

Summary of amendments to the PR Internal Revenue Code of 2011

May 15, 2020



Summary of amendments to the PR Internal Revenue Code of 2011

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 1	Hospitals Facilities Tax Exemption of 1968	Article 1(e)	Hospital Facilities and Non-for profit entities	Amended subsection (e) to establish that Non-for-profit entities with exemptions in effect pursuant to Section 1101.01 of the Puerto Rico Internal Revenue Code can enjoy the benefits of a full exemption in the payment of Commonwealth taxes and excise taxes on products derived from oil used for the production of /for the generation of electrical or thermal power and also the exemption of municipal taxes provided in subsection (d) of Article 1. In addition, subsection (e) was amended to include the Secretary of the Department of Economic Development and Commerce among the authorized persons to establish the eligibility procedures to be followed by the hospital unit.	Year 2020
Section 2	Hospitals Facilities Tax Exemption of 1968	Article 11	Hospital Facilities and Non-for profit entities	Article 11 was amended to indicate that in the evaluation, consideration, renegotiation and review of any incentive or benefit granted by the Law, the Department of Health and the Secretary of Treasury will be required to oversee and ensure that the requirements are met without prejudice to the powers authorized by the Puerto Rico Internal Revenue Code in Section 6051.11	Year 2020
Section 3	Municipal Property Tax Act of 1991	Article 6.03	Entities	Eliminate the reference to the 3MM volume of business threshold to be required to attached Audited Financial Statements (" AFS") to the return and included that if the Income Tax return is filed with AFS, then the PPT return must be filed with AFS. In addition, in the case of entities that are part of a group of related entities the determination of the volume of business for the for purposes of the financial statement requirement will be based on Section 1061.15 of the PR Internal Revenue Code.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 4	1010.01- Definitions	1010.01 (a)(3)(C)	Entities	Adds paragraph (C) to establish that when a corporation is converted to an LLC, the election to be taxed as a partnership will be effective from the first day of the tax year in which the election becomes effective. The conversion should not be considered a reorganization.	Year 2020
		1010.01(a)(40)	Entities	<ul style="list-style-type: none"> - Expands the definition of "Industry or Business" to add "includes the provision of services in Puerto Rico". - Amends paragraph (B) to exclude trading in commodities from the definition of Industry or Business. - Renumbers (B) as (C) and expands the exclusion of trading in securities and trading in commodities as long as the taxpayer does not have an office or place or business in Puerto Rico. Those interested in the commodities exclusion must request an Administrative Determination from the Secretary. 	Year 2020
Section 5	1010.03 - Classification of taxpayers who are individuals - Determination of personal status.	1010.03(a)(1)(B)	Individuals	(i) Adds to the category of individual taxpayers those individuals with postnuptial agreements expressly providing complete separation of assets.	Year 2020
Section 6	1021.01- Regular tax on individuals	1021.01(c)	Individuals	Amended paragraph (c) to add individuals with gross income not exceeding \$100,000 will pay 92% of the regular tax and gradual adjustment.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 7	1021.02- Alternate basic tax on individuals	1021.02(a)(2)(B)	Individuals	<ul style="list-style-type: none"> - (i) Added additional reductions (deductions) from to the gross income to compute in order to reach the income subject to AMT. Adds paragraphs 5, 9, 13, 14, 19, 31 and 36 of Section 1031.02(a) as deductions from gross income. - (iv), (viii), (ix) Add payments for services reported in an informative return pursuant to Section 1063.16 as a rdeduction from gross income. - no need of informative return to deduct water and power expenses. - Added the deduction allowances for personal exemptions and for dependents provided in the Section 1033.18 of the Code, as a deduction from the gross income to determine the net income subject to ABT. 	Year 2019
		1021.02(a)(2)(D)	Individuals	For 2020 in order to claim the ordinary and necessary expenses of their industry or business, individuals with a volume of business of less than one million dollars can opt to file their returns along with a due diligence checklist to be provided by the PRTD and sworn by an accredited tax specialist agent in tax returns instead of an agreed upon procedures or a compliance report prepared by a CPA.	Year 2020
		1021.02(a)(2)(F)	Individuals	Added the non applicability of the ABT to taxpayers whose only source of income is from pensions subject to exemptions.	Year 2019

