetence, and even nightmarish tales of stranded citizens left to their own devices. On a nightly basis, the lack of electricity and drinking water was broadcast alongside reports of mounting repair costs and the precarious state of the island's finances with little attention or mention of any positive actions or progress being made.

Meanwhile, on the ground in PR, recovery work was already underway. Considering the immensity of this storm and the widespread destruction and debris, the initial startup was slow. Supplies had to be flown in and generators set up in key areas to kickstart repairs.

As other, more urgent and topical news shoved the woes of PR into the background, sporadic reports indicated that recovery was taking longer than it should. For instance, one month after the tragedy, 88% of the residents still had no power. Three months after Maria, 45% of the population was still without power. What was not clarified was that most of those unfortunate residents lived outside major cities of PR.

Hurricane Maria Recovery Progress Report

May 2018 (3/6)

Current Status of Recovery Efforts

It is impressive what a little time and a lot of energy can do, and important to see how things stand in PR today. As of May 2018, right before the start of the next hurricane season, while a few remote locales in PR are still not fully powered, the lingering damage in larger cities like San Juan is now minimal and fading fast into the background.

Many major resorts and restaurants in San Juan smartly took advantage of the unfortunate and widespread damage to perform upgrades, redesigns, and improvements on their properties. Visitors to San Juan these days find it thriving and vibrant; merchants are happy to be back in business and residents have bounced back energetically and positively.

It is not as if Puerto Ricans have never seen storm damage before. Granted, no one had witnessed damage such as Maria wreaked in 2017, but the attitude seems to be that it will just take a little longer to get back on their feet after this whopper struck them.

While in December 2017 almost half the island was waiting for power to turn back on, now almost 99% of the island has electricity again.

Although there have been many complaints about U.S. assistance, PR gratefully accepts any help that comes its way.

The Army Corps of Engineers has been given its marching orders to pack up and leave after spending over \$2 billion restoring power to the island. With 1,000 contractors and 1,200 personnel working on the island, the Corps of Engineers planted over 52,000 power poles and threaded over 5,700 miles of wire crisscrossing PR. Another proactive response to this disaster recovery has been to install solar panels

Hurricane Maria Recovery Progress Report

May 2018 (4/6)

across the island and connecting them to generators.

While blue tarps still serve as roofs for some buildings, especially in more isolated areas, most of the debris has been cleaned up. Most roads are clear, so driving around PR is viable and safe. However, some of the smaller towns may not have all traffic lights running, so care should be taken, particularly at night and in the early morning.

As more repairs are accomplished, the faster the remaining issues are being addressed and fixed.

How Prepared is PR?

Before Hurricane Maria, PR's preparedness plan for the hurricane season was intended to withstand Category 1 storms, what the island is used to dealing with. Because Maria came hard and fast and ripped the island to shreds, extensive damage was unavoidable. That also brought the sobering realization that their readiness program needed serious overhauling, which is what the government has done.

[FEMA](#) has strategically situated four warehouses on the island, a huge improvement over the single warehouse that was in place when Maria landed. These buildings are stocked with thousands of tarps, as well as millions of bottles of water and emergency meals. On top of that foundation of security, FEMA sought to directly supply each municipality in PR, giving mayors enough basic resources to immediately distribute essentials to their own community in case another horrendous storm isolates them.

The communications infrastructure also received a crucial boost with the burying of more than 1,000 miles of fiber cable underground in place of putting up new power poles that could easily collapse again from

Hurricane Maria Recovery Progress Report

May 2018 (5/6)

another Category 3 or 4 storm. Additionally, critical facilities (hospitals, fire departments, and police stations) are installing satellite systems with over 300 hospitals also getting new radio antennas.

The biggest worry is the power grid. As it is still not fully repaired, there have been two island-wide blackouts since full restoration, one from a falling tree and another from an excavator accidentally hitting a power line. The good news is that power is restored with little delay, so it is more of an inconvenience than a new hazard for the residents who have faced enough problems from the aftermath of Maria.

As an extra safety net, FEMA is leaving 700 emergency generators behind along with three massive generators that were installed at the major power plants in PR.

The biggest unknown in the preparedness plan is the force and strength of storms PR will encounter in the 2018 season. If another storm of the intensity of Maria hits, it will not be easy, but it will certainly be less dreadful than the debacle of 2017. If, as everyone hopes, PR faces a typical storm season, the island should be well equipped to weather any storms with nominal damage.

What PR Still Needs

More than anything, PR is looking to rebuild its tourist industry. Word has been slowly getting out that San Juan is hopping again. For travelers who would rather avoid the crowds, there is no better time to take advantage of the fun and beauty of San Juan than the present. With most shops open for business in the capital, there are plenty of choices for the selective wanderer to pick from.

Hurricane Maria Recovery Progress Report

May 2018 (6/6)

As for hotels, be sure to research and reserve well in advance. Some locations are still making repairs and may have fewer rooms open to the public. Your best bet is to stay in or near San Juan. While you may see some scars from Maria, much of the city is back to its usual good food, tropical weather, and excellent friends.

For an alternative to traditional hotel stays, [Airbnb](#) offers their unique service in PR. Even better, they are stepping up to the plate and displaying a generous spirit in their effort to encourage tourists to enjoy and support PR. For the next few months, any Airbnb Experience or stay in Puerto Rico directly benefits the island as Airbnb is donating 100% of those commissions to local nonprofit agencies dedicated to assisting in PR's recovery.

Millions of people are helping PR directly or by supporting foundations and groups involved with the recovery efforts. For instance, [United for Puerto Rico](#) has received over \$39 million in donations, much of it from individuals like you.

While it will take more time, PR is already on a solid road to recovery. [Contact us](#) to learn how this might impact your relocation.

Where to Eat in San Juan in Spring 2018 (1/8)

It should come as no surprise that San Juan makes for a great weekend getaway. While there is always plenty to do and see when in PR, make your culinary experience especially unique and memorable by following this friendly epicurean itinerary, which begins with a Friday lunch and ends with a Sunday dinner.

FRIDAY – Lunch

1919 Restaurant

A great start to your weekend, 1919 Restaurant sports a beautiful northern ocean view along with their special Friday fixe prix lunch menu at a set price of \$45 per diner for a two-course meal. Set inside the popular and classy Condado Vanderbilt Hotel, patrons can park themselves in front of spacious, tall glass windows and watch boats scuttling across the ocean waves while sipping wine selected from an extensive list.

The first course of this New American fare tempts the diner with eight dishes. Although you cannot go wrong with any selection, consider either the lentil soup, creamy black beluga lentils blended with grilled quail, or their fresh and healthy organic grilled romaine salad topped with Parmesan, lemon, Serrano chilli, mint and panko croutons.

Your second course presents five entree options, each equally alluring. An excellent pair to the lentil soup is their Local Fish with shiitake mushrooms, organic grains, local kale, Salmorejo jus, and shellfish. If you choose the organic grilled romaine salad, the Vanderbilt burger on a brioche bun with Amarillo chutney, gorgonzola dulce, and house-made fries is an ideal companion.

Where to Eat in San Juan in Spring 2018 (2/8)

If you find yourself with extra room and want to give your sweet tooth a treat, order their baba rum cake, which comes with black sesame ice cream along with tropical and passion fruit.

Address: [1055 Avenida Doctor Ashford, San Juan, 00907, Puerto Rico](#)

Telephone: 1-787-724-1919

Hours: Mon.: closed; Tues. – Thurs.: 6:00 pm – 10:00 pm; Fri.: 11:30 am – 2:30 pm & 6:00 pm – 11:00 pm; Sat.: 6:00 pm – 11:00 pm

FRIDAY – Dinner

[José Enrique](#)

Diners who appreciate the art of preparation must experience an evening at (or should we say with?) José Enrique, both the name of the restaurant and the master chef creating incredibly delectable dishes. Do not expect a set menu or plan on making reservations. Neither of those restaurant standards apply at José Enrique.

What you can expect and will enjoy is a memorable dining experience that earns consistent rave reviews, both locally and internationally. José Enrique works with a menu that is personalized each day based on the fresh, local organic products available, creating inspirations that are too tempting for the eyes alone to feast upon.

Although native born, José Enrique has worked in New York, Florida, and Louisiana, garnering impressive culinary awards, including an appearance in CondeNast Traveler Magazine as one of the top 105 new restaurants in 2008. Enrique was also selected as a semifinalist for Best Chef South in the 2013 James Beard Foundation Awards, an accomplishment no other Puerto Rican chef has ever achieved.

Where to Eat in San Juan in Spring 2018 (3/8)

While each day's menu is a mouthwatering surprise, certain dishes tend to reappear on a regular basis. The crab appetizer is always in demand and sells out quickly, so come early to see if tonight is the night to get a taste. They are also known for their special homemade pork sausage for starters and the coffee flan is a superb dessert to finish off an amazing meal. From start to finish, José Enrique is artfully prepared and gastronomically gratifying.

Once fully sated, take advantage of its location next to [La Placita](#) and get a taste of the San Juan nightlife at its best and brightest. Enjoy live music, dancing, bar hopping, and rubbing elbows with the local crowd.

Address: La Placita, [Duffaut St. 176, San Juan, Puerto Rico](#)

Telephone: 1-787-725-3518

Hours: Tue. – Fri.: 11:30 am – 10:30 pm; Sat.: 6:30 pm – 10:30 pm; Sun. – Mon.: closed

SATURDAY – Lunch

Stuffed Avocado Shop

There are plenty of reasons to experience the Stuffed Avocado Shop. First, the Stuffed Avocado Shop is definitely casual – they even offer takeout so you can munch and stroll. Second, it is located in Old San Juan, so there is plenty to do and see all around the place. Finally, it is easier on the pocketbook than the other recommendations in this guide yet just as tasty as anything else you will eat this weekend.

Their menu is both simple and elaborate because they offer six standard signature avocado dishes, like Mango Tuna and Chipotle Chicken, along with a Stuffed of the Week special or the choice to build your own stuffed avocado.

Where to Eat in San Juan in Spring 2018 (4/8)

With the build-your-own option, the possible combinations are nearly endless. You start with one of four bases: white rice, kale, baby greens, or mamposteao (a Puerto Rican staple consisting of yellow rice and pink beans). Next, you pick a protein for your dish: beef, chipotle chicken, pulled pork, salmon, or tuna. Now, add your preferred sauce: cilantro cream, ponzu, spicy mayo, spicy shoyu, or wasabi cream. Finally, treat yourself to any of the 15 toppings that will make it your perfect stuffed avocado. Toppings include edamame, corn, mango, seaweed salad, sesame seeds, chickpeas, and pineapple, to name a few

Experience what an avocado can really do at the Stuffed Avocado Shop. And do not forget to try their chocolate avocado mousse and grab your own avocado hat before you leave.

Address: [Calle San Francisco 209 Ste. 3 San Juan, Puerto Rico 00901](#)

Telephone: 1-787-303-1111

Hours: Mon. – Fri.: 11:00 am – 6:00 pm; Sat. – Sun.: 11:00 am – 9:00 pm

SATURDAY – Dinner

Marmalade

Marmalade is owned and operated by Peter Schintler, a chef who grew up in Iowa with a love of food and cooking. He graduated at the top of his class in 1992 from the Baltimore International Culinary College and headed to Ireland to work under Master Chef Peter Timmons for the next six years, fine tuning his craft all the while.

