

Tax Alert: Political contributions limitations in Puerto Rico

Given that during 2015, fund raising events will start to take place in preparation for the election year in 2016, we review the current limitations on political contributions in Puerto Rico as stated by Act 222-2011, known as the Puerto Rico Political Campaign Financing Oversight Act, as amended.

The provisions of this Act state that no natural person may, directly or indirectly, make contributions in or outside of Puerto Rico to a political party, aspirant, candidate, campaign committee, authorized committee or political action committee in excess of the amounts established in 2 U.S.C. § 441a(a)(1)(A), as amended, or in any federal law that substitutes it. In general, the limits shall operate per calendar year.

The limits of the contributions for the 2016 General Election period shall be the following:

Individual Contributions made to:

- political party, aspirant, candidate, campaign committee, authorized committee or political action committee - \$2,600.00 each.
- independent Expenditures Committees or Segregated Funds Committee – No limit, unless the contribution is used by Independent Expenditures Committee or Segregated Funds Committee to make a donation to a political party, aspirant, candidate, campaign committee, authorized committee or political action committee, or agents or authorized representatives of any of the above, in which case the \$2,600.00 limit shall apply.
- contrary to the last election cycle, which carried a limitation of five (5) contributions per year, Act 222-2011, as amended, provides for unlimited contributions, without exceeding the \$2,600 per Political party, aspirant, candidate, campaign

committee, authorized committee or political action committee per natural year.

No juridical person may make contributions from its own funds in or outside of Puerto Rico to political parties, aspirants, candidates, campaign committees or to agents, representatives or committees authorized by any of the above mentioned, or to political action committees that make contributions or coordinate expenditures among themselves. However, a juridical person may establish, organize and administer a committee which shall be known as a segregated committee or fund that for purposes of contributions or expenditures shall be treated as a political action committee and which shall be registered at the Office of the Election Comptroller and shall comply with the provisions of Section 6.000.

Any donation in excess of two hundred (200) dollars will require contributor's identification, including name and last name, postal address, name of the person or entity to which the donation is being made, and identification number such as electoral number, Puerto Rico licence number, or any identification number issued by State or Federal Government that contains the person's legal name, birth date, gender, licence number or identification number, digital photo, residential address, signature, and physical security devices to prevent any type of manipulation, tampering, or duplication with fraudulent purposes.

Please contact our Tax Department should you require additional information regarding this or any other tax issue; we will be glad to assist you.



Contact us

For assistance in this matter, please contact us via maria.rivera@pr.gt.com, francisco.luis@pr.gt.com, lina.morales@pr.gt.com or isabel.hernandez@pr.gt.com



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March 16, 2015

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