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 8	1021.06- Optional tax for self-employed individuals	1021.06(b)	Individuals	Requirements to qualify for the Optional Tax: 1- 80% of the revenues must be from services rendered and subject to withholding (instead of 100%) 2- The total gross revenues were subject to withholding or estimated tax payments (was #3 renumbered #2) 3- For the 2019 tax year, the individual may choose the optional tax even if has a tax liability payment due reflected in his income tax return, as long as the balance is paid in full no later than the due date of the return, without considering an extension request.	Year 2019
Section 9	1022.01- Normal tax on corporations	1022.01(b)	Corporations	No new amendments. For 2019 the regular tax rate for corporations was reduced from 20% to 18.5%.	Year 2019
Section 10	1022.04 - Determination of alternative minimum net income.	1022.04(a)(7)	Corporations	Added reference to section 1063.16 related to Forms 480.7E and 480.7F for certain deductions for the determination of the alternative minimum net income: - (ii) payments for services included in informative returns pursuant to (1063.16) - (v) payments for water and power will not have to be included in an informative return - (vi) payments for marketing and advertising included in informative returns pursuant to (1063.16) -(vii) insurance payments included in informative returns pursuant to (1063.16) -B- For AMT purposes, the corporation will be allowed to claim the same deductions claimed for regular tax, if it submits an Audited FS, Agreed upon procedures or Compliance Attestation report with its income tax return no matter its volume of business.	Year 2019

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 11	1022.07- Optional tax for corporations rendering services.	1022.07(b)	Corporations	Amendment to the requirements to elect the Optional Tax: 1- 80% of the revenues must be from services rendered and subject to withholding (instead of 100%) 2- The total gross revenue was subject to withholding or estimated tax payments (was #3 renumbered #2) Eliminates requirement that all income be reported on informative returns 3- For the 2019 tax year, the corporation may choose the optional tax even if it has a tax liability payment due reflected in its income tax return, as long as the balance is paid in full no later than the due date of the return, without considering an extension request.	Year 2019 (number 3 only)
Section 12	1023.04- Tax on individuals, estates and trusts with respect to interest paid or credited upon deposits in accounts that bear interest	1023.04(b)(1)(D)(10)	Individuals	Eliminates option of withholding 17% on the interest over the first \$25 credited or accumulated in each quarter. Withholding should be 10%.	Year 2019
Section 13	1031.02- Exemptions from gross income	1031.02(a)(26)	Individuals	Eliminates exemption from gross income for the compensation received by a researcher or scientist from the UPR or any other institution accredited by the Higher Education Council.	Year 2020
		1031.02(a)(27)	Individuals	Eliminates maximum exempt compensation for researchers or scientists in the amount of \$250,000.	Year 2020
		1031.02(a)(28)	All taxpayers	Eliminates exemption for rental income of buildings in historic zones.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 14	1031.06- Special rules for capital gains invested in an eligible opportunity fund	1031.06(e)(4)	All taxpayers	Adds the Secretary of Economic Development to the persons responsible for issuing the necessary Regulations for qualified opportunity funds.	November 8, 2018
Section 15	1033.14- Net operating loss deduction	1033.14(c)	Corporations	Excludes the dividend received deduction of Section 1033.19 from the calculation of the net operating loss deduction.	Year 2020
Section 16	1033.15- Deductions applicable to individual taxpayers	1033.15(a)(1)(C)(ii)	Individuals	The distributable share from flow through entities that elected the Optional tax, should not be considered as part of the adjusted gross income, to determine the mortgage interest to be claimed as a deduction.	Year 2020
Section 17	1033.17- Items not deductible	1033.17(a)(16)(E)(i)	Entities	Adds a disposition stating that the Secretary of Treasury can't evaluate or approve new requests for exclusions (51% waivers) for years starting after December 31, 2018.	Year 2019
		1033.17(a)(16)(F)	Entities	Eliminates the transfer pricing reports pursuant to the OECD rules for groups of related entities without operations in the US. The alternative of submitting reports prepared under US law remains.	Year 2020
Section 18	1034.01- Capital gains and losses	1034.01(d)	All taxpayers	Increases to 90% (from 80%) capital losses that can be carried forward to offset capital gains generated during the year.	Year 2019
		1034.01(g)	All taxpayers	Paragraph (g) was amended to add Sections 1072.01, 1114.26 and 1114.27 for purposes of determining whether the property held by the taxpayer has the same basis as the property exchanged.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 19	1051.12- Reactivation of moratorium to the granting of tax credits under certain special acts	1051.12(a)	All taxpayers	Amends paragraph (a)(4) to change the period in which tax credits under the Conservation Easement Law can be granted from until fiscal year 2023-2024 to fiscal year 2018-2019 limited to \$10MM and adds the requirement of presenting an administrative determination request with the PRTD before June 30, 2019. For the fiscal years 2019-2020 onwards, credits can be granted up to an amount of \$3MM for those cases in which an administrative determination request was presented to the Department of the Treasury from July 1, 2019 and thereafter. - Paragraph (a)(5) is amended to reduce the period in which tax credits can be granted to the fiscal year 2018-2019 instead of the fiscal year 2023-2024. The last day for municipalities to submit eligibility certificates was Dec. 31, 2019.	2019 onwards
Section 20	1052.01- Earned income credit	1052.01(h)(2)	Individuals	Taxpayers 65 years or older will be eligible for the credit.	Year 2020
Section 21	1052.02- Credit for low income persons age sixty-five (65) years or older.	1052.02(d)	Individuals	The Secretary will have 30 days from the date in which the taxpayer claimed the credit to issue the payment by check or electronic means.	Year 2020
Section 22	1061.01- Individual returns	1061.01(b)	Individuals	Optional tax will be available individually for each spouse.	Year 2019
Section 23	1061.05- Nonprofit entities returns	1061.05(c)	Not for profit	For the years beginning after December 31, 2018 the due date of the NFP returns will be June 15 (calendar year entities) or the 15th day of the 6th month after the close of the year (fiscal years).	Year 2019