After stints at leading restaurants in New York, England, Italy, Singapore, and other culinary capitals of the world, Peter finally decided

Where to Eat in San Juan in Spring 2018 (5/8)

to bring his knowledge and extraordinary skills to his own venue. He discovered the beauty and fantastic foods of PR during an executive consultation and knew where to build his own restaurant. Marmalade prepares unique fare with a distinct Puerto Rican influence that springs from Schintler's creative mind.

Diners can choose from the a la carte menu or opt in for a four-, five-, or six-course meal, with or without a wine pairing. The always popular Pacific Yellowtail Poke (sashimi grade raw west coast fish served island style with ginger, lemongrass, and organic soy mixed with compressed watermelon) or equally popular Popcorn Shrimp (cilantro and garlic grilled shrimp lacquered with anejo tequila atop pablano guacamole and heirloom ancho-chili spiced popcorn) are outstanding appetizers to begin your meal.

Next comes soups, salads, pastas, and risotto choices. You cannot go wrong with the Tiny White Bean Soup with scallions, black truffle oil, and pancetta "dust," or the Hand Rolled Black Truffle Pappardelle Pasta with wilted spinach, summer truffle, and marsala butter.

The main course brings the greatest challenge in selecting a dish. Two stand out choices are Snapper ("Spanish Cassoulet" with chorizo and little neck clam stew spiked with organic white butter beans and a red pepper-paprika broth) and Niman Ranch Natural Hormone-Free Lamb Tagine (Moroccan-French style braised lamb with ras el hanout organic chick peas, marcona almond pomegranates, and harissa spiced green olives).

When it comes to fine libations, Marmalade is once more at the top of its game. There are more than two dozen wines by the glass from which to

Where to Eat in San Juan in Spring 2018 (6/8)

choose, representing quality wineries from across the globe. If you prefer a bottle of wine with dinner, their six-page wine menu is certain to offer excellent choices to match your meal.

Cocktail lovers are not forgotten either. With 11 different blends, each cocktail has its own story to tell. Two popular drinks on this list which you will likely not find anywhere else are the Cereal Killer (organic granola soaked in almond milk, mixed with local oranges, lavender honey, and good doses of Templeton rye and Bulleit bourbon) and the Jimi Hendrick's (sliced jalapenos and muddled mint in fresh cucumber juice with Hendrick's gin and a quick lime squeeze).

Finally, do not miss out on Chef Schintler's Marmalade Cookbook that is due out later this year. You can [preorder your copy](#) and learn firsthand how to create the incredible dishes that originated from the imagination of a world class chef.

Address: [Calle Fortaleza 317 San Juan, Puerto Rico](#)

Telephone: 1-787-724-3969

Hours: Open every day of the week from 5:00 pm to 10:00 pm

SUNDAY – Lunch

[Kasalta](#)

Now that you have had a couple of days to get the feel of life in San Juan, it is time to immerse yourself in a truly local spot. Kasalta is a popular bakery that offers perhaps the widest variety of authentic Puerto Rican dishes you will find in San Juan, at prices that will let your wallet sigh a breath of relief.

Where to Eat in San Juan in Spring 2018 (7/8)

Be prepared to do a lot of pointing and nodding, as the menus are in Spanish. This does not pose that much of a problem because there are plenty of images for the many dishes they display, all of which are fresh and delicious, plus, the staff speaks English.

First and foremost, Kasalta does not hesitate to proudly lay claim to being President Barack Obama's "favorite restaurant in PR," and offers their Presidente sandwich in homage to that famous visitor. Of course, every other kind of Puerto Rican sandwich can be ordered, including tuna, ham, chicken, roast beef, Cubano, mortadella, salami...the list is endless.

In addition to sandwiches, they have a tapas menu and full plate dishes. You can also order wine from an impressive list of both local and international wines in all varietals.

Whatever true Puerto Rican fare you are in the mood for or want to try for the first time, and however much or little you wish to eat, you will find it at Kasalta for an affordable price.

Address: [Calle McLeary 1966, San Juan, Puerto Rico 00911](#)

Telephone: +1 787-727-7340

Hours: Open every day of the week from 6:00 am to 10:00 pm

SUNDAY – Dinner

[Punto de Vista Rooftop Restaurant](#)

If this itinerary is leaving you feeling on top of the world, there is no better place to end your dream weekend than at the Punto de Vista Rooftop Restaurant where you can gaze upon a sweeping vista of the entire city you just ate your way through over the past three days.

Where to Eat in San Juan in Spring (8/8)

Treat yourself one last time to some genuine, delicious Puerto Rican food. Locals and tourists alike rave over both the chicken and steak mofongo (fried green plantains mashed with oil, garlic, and salt). Another winner is their pork in garlic sauce, which leaves some visitors dreaming of when they can return again. Equally popular are the many local side dishes, including their staple rice and beans.

If you time your visit right, tip your drink to the setting sun as it winks good night and bid farewell to an unforgettable time in San Juan.

Address: Hotel Milano, [Calle Fortaleza 307, San Juan, Puerto Rico 00901](#)

Telephone: 1-787-307-2970

Hours: Sun. & Mon.: 12:00 pm – 9:30 pm; Tues. & Wed.: 11:30 am – 9:30 pm; Thurs. & Fri.: 11:30 am – 10:00 pm; Sat.: 12:00 pm – 10:00 pm

Act 14 Puerto Rico Tax Benefits for Medical Professionals (1/3)

Thanks to recent legislation signed by the governor of Puerto Rico in early 2017, medical care in PR just received a positive boost. The intent of [Act 14](#) is to secure first-rate health services for PR residents by providing tax incentives designed to draw health professionals to the island as new residents. The governor of PR, Ricardo Rosselló, signed into law Act 14 with an effective date of April 22, 2017.

Act 14 Benefits for Qualified Physicians

Act 14 offers excellent opportunities for medical professionals classified as Qualified Physicians, allowing them to establish thriving and successful practices while receiving tax exemptions for 15 years (with the possibility of extending those exemptions another 15 years). Furthermore, Act 14 establishes a broad definition for Qualified Physicians, accepting professionals working on a full-time basis (100 hours per month) who are authorized to practice medicine, podiatry, or any specialty in odontology. Medical residents attending an accredited program in PR are also considered to be Qualified Physicians.

Tax benefits for Act 14 Qualified Physicians:

- Income earned from medical services is subject to a flat 4% income tax rate.
- Up to \$250,000 of corporate dividends are exempt from income tax.
- Qualified physicians can contribute up to 25% of net income (after tax) to retirement plans.

Requesting an Act 14 Tax Exemption Grant

Non-residents may submit a request for a tax exemption grant, along

Act 14 Puerto Rico Tax Benefits for Medical Professionals (2/3)

with appropriate fees, through the [Office of Industrial Tax Exemption](#) (OITE). The request is evaluated by OITE, the Department of Health of Puerto Rico, and the Secretary of the Treasury. If the grant is approved, the petitioner pays a \$1,000 acceptance fee.

Applicants should understand that there are several factors which will influence the decision to issue a tax exemption grant, including:

- The anticipated economic impact of approving the grant.
- The specialty the Qualified Physician practices (or is studying, in the case of residency students).
- The current and expected need for certain medical specialties in PR.
- The geographic location in which the Qualified Physician proposes to practice (for general practitioners, geographic location and demand weigh heavily).

Community Service Commitment

An additional requirement that Qualified Physicians must meet is to perform a minimum of 180 hours of community service each year. Many options for providing community service are available, such as:

- Giving assistance as a professor at medical schools, university hospitals, or to residency students.
- Providing medical services in areas lacking specialized services, as determined by the [Physicians Chapter of Puerto Rico \(CMPR\)](#) and the Department of Health of Puerto Rico (DSPR).
- Being available on call at hospitals designated by CMPR and DSPR.

Act 14 Puerto Rico Tax Benefits for Medical Professionals (3/3)

- Conducting public community health seminars or training and continuing education for medical professionals and students in PR.
- Delivering medical services to areas identified as disadvantaged by CMPR and DSPR.
- Committing to a services contract with the Government Health Plan of Puerto Rico (for this service, the Qualified Physician can be compensated, working as either an employee or independent contractor).

Ongoing Compliance

Qualified Physicians must comply with the terms and conditions of the tax exemption grant, as follows:

- Provide full-time services in medicine, podiatry, or any specialized area of orthodontics.
- Remain a resident of PR.
- Obey all tax laws related to the grant.
- Perform a minimum of 180 hours of community service annually.
- Follow any other or new requirements imposed by Act 14.

For those medical professionals contemplating the opportunity offered through Act 14, time is of the essence. This is because any request for a tax exemption grant must be submitted by April 22, 2019 (within two years of the effective date of Act 14).

[Contact us](#) for more information.

Determining a Salary for Export Services Businesses (1/2)

Determining wage compensation for [Export Services](#) officer-owners has been problematic in the past since many officer-owners also benefit from tax distribution benefits. This creates a conflict of interest for officer-owners in terms of setting a reasonable salary, which will inevitably be taxed at a higher rate. A 2015 Administrative Determination from the government of Puerto Rico has put parameters in place to resolve this issue by increasing the officer-owner “reasonable annual salary” cap to \$350,000 annually. This change allows the Secretary of the Treasury greater autonomy to evaluate the reasonableness of income received from services rendered to Export Services companies.

Previous Salary Caps for Act 60 Export Services Company Officer-Owners

Prior to October 13, 2015, per Administrative Determination 10-06, salaries for officer-owners were the lower of \$250,000 annually or 30% percent of the partner share in profits.

New Salary Caps for Export Services Company Officer-Owners

On October 13, 2015, the Secretary of the Treasury released [Administrative Determination 15-22](#), which provides new definitions concerning the salary determinations for officer-owners of Act 60 Export Services businesses. Specifically, the new ruling defines an officer-owner as a shareholder or partner who is a [bona fide PR resident](#) and holds a proprietary interest in an Act 60 Export Services company in which he or she dedicates at least 80% of his or her time to business matters.

AD 15-22 boosted the maximum allowable salary by \$100,000 to

Determining a Salary for Export Services Businesses (2/2)

\$350,000. Because the Treasury Department neither confirmed nor removed the 30% profit limitation previously defined in AD 10-06, tax experts are advising that officer-owners presume this 30% threshold still stands.

Ultimately, if an eligible Export Services officer-owner receives a salary of less than \$350,000 annually, he or she may be subject to an evaluation of the reasonableness of the income received.

Disclaimer: The contents of this post are meant for informational purposes only and should not be construed as legal or financial advice. Please consult a legal professional for more information on your specific situation.

How to Run a Business in Puerto Rico (1/6)

Puerto Rico is a popular vacation resort island in the Caribbean Sea. It also happens to be a paradise for businesses thanks to these attributes:

- An ideal locale near the United States.
- Appealing tax structure for businesses and individuals.
- Its unique status as a U.S. territory and commonwealth.
- Access to a motivated and skilled bilingual labor force.

Let's learn more about why PR is an excellent place to conduct business.

Government

As a U.S. commonwealth, PR is governed by the U.S. federal system and guided by U.S. federal and local laws. While PR follows the U.S. Constitution, this independent territory created its own constitution. They enforce their own laws and regulations, so long as they do not conflict with federal laws. PR's local government functions similarly to other U.S. states, with executive, legislative, and judicial branches functioning interdependently.

Since PR is a commonwealth instead of an American state, different rights are conferred upon its citizens. For instance, persons born in PR are citizens of the U.S. but are not granted the right to vote in presidential elections, although they can vote in presidential primaries. Puerto Rican citizens do not need a passport to enter or leave mainland U.S., but international visitors arriving to the island from outside the U.S. must present their passports for admission.

How to Run a Business in Puerto Rico (2/6)

Different Taxation

PR citizens are treated to special consideration by the U.S. Even though Puerto Ricans are American citizens, any income which is realized on the island by a bona fide PR resident is excluded from U.S. federal income taxation (as explained in [US Code Section 933](#)). This income is instead taxed at Puerto Rico local rates, which may be significantly lower.

As of 2017, individual income tax brackets ranged from 0% to 33%, while corporations are taxed at a rate of 39%, which drops as low as 4% with Act 60. Equally important to note is that self-employed individuals pay self-employment taxes, which includes both Social Security and Medicare taxes, and are eligible for federal retirement benefits.

It is important to understand “bona fide residence” as defined for income tax purposes ([see our detailed guide here](#)). Three tests determine this status:

- The presence test shows you were living in PR for 183 days (more than half of the year).
- The tax home test requires evidence that you do not maintain a family home outside the island.
- The closer connections test identifies PR as the place with most connections to regular life (i.e., bank accounts, driver’s license, etc.).

Physical Proximity

PR is nestled in the eastern region of the Caribbean Sea, about 1,000 miles southeast of Miami, making it a short 2 ½ hour flight. Its capital, San Juan, is located on the northern shores. The island of PR measures

How to Run a Business in Puerto Rico (3/6)

100 miles long by 35 miles wide, and is known for its interior mountains which descend to coastal plains.

PR is the easternmost and smallest island of the Greater Antilles, which also includes Cuba and Jamaica.

Local Economy

PR is recognized for its diversified economy. It is involved in a variety of important manufacturing industries, such as clothing, textiles, processed foods, pharmaceuticals, petrochemicals, and electronics. It is estimated that manufacturing produces more than 40% of its GDP.

The service sector has also grown noticeably in recent years. Key employers in education and health, professional and business industries, and financial and insurance services have benefited greatly from the local workforce.

The [World Bank reports](#) PR generated \$105 billion in gross domestic product (GDP) in 2016. With a population of 3.4 million citizens in 2016, this works out to a GDP per capita exceeding \$30,000.

The top nations importing goods from PR are: the U.S. (68%), Germany (8%), the Netherlands (5%), and Belgium (4%). These nations are typically purchasing pharmaceutical goods, medicines, medical equipment and supplies, computers and electronics, and food items.

When it comes to purchasing exports, PR is buying goods from: the U.S. (51%), Ireland (16%), Singapore (5%), and Japan (4%). PR generally buys energy products (petroleum and coal), chemicals, pharmaceuticals, medicines, and food products.

How to Run a Business in Puerto Rico (4/6)

Recently, PR's debt of \$70 billion has been somberly announced on the evening news, often in conjunction with damages caused by Hurricane Maria. What is usually omitted from the conversation is the fact that PR continues to work through this with their fiscal austerity program, managed by the PROMESA oversight board.

Thriving Workforce

Businesses enjoy the availability of the highly qualified, educated, and bilingual employees that PR offers. Boasting a labor force of 1.1 million workers, of which 1 million are regularly employed, the service sector remains the biggest employer of this vibrant and productive workforce.

Infrastructure and Travel

Getting around the island by car is a breeze, as the major cities in PR interconnect through a modern highway system that covers over 5,000 miles.

Flying to and from PR is easy, much easier than any other nation in the Caribbean. PR offers three airports:

- Luis Muñoz Marín International airport in Carolina (SJU)
- Rafael Hernández Airport in Aguadilla (BQN)
- Mercedita Airport in Ponce (PSE)

All three airports offer direct flights to and from the U.S. mainland.

The main airport is Luis Muñoz Rivera International Airport (SJU) in San Juan; it is the hub of the region and provides service to over 17 cities in the U.S., plus more points in the Caribbean, North America, South

How to Run a Business in Puerto Rico (5/6)

South America, and Europe. This airport attracts over 10 million passengers annually, generating the most air traffic in the Caribbean.

San Juan also offers the largest cruise ship and cargo port in the Eastern Caribbean; more than 1.2 million cruise ship passengers sail to and from San Juan each year.

Demographics

The island has been occupied for over 500 years, with the first four hundred years under Spanish rule. For more than 100 years, PR has been an American territory. Puerto Ricans proudly present their unique ethnic and cultural combination of Spanish, African, and American descendants.

As of July 2017, the [US Census Bureau estimated](#) a population of 3.337 million people living in PR (slightly down from 3.411 million in 2016).

USD Currency

PR uses the USD and operates under the U.S. monetary policy system. It falls under the purview of the Federal Reserve Bank of New York, one of the 12 Federal Reserve Banks.

Convention Center

The island is proud to boast its own convention center. It is the largest convention center in the Caribbean and the most technologically advanced space found throughout the Caribbean and Latin America. With 580,000 square feet of usable space, the Center hosts crowds exceeding 10,000 people.

How to Run a Business in Puerto Rico (6/6)

Entity

Just like the U.S., PR accepts standard methods of business ownership, including sole proprietorships and general partnerships and extending to special purpose corporate forms and limited liability companies. This gives investors enough choices to create an effective liability shield and take advantage of preferential tax incentives and breaks.

[Contact us](#) for more information.

Things to Consider Before Living in Puerto Rico (1/5)

While life in Puerto Rico may present some new challenges, you will be pleased to learn of the many benefits the island offers in comparison to living on the mainland United States.

Cost of Living

The cost of living in PR compares favorably to U.S. cities such as Orlando, FL or Austin, TX, and is 15%-30% less expensive than Miami or Seattle. When compared to expensive cities like Washington, D.C., San Francisco, or New York City, you can live 50% cheaper in PR. Imported goods, vehicles, and electricity tend to cost more than in the U.S., but many other items including local foods, property taxes, transportation, and healthcare are more affordable on the island. To check prices on specific items in PR, organized by categories such as food, housing, etc., this [cost of living calculator](#) is a good tool to have on hand.

Housing Choices

When it comes to selecting housing for you and your family, you have a lot of options from which to choose. If you are a city person, then the San Juan metro area will meet your needs, from modern neighborhoods to the charming European ambience found in Old San Juan, along with plenty in between.

If high-rise living with amenities next to the beach is attractive, consider an apartment in Condado. For more seclusion and security, try a gated family community in Dorado. Or immerse yourself in a bohemian lifestyle, popular with the local crowd in Ocean Park. Just like in the U.S., there are many ways to enjoy life on PR.

Things to Consider Before Living in Puerto Rico (2/5)

Both renters and homeowners are likely to be impressed at the rates and prices of properties in PR. For instance, a recent [Zillow search on PR rentals](#) revealed 2 bedroom/2 bath homes in good areas with average rents of \$1,500 per month. At times, you might see price volatility, like when there are fewer renovated units for rent or when hurricanes affect supply and demand.

Education System

Parents will be delighted to learn that public and private schools are numerous, and many shine in comparison to U.S. city school systems.

For families preferring private education, outstanding choices abound, including private schools with religious training. It should also be noted that many private schools find their students in high demand at top rated U.S. universities. Check out [Saint John's School](#), which is popular in the San Juan area.

There are numerous higher educational institutions, from universities and colleges to technical institutes and community colleges. The University of PR is the largest public university on the island, where over 35,000 university degrees are granted each year. More than a third of those degrees are bestowed annually in the important areas of technology, mathematics, the sciences, and business administration.

Crime and Security Concerns

Just like major cities in mainland America, crime can and does occur in PR. San Juan, capital of the island, is the most populous city and consequently experiences more incidents of crime than other areas. However, just as you use common sense when visiting or living in major

Things to Consider Before Living in Puerto Rico (3/5)

cities on the mainland, similar care should be taken in San Juan and neighboring towns. A review of [crime in the US](#) (prepared by the FBI in 2016) reveals similar crime statistics in PR when compared against other states.

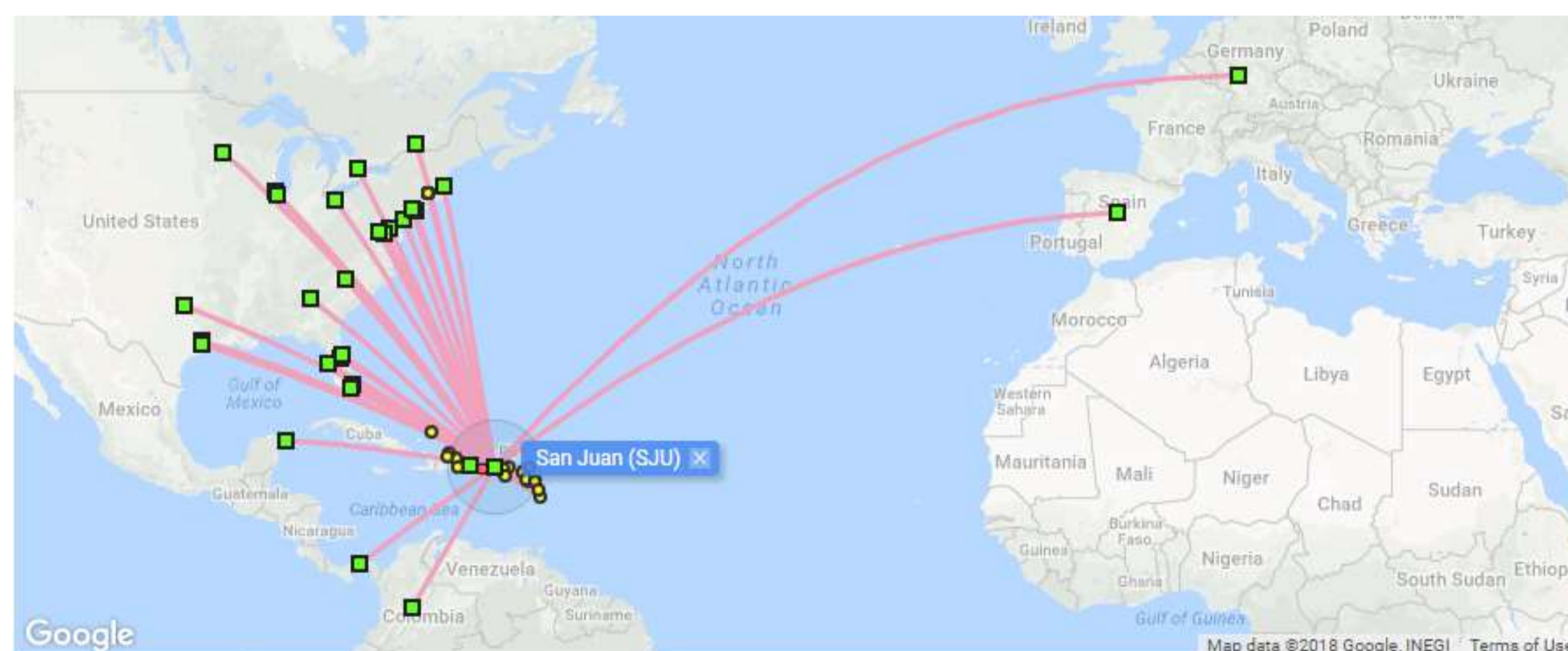
Utility Services

The electric grid in PR is notoriously underdeveloped, and thanks to Hurricane Maria in 2017, has been a major topic of discussion. Maria was neither the first nor last hurricane that will hit the island, which is why many residences and businesses are prepared for power outages with backup generators. While short outages are common in metro areas, they do not significantly disrupt day-to-day living.

PR's water and wastewater systems adhere to the same standards required by the EPA in the mainland. U.S. tap water is consumable across the entire island..

Transportation Services

You will discover hundreds of direct daily flights to and from most major U.S. cities, even as distant as Montreal or New York. San Juan International Airport (SJU) is the normal point of arrival and departure, but there are also two other passenger airports servicing other areas of the island. The map below illustrates [direct flight destinations](#) from SJU.



Things to Consider Before Living in Puerto Rico (4/5)

As for driving, primary road conditions are comparable to what you find on the mainland. Transportation options include taxis, buses, and Uber.

Healthcare

You will find typical U.S. standards when it comes to the local healthcare system, with quality medical facilities and physicians available. You will also find health insurance premiums are less expensive than in the U.S. The best place to start looking for insurance would be to research [Triple-S Salud](#), PR's largest insurance provider. There are also private group "concierge style" options available.

Banking Options

As a commonwealth of the United States, U.S. banking regulations and services mirror mainland U.S. bank operations, offering similar products and protections, including FDIC protection up to \$250,000. [Banco Popular](#) is the most popular bank for both personal and business purposes.

Communications

When it comes to cell phones, internet, and U.S. mail, there is little difference living on PR.

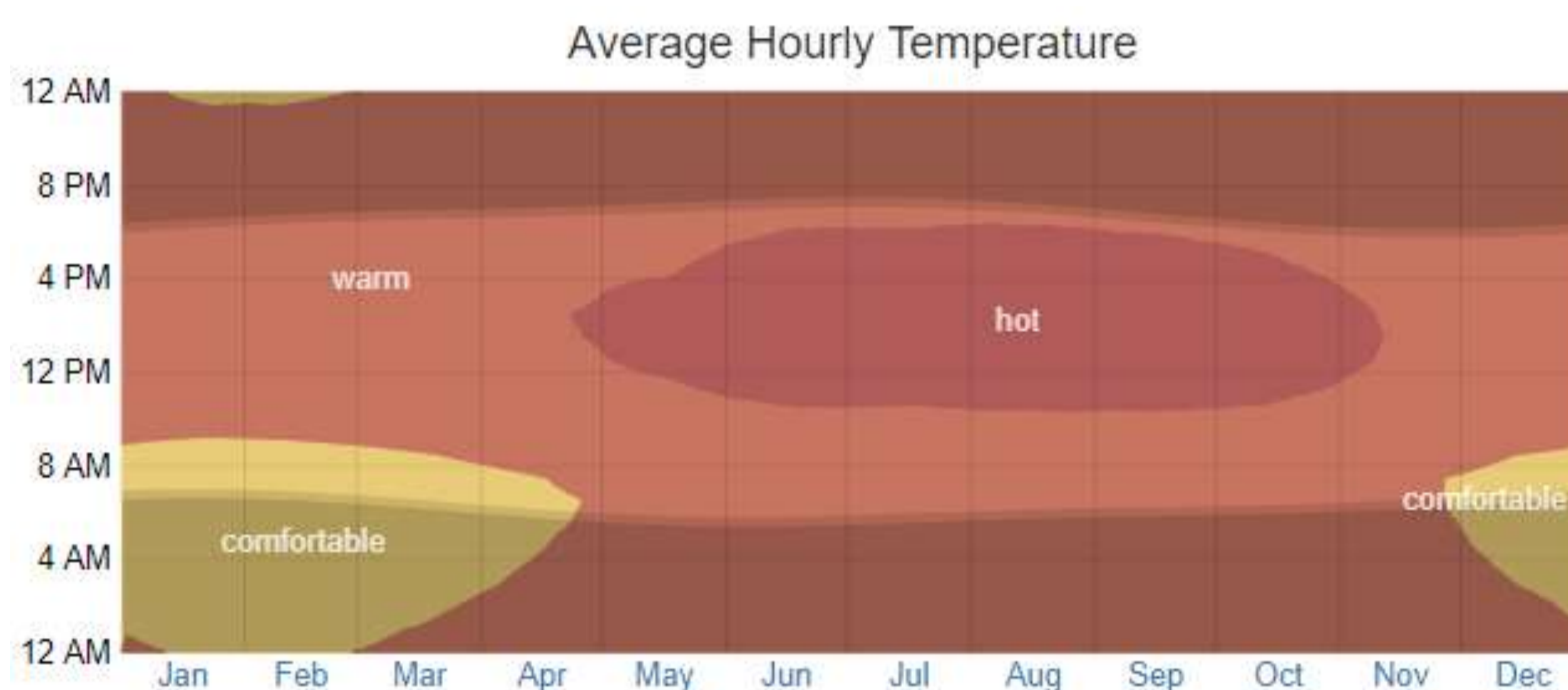
For cell phones, you will find most U.S. carriers offering their services in PR without additional fees. Some companies perform better in certain areas than others.

Fiber internet is available with a direct connection to the U.S.

Things to Consider Before Living in Puerto Rico (5/5)

Weather

It's hard to beat PR's climate, which is described as tropical rain forest, with yearly temperatures ranging from warm to hot and averaging 70-85 degrees F. The rainy season in PR runs from April to November and includes the Atlantic hurricane season.



Visit our [downloads page](#) to view more resources related to location.

[Contact us](#) for more information.

How to Think About Transfer Pricing for International Businesses (1/4)

Individuals with shared ownership in more than one business in different tax jurisdictions must consider transfer pricing, the study of how these businesses transact with each other. While the business owner desires to realize income and profits in the lowest tax jurisdiction, the opposing tax jurisdiction desires the opposite. Due to this possible conflict of interest the IRS has [robust rules and methodologies](#) in place to ensure that an appropriate transfer price, or allocation of value, has been established. The question any business needs to ask is, “if these two entities were not related, would the price being charged be reasonable and fair?”. **Transfer pricing is relevant for [Act 60](#) companies that create value in both Puerto Rico and the United States.**

“Globalization and the rapid growth of international trade has made inter-company pricing an everyday necessity for the vast majority of businesses. However, the growth of national treasury deficits and the frequent use of the phrase ‘transfer pricing’ in the same sentence as ‘tax shelters’ and ‘tax evasion’ on the business pages of newspapers around the world have left multinational enterprises at the center of a storm of controversy.”

[-PWC Transfer Pricing Report 2016](#)

How does Transfer Pricing Work?

The purpose of transfer pricing is to establish “arm’s length” interactions, which requires prices charged between related parties be equivalent to those that would have been charged between independent parties in the same circumstances. Let’s look at two simple examples:

How to Think About Transfer Pricing for International Businesses (2/4)

Example 1: Tangible property (goods)

- PenCo US manufactures a pen in the US for \$0.10.
- PenCo PR sells the pen for \$1.00 in Puerto Rico, and spends \$0.10 on marketing.
- PenCo US now has \$0.80 of profits ($\$1.00 - \$0.10 - \0.10).
- The transfer pricing question: where does PenCo US realize these profits, and in what amount? A number of variables will be taken into consideration to determine what percentage of the \$0.80 gets assigned to Puerto Rico versus the US. This in turn determines the tax obligation.

Example 2: Intangible property (services)

- BloodCo US owns blood centers in Florida where they take blood from customers and earn \$100.
- BloodCo PR is based in Puerto Rico and manages the operations of BloodCo US.
- BloodCo PR handles all executive leadership, strategy, expansion, and marketing from Puerto Rico.
- BloodCo PR charges BloodCo US a 75% “management fee” on all profits.

The transfer price question: what percent of value is actually being created by BloodCo PR? Is this 75% reasonable? This allocation will determine the tax obligation.

How to Think About Transfer Pricing for International Businesses (3/4)

What is a Transfer Pricing Study?

A company completes a transfer pricing study to provide the economic analysis necessary to support its transfer pricing decisions in case it is challenged by the IRS or tax authorities in another jurisdiction.

Transfer pricing is closely monitored within a company's financial reporting and can become even more important when requested by regulators or auditors. If inappropriately documented, a business can incur material taxes, fees, or penalties. While companies like Apple grab the headlines for their various shell companies around the world, all businesses should be on the offensive to ensure compliance.

Considerations for a transfer pricing study:

- Analysis of value creation
- Economic circumstances
- Market analysis to establish a non-related entity basis
- Inter-company agreements for each transaction or transfer
- Annual reviews
- Audit readiness
- Compliance with IRS Section 482

Outputs of a transfer pricing study:

- A transfer pricing policy
- Documentation of company structure and transactions
- Decision rationale
- Conclusions that establish said transfer prices are reasonable

How to Think About Transfer Pricing for International Businesses (4/4)

Transfer Pricing Considerations as They Relate to Puerto Rico

There is no absolute rule for determining a transfer price, which leaves companies exposed to tax authorities and operating with a degree of uncertainty. At a minimum, a company will want to have documentation and evidence that describes an approach before doing business so that you can produce it quickly in the event of an audit. Case law is rife with examples of businesses that failed to consider transfer pricing – the penalties and costs can be severe.

The Puerto Rico [Treasury Department](#) has historically avoided the implementation of a specific policy; however, it seems they will soon adopt the globally recognized OECD Transfer Pricing Guidelines.

[Contact us](#) for more information.

A Guide to Puerto Rico Export Services Tax incentive – For Businesses (1/6)

On January 17, 2012, Puerto Rico enacted Act 20, known as the “Export Services Act”. This Act was designed to help accelerate the economic recovery of Puerto Rico by attracting new businesses and employment opportunities to Puerto Rico. Service businesses ranging from advertising to accounting to legal services, as well as hedge funds and a wide range of other consulting firms are eligible for the benefits.

In short, Act 20 provided a 4% corporate tax rate to businesses operating *inside* Puerto Rico, that receive income from customers located *outside* of Puerto Rico. This means a business needs to be able to remotely provide its services. This is all possible because the [Federal Government does not tax Puerto Rico residents](#), instead leaving that responsibility to the Puerto Rican government.

As of January 1, 2020, Act 20 has been replaced by Act 60, which brings with it some changes to the requirements. In this guide, we outline the changes Act 60 has made to Act 20.

There is a separate act for individuals called Act 22, which Act 60 has also replaced ([see our guide](#)).

What are the tax benefits for Act 60 Puerto Rico?

Eligible businesses with operations *inside* Puerto Rico receive the following benefits for income derived from customers *outside* of Puerto Rico:

1. 4% corporate tax rate
2. 100% tax exemption on distributions from earnings and profits
3. 50% tax exemption on municipal taxes

A Guide to Puerto Rico Export Services Tax incentive – For Businesses (2/6)

4. 75% tax exemption on municipal and state property taxes (small and medium businesses can receive a 100% exemption during their first five years of operation)

A few points of clarification:

1. “Operations inside Puerto Rico” is defined as work output or value created on Puerto Rico soil, whether that is by the business owner or employees.
2. The business owner and employees must receive a [reasonable salary](#) based on the services provided, which is taxed at ordinary Puerto Rico income tax rates (as high as 33%). This means you can't pass through 100% of net revenue at the 4% corporate tax rate.

Also note that under Act 60, the Office of Industrial Tax Exemption (OITE) will now execute independent audits of Act 60 businesses at least once every two years. As of yet, it is unclear whether these audits also apply to businesses that filed for Act 20 before Act 60 went into effect.

Which types of business are eligible for Act 60?

1. Research and development
2. Advertising and public relations
3. Consulting services, including, but not limited to, economic, scientific, environmental, technological, managerial, marketing, human resources, computer, and auditing consulting services
4. Advice services on matters related to any trade or business
5. Creative industries

A Guide to Puerto Rico Export Services Tax incentive – For Businesses (3/6)

6. Production of blueprints, engineering, and architectural services, and project management
7. Professional services such as legal, tax, and accounting services
8. Centralized managerial services, including, but not limited to, strategic direction, planning, and budgeting, provided by regional headquarters or a company engaged in the business of providing such services
9. Electronic data processing centers
10. Development of licensable computer software
11. Telecommunications voice and data between persons located outside of Puerto Rico
12. Call centers
13. Shared service centers
14. Storage and distribution centers
15. Educational and training services
16. Hospital and laboratories services, including telemedicine facilities and medical tourism services
17. Investment banking and other financial services, including, but not limited to, asset management, management of investment alternatives, management of activities related to private capital investment, management of coverage funds or high-risk funds, management of pools of capital, trust management that serves to convert different groups of assets into securities, and escrow account management services

A Guide to Puerto Rico Export Services Tax incentive – For Businesses (4/6)

18. Commercial and mercantile distribution of products manufactured in Puerto Rico for jurisdictions outside Puerto Rico
19. Assembly, bottling, and packaging operations of products for export
20. Trading companies
21. Blockchain-related services

The eligible business must not have a nexus with Puerto Rico. In other words, the service must not be related to the conduct of a trade, business, or other activity in Puerto Rico to qualify for the benefits of the Act. In general, this means the clients of the business need to be outside of Puerto Rico. The following services are considered to have a nexus with Puerto Rico, and are be eligible services:

1. Business or income-producing activities that are or have been performed in Puerto Rico by the applying business
2. The sale of any property for the use, consumption, or disposition in Puerto Rico
3. Counseling on the laws, regulations, and administrative determinations of the government of Puerto Rico and its instrumentalities
4. Lobbying on the laws, regulations, and administrative determinations of the government of Puerto Rico and its instrumentalities
5. Any other activity designated by the Secretary of the Department of Economic Development and Commerce of Puerto Rico

In order to be eligible, businesses that generate an annual business volume of at least \$3,000,000 must also directly employ at least one full-

A Guide to Puerto Rico Export Services Tax incentive – For Businesses (5/6)

time employee. The employee must be a Puerto Rican resident and directly participate in the business activities pertinent to the decree.

Is your business required to move to Puerto Rico?

Yes, the work needs to be performed in Puerto Rico to benefit from the tax advantages. There are two primary structures to accomplish this:

1. Act 60 businesses moving 100% of their income producing activities to Puerto Rico. In this scenario, you would set up a new entity in Puerto Rico, and then all value-producing employees would relocate to Puerto Rico (or be replaced). The US business would then cease operations, and 100% of income would now be taxed from within Puerto Rico under Act 60.
2. Act 60 businesses moving a portion of their income producing activities to Puerto Rico. In this scenario, you would set up a new entity in Puerto Rico and then from that entity charge a “management fee” to your existing domestic eligible business. You would need a transfer pricing analysis and intercompany agreements to establish how much of your revenue you can appropriate to Puerto Rico resources vs. the existing US resources. This is required because the Puerto Rican company is a non-US entity under US tax law, and tax jurisdictions want to maximize their keep of tax revenues. For more on transfer pricing, which determines where and how much of the “value creation” takes place, [see our guide](#).

How do you get the tax exemption decree?

Your business needs to submit an application to the Office of Industrial Tax Exemption (OITE) of Puerto Rico to obtain a tax exemption decree, which provides the full details of the tax rates and conditions mandated by the Act and is considered a contract between the government of

A Guide to Puerto Rico Export Services Tax incentive – For Businesses (6/6)

Puerto Rico and the business. Once the service provider obtains the tax exemption decree, the benefits granted are secured during the term of the decree, irrespective of any changes in the applicable Puerto Rico tax laws. The decree is initially valid for 15 years and can be extended for an additional 15 years.

How much does Act 60 cost?

Application fee: \$750

Acceptance stamps: \$150

Annual compliance filing: \$300

###

[Contact us](#) to save time, money, and headaches related to your Act 60 application – you'll thank us later.

Resource: [Guide: Puerto Rico Tax Incentives Act 60](#)

Resource: [Incentives Code – Changes to Act 20 & Act 22](#)

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (1/9)

On January 17, 2012, Puerto Rico enacted Act 22, known as the “Individual Investors Act”. This Act was designed to help accelerate the economic recovery of Puerto Rico by attracting high net worth individuals, empty nesters, retirees, and investors to relocate to Puerto Rico.

In short, Act 22 provided 0% capital gains tax for gains you realize *after* moving to Puerto Rico, assuming you also satisfy calendar year bona-fide residency requirements (as determined by the IRS). This is all possible because the [Federal Government does not tax Puerto Rico residents](#), instead leaving that responsibility to the Puerto Rican government.

As of January 1, 2020, Act 22 has been replaced by Act 60, which brings with it some changes to the requirements. In this guide, we outline the changes Act 60 has made to Act 22.

There is a separate act for businesses called Act 20, which Act 60 has also replaced ([see our guide](#)).

What are the tax benefits for Act 60 Puerto Rico?

Eligible new Puerto Rico residents receive the following benefits for income accrued after the individual begins to become a bona-fide resident of Puerto Rico before January 1, 2036:

1. 100% tax exemption from Puerto Rico income taxes on all dividends
2. 100% tax exemption from Puerto Rico income taxes on all interest
3. 100% tax exemption from Puerto Rico income taxes on all short-term and long-term capital gains

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (2/9)

4. 100% tax exemption from Puerto Rico income taxes on all cryptocurrencies and other crypto assets

A few points of clarification:

1. Understanding the ins and outs of bona-fide residency and the key dates associated with it are critical to your relocation and tax strategy. In the example of a stock, which is taxed as personal property and thus a capital gain, the date that establishes your tax basis is the date in which you commence becoming a bona-fide resident; this is also known as your move date, or the date in which you cease to have a tax home in the US. For Act 60 to kick in, you must successfully obtain your tax decree *and* satisfy the a bona-fide residency requirements for that calendar year (i.e. actually become a bona-fide resident). If you do not accomplish these steps in full, all income will be taxed in the US (more on this in the next section).
2. Dividends and interest (benefits 1 and 2 above) are not considered capital gains, but rather “investment income”, because the return is not reliant on the initial capital expenditure. For investment income, the IRS considers the source of income to be where the payer, or company, is located. Therefore, unless the payer is based in Puerto Rico, you will owe US taxes on investment income even after moving to Puerto Rico. See our sources of income table at the bottom of this article for more information.

You need to actually move to Puerto Rico

As part of Act 60 you need to become a bona-fide resident of Puerto Rico. A bona-fide resident of Puerto Rico is a person who can meet all three of the following IRS tests:

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (3/9)

- 1. Presence test:** The individual is present for at least 183 days during the taxable year in Puerto Rico (there are other ways to satisfy this requirement). This is known as the “where are you” test.
- 2. Tax home test:** The individual does not have a tax home outside of Puerto Rico during the taxable year. This is known as “the office test”.
- 3. Closer connection test:** The individual does not have a closer connection to the United States or a foreign country than to Puerto Rico. This is known as the “in your heart test”.

We’ve devoted a [separate article](#) to explaining these tests in extreme detail – consider it required reading.

One major change in Act 60 is the additional requirement to purchase property in Puerto Rico. The grantee must purchase real estate property in Puerto Rico within two years of obtaining the decree, and the property must remain the grantee’s primary residence throughout the validity of the decree.

When should you actually move to Puerto Rico?

There has long been confusion around which date you should use to establish your tax basis on a security when coming to Puerto Rico, which in turn determines your income tax obligation. Is it January 1 of the year you move? Or your move date? Or your Act 60 application or acceptance date? For capital gains and Act 60, the answer is based on the type of income and your residency status, which is mostly determined by the IRS and not Act 60. The Act 60 component is what then exempts you from Puerto Rico income tax (e.g. Puerto Rico capital gains).

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (4/9)

Here's an example of a stock, which is taxed as personal property based on the owner's tax home:

1. Apply for Act 60 anytime during calendar year.
2. Move to Puerto Rico and take steps to establish residency.
3. Meet the Puerto Rico bona-fide residency requirements during calendar year, which means you are a bona-fide resident for that *entire* year. In general, this means you would need to move before July 1 to achieve 183+ days.
4. Prove residency when you accept your Act 60 decree, thus making it effective.

For personal property like a stock, your “move date to Puerto Rico” determines the date of sourcing because your tax liability is based on the residence of the taxpayer.

Now that you have your tax basis date established, you need to determine *how* to allocate the unrealized gain to each jurisdiction. We say unrealized because if you've already realized or closed the position prior to moving, this gain not relevant for Puerto Rico.

What if you have previously lived in Puerto Rico?

When Act 22 was initially enacted, grantees were required to have not lived in Puerto Rico for at least 15 years prior to the enactment of the law. This was amended to six years in 2017. Now, with Act 60, the period has been extended to 10 years before the Act's effective date. This means that to be eligible, the individual must have not lived in Puerto Rico since January 1, 2010.

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (5/9)

What about your gains *before* moving to Puerto Rico?

Capital gains accrued before the individual established residency in Puerto Rico (“Non-PR Built-in Gains”) are subject to preferential Puerto Rican income tax rates:

- Within 10 years – if gain is recognized within 10 years of establishing residency in Puerto Rico, it will be taxed only at the US federal income tax rate for capital gains.
- After 10 years – if gain is recognized after 10 years of establishing residency in Puerto Rico but before January 1, 2036, it will be taxed at a flat PR tax of 5%, and the US federal government will not pursue a capital gains tax.

Example 1 – Within 10 years

- A stock is acquired by a US resident for \$100 in 2013
- The stock is worth \$200 in 2020, just before the US resident moves to Puerto Rico
- The stock is sold by the now Puerto Rican resident in 2026 for \$300

Cost: <u>\$100</u>	US Tax	PR Tax
“Non-PR Built-in Gains”: \$100 = <u>\$200</u> – \$100	U.S. long-term cap gains (23.8%: \$23.80)	0%
“Puerto Rico Gain”: \$100 = <u>\$300</u> – \$200	N/A	0% Act 22

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (6/9)

Example 2 – After 10 years

Using the same scenario in Example 1

The stock is instead sold by the now Puerto Rican resident in 2031 for \$300

Cost: <u>\$100</u>	US Tax	PR Tax
“Non-PR Built-in Gains”: \$100 = <u>\$200</u> – \$100a	0%	P.R. special rate (5%: \$5)
“Puerto Rico Gain”: \$100 = <u>\$300</u> – \$200	N/A	0% Act 22

There are two types of securities you may need to establish a tax basis for:

1. Publicly traded security (marketable) – to determine the amount of “non-PR built-in gains” versus “PR built-in gains”, the best practice is to take a snapshot of the asset price on the day you moved. You cannot import non-PR built-in gains to Puerto Rico and treat those gains as Puerto Rican-sourced income. You can only treat appreciation on publicly traded securities in excess of the amount in non-PR built-in gains as Puerto Rican-sourced income.
2. Privately held business interest (non-marketable) – to determine the amount of “non-PR built-in gains” versus “PR built-in gains”, the investor is responsible for setting the valuation. The investor would apportion the gain as either non-PR or PR based on the numbers of days the asset has been held in each location. In other

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (7/9)

word, this calculation is the percentage of all days the individual has held the asset as Puerto Rican–sourced income while living in PR.

How Do You Get the Tax Exemption Decree?

The individual needs to submit an application to the Office of Industrial Tax Exemption (OITE) of Puerto Rico to obtain a tax exemption decree, which provides the full details of the tax rates and conditions mandated by the Act. This decree is considered a contract between the government of Puerto Rico and the individual investor. Once the individual investor obtains the tax exemption decree, the benefits granted are secured during the term of the decree, irrespective of any changes in the applicable Puerto Rico tax laws. The decree is initially valid for 15 years and can be extended for an additional 15 years.

How much does Act 60 cost?

- Application fee: \$750
- Acceptance stamps: \$150
- Acceptance fee: \$5,000 (one-time)
- Annual donation \$10,000 donation to “nonprofit entities operating in Puerto Rico and are certified under Section 1101.01 of the Internal Revenue Code of Puerto Rico, which is not controlled by the same person who owns the decree nor by their descendants or ascendants”
- Annual compliance filing: \$300

Where is Your Income Sourced From?

Determining where your income is sourced will dictate where you file a tax return. In determining whether Puerto Rico is right for you, and

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (8/9)

because tax rates vary, it is critical to know whether the US or PR has authority. In general, the rules in the US apply to all US possessions, such as Puerto Rico.

General Rules for Determining U.S. Source of Income Source ([IRS Table 2-1](#));

Item of Income	Factor Determining Source
Salaries, wages, and other compensation for labor or personal services	Where labor or services performed. If split between two locations, a time basis is applied.
Pensions	Contributions: Where services were performed that earned the pension Investment earnings: Where pension trust is located
Investment income – Interest	Residence of payer
Investment income – Dividends	Where the paying corporation is created or organized
Investment income – Rents	Location of property
Royalties: Natural resources, patents, copyrights, etc.	Location of property where property is used
Sale of business inventory—purchased	Where items were sold
Sale of business inventory—produced	Allocation if produced and sold in different locations
Sale of real property <i><u>(editor's note: contact us if you are considering an opportunity zone to defer real estate related gains).</u></i>	Location of property

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (9/9)

Item of Income	Factor Determining Source
Sale of personal property <i>(editor's note: this includes stocks and some cryptoassets).</i>	Seller's tax home (see Special Rules for Gains from Dispositions of Certain Property for exceptions)
Sale of natural resources	Allocation based on fair market value of product at export terminal

###

[Contact us](#) to save time, money, and headaches related to your Act 60 application – you'll thank us later.

Resource: [Guide: Puerto Rico Tax Incentives Act 60](#)

Resource: [Incentives Code – Changes to Act 20 & Act 22](#)

A Guide to Puerto Rico Individual Resident Investor Tax Incentive (9/9)

Item of Income	Factor Determining Source
Sale of personal property <i>(editor's note: this includes stocks and some cryptoassets).</i>	Seller's tax home (see Special Rules for Gains from Dispositions of Certain Property for exceptions)
Sale of natural resources	Allocation based on fair market value of product at export terminal

###

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Resource: [Incentives Code – Changes to Act 20 & Act 22](#)

List of All Puerto Rico Tax Incentives (1/12)

Puerto Rico is not only a beautiful Caribbean island territory with a vibrant culture and almost always perfect weather—it also offers a number of generous tax incentives to entice businesses and individuals to come to the island and help it prosper. The most famous are Act 20 and Act 22—now the “Export Services” and the “Individual Resident Investor” tax incentives, respectively, under the newly enacted Act 60—but Puerto Rico offers various other tax incentives that may fit your needs. Read our extensive list of Puerto Rico tax incentives to determine which is right for you.

Puerto Rico Tax Incentives

Professional Physicians (Formerly Act 14)

To attract highly skilled medical professionals to the island, Puerto Rico is offering individual physicians who come to the territory to practice general medicine or any subfield of medicine tax incentives. Physicians completing their residency as part of an accredited medical program are also eligible. Physicians must complete at least 100 hours of work per month at a public or private hospital, federal or state agency, private office, or accredited medical school. Physicians may also qualify for exemption from the requirement to donate \$10,000 to a nonprofit entity.

Eligible physicians can enjoy a 4% fixed income tax rate, and medical services businesses can enjoy a 100% exemption from withholding and paying income taxes on \$250,000 per year.

Puerto Rico also offers a student loan repayment program for doctors, dentists, veterinarians, and medical researchers who graduated after July 1, 2019. To receive the \$65,000 grant, applicants must remain in Puerto Rico for seven years, although interruptions to study additional

List of All Puerto Rico Tax Incentives (2/12)

medical programs outside of Puerto Rico are permitted.

Professional Researchers or Scientists (Formerly Act 14)

The Professional Researchers or Scientists Act endeavors to bring eligible researchers and scientists to the island to enrich its scientific and technological progress. Researchers and scientists contracted by the University of Puerto Rico or other authorized higher education institutes to engage in eligible scientific research are eligible for an income tax exemption on up to \$195,000 in salaries received. Those contracted to engage in scientific and technological research and development services are eligible for an exemption on up to \$250,000 in salaries received. To be eligible, researchers and scientists must complete 60 hours of community service per year.

Additionally, scientific researchers who earn or have earned a PhD after July 1, 2019, and agree to establish their services in Puerto Rico for a minimum of seven consecutive years may be eligible for a \$65,000 subsidy issued at the beginning of the seven-year period.

Professional of Difficult Recruitment (Formerly Act 14)

Puerto Rico offers help in the form of tax incentives to businesses looking to hire difficult-to-recruit professionals whose specialized talents or skills are indispensable to the business. The position must be full-time, and the employee must be (or be willing to become) a resident of Puerto Rico and not benefit from the Individual Resident Investor decree (formerly Act 22). The business is exempt from wages and benefits paid to this employee above \$100,000, but all income below this amount is subject to regular income tax. The professional is also exempt from the \$10,000 non-profit donation.

List of All Puerto Rico Tax Incentives (3/12)

Export Services (Formerly Act 20)

The Export Services tax incentive is available to businesses established in Puerto Rico that offer services to customers or clients outside of Puerto Rico. Examples include research and development, consulting services, call centers, software development, and accounting services, among many others. A business must not provide services to the Puerto Rican market to be eligible for this tax incentive. Additionally, businesses that make or expect to make \$3,000,000 per year must hire the equivalent of one full-time employee who is a Puerto Rican resident to be eligible. Manufacturing businesses must hire the equivalent of three full-time employees.

Tax advantages include:

- 4% fixed income tax rate (2% for the first five years of the decree if the business is in Vieques and Culebra)
- 100% tax exemption on dividends
- 50% tax exemption on municipal taxes (100% for the first five years of the decree if the business is in Vieques and Culebra)
- 100% tax exemption on municipal taxes in the first semester of business
- 75% tax exemption on property taxes (100% for the first five years of the decree if the business is in Vieques and Culebra)
- 100% tax exemption on property under construction
- 100% tax exemption on gross capital gains
- 75% tax exemption on construction excise tax
- 100% tax exemption on excise tax and sales and use tax

List of All Puerto Rico Tax Incentives (4/12)

Individual Resident Investor (Formerly Act 22)

One of the most well-known Puerto Rican tax incentives, the Individual Resident Investor tax incentive is available to any person who was not a resident of Puerto Rico for the 10 tax years preceding July 1, 2019, and who becomes a resident before December 1, 2035. To be eligible, investors must donate \$10,000 to nonprofit entities in Puerto Rico. In Act 60, this decree was updated to include tax exemptions on capital gains from cryptocurrencies.

Tax advantages include:

- 0% taxation on capital gains
- 0% taxation on interest and dividends

Creative Industries (Formerly Act 27)

One of Puerto Rico's objectives with Act 60 is to promote the island as a suitable location for film production and postproduction, as well as other creative projects. Thus, eligible creative projects can enjoy generous tax incentives in Puerto Rico. Eligible projects include films or short films, television dramas, reality TV shows, game shows, advertisement campaigns, video game projects, film festivals, and music videos. The final product must be primarily intended for consumption outside of Puerto Rico, although incidental consumption within Puerto Rico is permitted. For postproduction to qualify, the aggregate expenses must be at least \$100,000. Strategic suppliers and infrastructure projects that facilitate film projects may also be eligible.

List of All Puerto Rico Tax Incentives (5/12)

Tax incentives include:

- 4% fixed income tax rate
- 100% tax exemption on dividends
- 100% tax exemption on municipal taxes
- 75% tax exemption on property taxes
- 75% tax exemption on property under construction
- 100% tax exemption on gross capital gains
- 75% tax exemption on construction excise tax
- 100% tax exemption on excise tax and sales and use tax
- 100% tax exemption on rental income of movable property

Small and Medium Enterprises PYMES (Formerly Act 62)

To foster small and medium enterprises in Puerto Rico, the island is offering tax incentives to any natural person or entity operating or considering operating in Puerto Rico who has earned no more than \$3,000,000 within the three-year period prior to applying and who has begun operating in Puerto Rico after July 1, 2019.

Tax advantages include:

- 100% tax exemption on property tax for the first five years of the decree (subsequently 75%)
- 100% tax exemption on municipal taxes for the first five years of the decree (subsequently 50%)
- \$1 yearly rent of an eligible DDEC property for the first three years of the lease

List of All Puerto Rico Tax Incentives (6/12)

- Up to a 30% tax credit for the purchase of products manufactured in Puerto Rico

Manufacturing, Research, and Development (Formerly Act 73)

Puerto Rico is looking to encourage manufacturing, research and development, and high-tech industries to invest in the island, which is why it offers such companies generous tax incentives. Eligible businesses are ones that generate products using raw materials, including plant and animal matter. This definition is broad and even extends to businesses that engage in animal husbandry for research purposes, scientific research and development for new products, and select recycling activities.

Tax advantages include:

- 4% fixed income tax rate
- 100% tax exemption on dividends
- 50% tax exemption on municipal taxes
- 100% tax exemption on municipal taxes in the two semesters of business
- 75% tax exemption on property taxes
- 100% tax exemption on gross capital gains
- 100% tax exemption on construction excise tax
- 100% tax exemption on excise tax and sales and use tax
- 100% tax exemption on eligible investment income

List of All Puerto Rico Tax Incentives (7/12)

Visiting Economy (Formerly Act 74)

One of Puerto Rico's objectives for its generous tax incentives is to foster the tourism industry in Puerto Rico and transform the island into a global-level tourist destination. To this end, the island offers tax exemptions to businesses engaging in eligible tourist activities. Among the eligible businesses are accommodation providers, such as hotels, guest houses, vacation clubs, and bed and breakfasts, as well as tourist attractions, such as casinos, theme parks, golf courses, and other entertainment venues that could promote tourism in Puerto Rico. Businesses that support medical tourism and nautical tourism are also included, as are e-sports leagues and businesses that develop and administrate natural resources such as caves, forests, and lakes.

Tax advantages include:

- 4% fixed income tax rate
- 100% tax exemption on dividends
- 50% tax exemption on municipal taxes
- 75% tax exemption on property taxes
- 100% tax exemption on property under construction
- 100% tax exemption on gross capital gains
- 100% tax exemption on municipal taxes in the first semester of business
- 75% tax exemption on construction excise tax
- 100% tax exemption on excise tax and sales and use tax
- 100% tax exemption on articles of use and consumption

List of All Puerto Rico Tax Incentives (8/12)

Green Energy (Formerly Act 83-325)

Committed to promoting the green sector and preserving its natural beauty, Puerto Rico offers tax incentives to eligible green energy companies. Green energy companies are defined as entities that engage in the production of green energy; the production of highly efficient energy; the production, sale, or operation of highly efficient energy for consumption in Puerto Rico; equipment assembly and installation for highly efficient generation systems. Businesses requesting this decree are evaluated on various criteria, including paying employees more than the federal minimum wage, engaging in safe development, and using raw materials and agricultural products from Puerto Rico.

Tax advantages include:

- 4% fixed income tax rate
- 100% tax exemption on dividends
- 50% tax exemption on municipal taxes
- 100% tax exemption on municipal taxes in the two semesters of business
- 75% tax exemption on property taxes
- 100% tax exemption on property under construction
- 100% tax exemption on municipal tax for gross capital gains
- 75% tax exemption on construction excise tax
- 100% tax exemption on excise tax and sales and use tax
- 4% fixed income tax rate on the distribution, sale, or exchange of asset shares

List of All Puerto Rico Tax Incentives (9/12)

Young Entrepreneur (Formerly Act 135)

Young entrepreneurs are critical to any nation's economy, and Puerto Rico wants to foster the creativity and innovation of young entrepreneurs to help the island grow and prosper. To encourage young entrepreneurs to set up business in Puerto Rico, the island offers generous tax incentives to qualifying entrepreneurs. To be eligible, entrepreneurs must be between 16 and 35 years of age and intend to open and operate a long-term business for an indefinite amount of time. They must apply for the decree before launching their business and sign a special agreement with the Secretary of the DDEC.

Tax advantages include:

- 0% fixed income tax rate
- 100% tax exemption on property taxes
- 100% tax exemption on municipal taxes
- 100% tax exemption on municipal taxes

Public Porters of Air Transport Services (Formerly Act 135)

Businesses who provide air transportation services as a public carrier may qualify for Puerto Rico's tax incentives. Businesses that engage in the repair, maintenance, or general conditioning of aircraft or maritime vessels may also be eligible.

Tax advantages include:

- 100% tax exemption on income tax
- 100% tax exemption on municipal taxes
- 100% tax exemption on movable and immovable property

List of All Puerto Rico Tax Incentives (10/12)

Maritime Transport Services (Formerly Act 126)

Puerto Rico is looking to improve its economy and the welfare of its people by promoting maritime freight transportation between Puerto Rico and foreign nations. To this end, the island is offering tax incentives to businesses established or to be established in Puerto Rico that engage in sea freight transportation between Puerto Rico and other countries or that derive income from the use, rental, or lease of a vessel or part used in such marine transportation. Businesses that engage in the repair, maintenance, or general conditioning of aircraft or maritime vessels may also be eligible.

Tax advantages include:

- 100% tax exemption on income tax
- 100% tax exemption on dividends
- 100% tax exemption on municipal taxes
- 100% tax exemption on movable and immovable property

Infrastructure Investment (Formerly Act 185-7)

In an effort to improve Puerto Rico's construction sector to foster its economic recovery and reconstruction, the island is offering eligible construction companies generous tax incentives. To qualify, companies must engage in the construction of buildings that will benefit the Puerto Rican economy and society. Eligible companies include those that improve, restore, or reconstruct existing buildings or construct new buildings in historical areas of Puerto Rico; construct or restore social interest housing for low- to moderate-income families; construct middle-class homes; construct, rent, or lease properties to senior citizens in a defined income bracket who do not own a home; and develop assisted

List of All Puerto Rico Tax Incentives (11/12)

Tax advantages include:

- 4% fixed income tax rate
- 100% tax exemption on property taxes
- 100% tax exemption on property under construction
- 90% tax exemption on municipal taxes

Agriculture, Livestock Industries, and Agribusiness (Formerly Act 225)

To strengthen its agriculture sector, Puerto Rico is offering tax incentives to businesses that engage in qualifying agricultural activities. Businesses that generate at least 51% of their gross income from the eligible agricultural activities can apply for the decree. Eligible agricultural activities include tilling or cultivating land for fruits, vegetables, or other useful plants; raising livestock for meat, eggs, or milk; commercial fishing activities; the commercial production of flowers for export (note that landscaping services do not qualify); and the rearing of thoroughbred racehorses and ride horses.

Tax advantages include:

- 90% tax exemption on bona fide farmers income tax
- 100% interest exemption on debt instruments
- 100% tax exemption on property tax
- 100% tax exemption on municipal taxes
- 100% tax exemption on excise tax and sales and use tax

List of All Puerto Rico Tax Incentives (12/12)

Disclaimer: This list is not exhaustive. The information in this email should not be construed as, and should not be relied upon for, legal or tax advice. We recommend contacting an attorney for advice on specific legal issues and a CPA for advice on specific tax issues.

How to Pass the Puerto Rico Bona Fide Residency Tests (1/6)

The [tax incentives](#) offered by Act 60 have enticed thousands of U.S. citizens to make the move to sunny Puerto Rico, but in order to enjoy these lucrative benefits, Act 60 holders must satisfy three residency tests to prove that they are bona fide residents of Puerto Rico. The three tests are the **presence test**, the **tax home test**, and the **closer connection test**.

To avoid paying regular U.S. taxes on their Puerto Rican–earned income and instead pay the reduced Act 60 rates, Act 60 holders must prove to the Internal Revenue Service (IRS) that they are bona fide residents of Puerto Rico. Before they will exempt you from regular U.S. tax obligations, the IRS must determine that you have truly made Puerto Rico your home. When you have satisfied all the requirements to become a bona fide Puerto Rico resident, you must file [Form 8898](#) to notify the IRS of your new residency status. Form 8898 is used to officially declare the beginning or cessation of bona fide residency in a U.S. possession, determined by the three above-mentioned tests. When filling out the form, you will need to refer to the [detailed instructions](#), which are based on the bona fide residency rules outlined in [Publication 570](#).

It is important to note that bona fide residency is not the same thing as residency, and you are not considered a bona fide resident of Puerto Rico simply by living in Puerto Rico. The core motivation of the IRS in administering the [bona fide residency tests](#) is to make sure that you intend to stay in Puerto Rico for an extended period of time and that you spend limited time in the US during your period of bona fide residency.

How to Pass the Puerto Rico Bona Fide Residency Tests (2/6)

How to Pass the Presence Test

The first of the three tests is perhaps the most complicated. While it is meant to test your residency in Puerto Rico, the key concern of the IRS is that you are not spending a lot of time in the US. Therefore, there are multiple ways to satisfy the requirements of the presence test.

Only **one** of the following conditions must be true:

- You were present in Puerto Rico for at least 183 days in the tax year.
- You were present in Puerto Rico for at least 549 days in the three-year period of the current tax year and the two previous tax years and were in Puerto Rico for at least 60 days in each tax year during that period.
- You were not present in the US for more than 90 days during the tax year.
- You did not have more than \$3,000 in earned income (defined as pay for personal services performed, such as wages, salaries, or professional fees) in the US during the tax year and were present in Puerto Rico for more days than in the US.
- You had no significant connection to the US during the tax year.

To be counted as present in Puerto Rico, you must be physically present on the island during any part of the day. Even if you are in the US or another country for part of the day, if you were physically present in Puerto Rico even briefly, you are counted as being present that day.

The presence test also grants you 30 automatic presence days of international travel (i.e., travel not to the US) per tax year, which means you actually only need to be present in Puerto Rico for 153 days per

How to Pass the Puerto Rico Bona Fide Residency Tests (3/6)

year as long as you are traveling outside of the US. Note that you may only receive 30 free days of international travel if you fulfill the following conditions:

- You must spend more time in Puerto Rico than the US during the tax year.
- If you are aiming to satisfy the presence test by spending at least 549 days within a three-year period in Puerto Rico, you still must be physically present in Puerto Rico for 60 days per year.

Certain exemptions also apply. For example, if you leave Puerto Rico to receive or accompany a parent, spouse, child, or stepchild to receive a qualifying medical treatment, you are still counted as present in Puerto Rico. If you evacuate or cannot return to Puerto Rico due to disaster, you may also qualify for automatic presence days even though you are physically outside of Puerto Rico.

To keep track of your presence days, download our [Day Tracker Tool](#).

How to Pass the Tax Home Test

The tax home test is the most straightforward of the three. It has only one requirement: do not have a tax home outside of Puerto Rico during any part of the tax year.

Your tax home is considered to be where your primary or regular place of employment or post of duty is, regardless of where you reside. If you do not have a primary or regular place of employment, your tax home is considered to be your primary place of residence.

If you think this test sounds impossible to satisfy for the year of your move, that's why the IRS offers a special exemption for the year of your move only. We elaborate on that at the end of the post.

How to Pass the Puerto Rico Bona Fide Residency Tests (4/6)

How to Pass the Closer Connection Test

The closer connection test is perhaps the most reliable in determining your loyalty to Puerto Rico. Since this test is essentially assessing your intentions, it is somewhat subjective, and since everyone's situation is different, the IRS considers different factors in each case. The factors that the IRS considers when determining whether you have maintained a closer connection to Puerto Rico than the US during the tax year include the following:

- Where your permanent home is located
- Where your immediate family lives
- Where your personal belongings, such as cars, furniture, clothing, and jewelry, are stored
- Where organizations that you affiliate with, whether professional, cultural, social, religious, or political, are located
- Where your principal bank is located
- Where you conduct business
- The jurisdiction for which you hold a driver's license
- The jurisdiction in which you are registered to vote
- Where charitable organizations that you contribute to are located
- Which country you put down as your country of residence on official forms
- Which forms or documents you file, such as Form W-8BEN or Form W-9

How to Pass the Puerto Rico Bona Fide Residency Tests (5/6)

Essentially, to pass the closer connection test, you need to move your entire life to Puerto Rico, including your family. If you leave your family in the US, it will be quite difficult to pass the closer connection test, unless you satisfy all the other requirements listed. It's recommended to sell or rent out your home in the US, which will not only significantly help pass the closer connection test but also provide some extra cash.

How you choose to pass the closer connections test depends on your individual circumstances, but you should aim to build up a life in Puerto Rico to the best of your ability. Giving up your connection to organizations in the US is also not mandatory, but it is recommended to make connections with Puerto Rico organizations to establish ties in the local community. Opening a Puerto Rican bank account is helpful not only for the test but also for your daily life on the island, as is a local driver's license.

How to Pass the Tax Home and Closer Connection Tests in the Year of Your Move

You are considered to have satisfied the tax home and closer connection tests in the year of your move if you satisfy the following three conditions:

- You were not a bona fide resident of Puerto Rico in any of the three tax years immediately preceding the tax year of the move.
- You did not maintain a tax home outside of Puerto Rico for the last 183 days of the year.
- You are a bona fide resident of Puerto Rico for the year of your move plus the two preceding years.

How to Pass the Puerto Rico Bona Fide Residency Tests (6/6)

To make the most of the Act 60 tax incentives, we recommend that you move before July 1 in the given year. That way, you can satisfy all the tests and achieve bona fide residency even in the year of your move.

Summary

Passing Puerto Rico's bona fide residency tests may seem tough, but if you truly move your whole life to Puerto Rico, it's not that difficult. If you have decided to make the move and take advantage of Puerto Rico's generous tax incentives, make sure you're really committed. Puerto Rico is a sunny Caribbean paradise, and you can enjoy an enriched life in a beautiful culture with beautiful weather, but if you're pining for your life in the US because you left significant connections there, you may not enjoy it. Commit to Puerto Rico, and passing the residency tests will be fairly easy.

For detailed information directly from the IRS about the residency tests, consult [Publication 570](#).

Changes to Act 20 and 22 Puerto Rico in 2017 (1/2)

Editor's note 1/1/2020: Act 20 and Act 22 have been replaced by the Puerto Rico Incentives Code (Act 60-2019); you can read about the new incentives code [here](#).

On July 11, 2017, Governor Ricardo Rosselló signed into law amendments to [Act 20](#) (Export of Services) via [House Bill 878](#), and [Act 22](#) (Relocation of Individual Investors) via [Senate Bill 369](#). These amendments aim to further grow the economy of Puerto Rico while promoting the creation of jobs, specifically within small and midsize businesses, creating a tax deal that can't be matched by any offshore jurisdiction.

Key Amendments to Act 20

1. The addition of hospital services and laboratories, including medical tourism and telemedicine services, along with trading companies with no less than 80% of business coming from outside Puerto Rico.
2. Removal of the requirement of having 5 employees. However, employment figures and economic impact remain a consideration in the application evaluation process, and may be required by the Secretary.
3. Medical tourism and telemedicine facilities require 30% of doctors to be Puerto Rican residents.

Key Amendments to Act 22

1. Establishment of an annual donation of \$5,000 per decree holder to a Puerto Rican nonprofit organization.
2. Removal of the requirement to purchase real estate within two years of residency.

Changes to Act 20 and 22 Puerto Rico in 2017 (2/2)

3. Removal of the requirement to open a local bank account.
4. The individual must include evidence of Form 8898 in their annual Act 22 report.

If you received your grant prior to these changes, you may be able to get it amended to the new language.

[Contact us](#) for more information.

The Impacts of Puerto Rico's Act 20 and 22 (1/4)

Since their enactment in 2012, Puerto Rico's Act 20/22 tax incentives (now Act 60 Export Services and Individual Resident Investor) have exploded in popularity, culminating in a total of 4,503 decrees granted between 2012 and June 2019. They have granted decree holders a chance to experience a Caribbean island lifestyle facilitated by generous tax incentives and exemptions, but they have also contributed to the growth of Puerto Rico's economy and wellbeing. A study by [Estudio Técnicos Inc.](#) (ETI) on the impact of Act 20/22 from 2015 to June 2019 has revealed that they have pumped new capital into the economy, have generated thousands of new jobs, and are helping Puerto Rico establish itself as a business hub.

The Impacts of Act 20

Act 20, now Export Services under Act 60, offers, among other benefits, a 4% corporate tax rate to businesses established in Puerto Rico that export services to clients located outside of Puerto Rico. While these services can take many forms, 40% of Act 20 businesses export consulting services. The focus on foreign clients means these businesses can bring significant amounts of capital to the island.

Revenue

Between 2015 and mid-2019, 1,680 Act 20 decrees were issued. During this time period, Act 20 companies brought in an estimated \$210 million in fiscal revenue to the Puerto Rican economy, and the total investment jumped from \$500 million in 2015 to \$1.2 billion in 2019. While Act 20 is generally targeted at enticing U.S. businesses to commence operations in Puerto Rico and export services abroad, local businesses that export their services have also taken advantage of the incentives, with 35% of

The Impacts of Puerto Rico's Act 20 and 22 (2/4)

all Act 20 decrees being held by local businesses, defined in ETI's study as businesses "in which most of the capital is owned by Puerto Rican residents."

Jobs

Puerto Rico has historically suffered from a high unemployment rate, but Act 20 is tackling that issue, too. As of June 2019, Act 20 businesses have contributed a total of 36,222 much-needed jobs to the island, with each business generating an average of 10 jobs. According to Manuel Laboy Rivera, secretary of the Department of Economic Development and Commerce (DDEC), the goal is to increase the 7,400 created jobs in 2016 to 56,601 jobs by 2026, so Act 20 is clearly having the intended impact on job creation.

The impact is also substantial for everyday Puerto Ricans, as many have taken up relatively high-paying jobs at Act 20 companies. The jobs pay an average salary of \$36,000, and considering that the median household income in Puerto Rico is less than \$20,000, it is clear that ordinary Puerto Ricans can significantly improve their quality of life thanks to Act 20 companies.

Projections

Going forward, the impacts can only be expected to grow, as the DDEC estimates that a total of 2,776 Act 20 and Act 60 Export Services decrees will have been granted by 2029.

The Impacts of Puerto Rico's Act 20 and 22 (3/4)

The Impacts of Act 22

Act 22, now Individual Resident Investors under Act 60, offers a 100% tax exemption on capital gains and income from dividends and interest. To be eligible, an individual must become a [bona fide resident](#) of Puerto Rico, which means spending at least 183 days a year on the island, establishing a tax home there, and demonstrating a closer connection to Puerto Rico than to any other territory by, for example, purchasing property, moving one's family and belongings, and registering to vote. The objective behind the act is to entice investors who wish to relocate to Puerto Rico to offset the large-scale migration of Puerto Ricans to the US.

Country of Origin

Act 22 (and now Individual Resident Investors) is open to people from around the world, but the majority of grantees who indicated their country of origin were from the United States, with Columbia and Singapore in a distant second and third place. Within the US, more than 40% of grantees hail from Florida or California.

Revenue

Many Act 22 decree holders—35%—choose to open a business once they are in Puerto Rico, 80% of which are in the service industry, including many operating under Act 20. The companies established by Act 22 decree holders have generated an estimated 4,400 jobs, so they are also making a valuable contribution to the Puerto Rican job market.

Act 22 decree holders have also put significant amounts of money into the Puerto Rican economy, with an estimated \$140 million spent on the island. The planned investment capital of Act 22 decree holders is

The Impacts of Puerto Rico's Act 20 and 22 (4/4)

estimated at around \$687 million. Furthermore, 68% have purchased real estate property for an estimated total of \$1.3 billion, with the remaining 32% renting, generating approximately \$560 million in rental income each year.

Net Worth

ETI's study also debunks the misconception of Act 22 decree holders being mega-rich individuals. Only 2.8% have a net worth of over \$50 million, while the vast majority—80%—have a net worth of under \$10 million. By dispelling this myth, the DDEC hopes to attract Puerto Ricans in the US who have a net worth of more than \$1 million to return to and invest in their homeland, as long as they did not reside in Puerto Rico between 2009 and 2018.

Projections

By 2029, the DDEC estimates that around 2,660 Act 22 decrees and Act 60 Individual Resident Investor decrees under Act 60 will have been granted to individuals relocating to Puerto Rico. Many of these individuals are expected to open businesses, which will create an estimated 14,600 jobs. The aggregate amount of money spent by Act 22 decree holders and Individual Resident Investor decree holders on real estate between 2015 and 2029 is expected to reach \$7.2 billion, and the yearly rent income is forecast to jump by \$450 million by 2029.

Will Puerto Rico Become the 51st State? (1/2)

Is it possible that Puerto Rico will become the 51st U.S. state? After overwhelming results from a non-binding referendum vote in 2017, many Puerto Ricans are in favor of becoming a state. However, these results weren't taken very seriously since only 23% of eligible citizens voted. This low turnout along with other considerations like U.S. politics and the Constitution, are hurdles along the road to Puerto Rico becoming a state.

To understand the possibility of Puerto Rico becoming a 51st state, it is important to recognize what Puerto Rico is to the United States: [a commonwealth](#).

What does it mean to be a commonwealth?

It was in 1898, after the Spanish-American War that Puerto Rico first came under U.S. control. However, it was not until 1952 that it was officially approved under U.S. federal law, making Puerto Rico a commonwealth. For residents on the island, becoming part of a U.S. commonwealth meant:

- A separate constitution from the U.S.
- Having to pay federal income taxes on work done within the States
- Access to Medicare and Medicaid by paying into Social Security
- Not having a vote in U.S. Congress
- Having the right to vote in primary presidential elections, but not presidential elections
- Being considered natural-born U.S. citizens

After the 2016 gubernatorial elections, Puerto Rico's new governor [Ricardo Rosselló](#) stated that voters were seeking to claim their

Will Puerto Rico Become the 51st State? (2/2)

“equal rights as American citizens.” Being in a state of economic crisis, Puerto Rico [filed for bankruptcy](#) in May of 2017 and owes about \$70 billion to creditors, but Rosselló along with other statehood supporters believes that bankruptcy could help repair the island’s economy.

The process for becoming a U.S. state

Ultimately it is up to Congress to admit new states via the “New States” clause found in the United States Constitution. As defined in a 1953 U.S. Senate Committee on Interior and Insular Affairs, the requirements for statehood are:

- The residents of the proposed new state are all for the principles of democracy as presented in the American form of government.
- The majority of the electorate wants statehood.
- The proposed new state has the population and resources to support state government and carry its share of the cost of Federal Government.

After the latest referendum vote in 2017, Rosselló stated that he soon plans on visiting Washington to plead his case for statehood. At first sight, the vote for statehood seems to have claimed victory, but digging into the numbers tells a different story. Low voter turnout was largely due to the migration of Puerto Ricans to the mainland and various political parties encouraging citizens to refrain from voting. With hopes of maintaining U.S. support and seeing a better voter turnout, it will come down to Puerto Rican leaders having a strong case to present to Congress.

[Contact us](#) for more information.