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Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 24	1061.09- Estates and trusts returns	1061.09(b)	Estates and trusts	Establishes that the automatic extension will be allowed for 6 months. If the extension is requested it will also provide an automatic extension of 6 months to the grantor trusts to provide the report to the grantor.	Year 2017
Section 25	1061.11- Returns of special corporations owned by employees	1061.11(b)	Special corporations	Adds a new subsection (b) to establish the due date of the return on or before the 15th day of the 3rd month after the close of the year. An extension of 3 months is allowed if requested on or before the due date of the return. For years beginning after December 31, 2016 the extension is for 6 months.	Year 2017 (six months extension)
		1061.11(d)	Special corporations	The Secretary allows an extension of 30 days to submit the member's report. For the years beginning after December 31, 2016, the extension to file the member's report will be automatic if an extension to file the return has been requested. By filing an extension request to file the return the member's report is also extended for 6 months.	Year 2017
Section 26	1061.12- Insurance companies returns	1061.12(a)	Insurance companies	Changes the due date of the returns of insurance companies. For years before January 1, 2018 the due date is the 15th day of the 4th month after the close of the year. For years beginning after December 31, 2018, the due date will be the 15th day of the 6th month after the close of the year and provides for a 6 months extension.	Year 2019

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Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 27	1061.15- Requirement to submit financial statements and other documents with returns	1061.15(a)	Entities	<ul style="list-style-type: none"> - Clarifies that the threshold of 3MM to be required to submit FS with the return is for years started before January 1, 2020. - For the years starting after December 31, 2019 if the volume of business is between 3MM and 10MM the return could be submitted with an Agreed Upon Procedures or Compliance attestation report prepared by a CPA. - For years beginning after December 31, 2019, if the volume of business is 10MM or higher the return needs to be filed with audited financial statements. - For groups of related entities the threshold to voluntarily submit stand alone financial statements for each entity with a volume of business over \$1MM is \$3MM for the group, for the years beginning before January 1, 2020 and increased to \$10MM for years beginning after December 31, 2019. 	Year 2020
		1061.15(b)	Entities	The threshold to submit the supplementary information of the financial statements with the income tax return is increased from \$3MM in years prior to January 1, 2020 to \$10MM for years beginning after December 31, 2019.	Year 2020
		1061.15(e)	Entities	Adds the date of September 30, 2020 as the due date in which the Secretary will inform the contents and the required procedures for the AUP and the compliance attestation reports.	Year 2020

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Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 28	1061.16- Time and place for filing returns	1061.16(e)	Entities with tax grants	Adds subsection (e) to establish that for the years beginning after December 31, 2018, the due date of the returns for entities with tax exemption grants under Act 60-2019 or any similar law will be the 15th day of the 6th month after the close of the year. Not applicable to individuals or pass-through entities.	Year 2019
Section 29	1061.17- Payment of tax	1061.17(a)	Payment of tax	Adds that for years beginning after December 31, 2018 the payment date for taxpayers who filed returns under Sections 1061.05 - Non for profit; 1061.12- Insurance Companies; 1061.16(e) - Returns with tax exemption grants; the payment date should be the filing date of the returns	Year 2019
		1061.17(c)	Payment of tax	For the year 2019, any taxpayer that requests an automatic extension to file the income tax return pursuant to Section 1061.16(a)(2), will be granted an automatic extension of 30 days for the payment of the tax. This provision is only for calendar year taxpayers. Pass through entities can request a 6 months extension for the payment of the tax that must be deposited with their informative returns. For the year 2019 any partnership, special partnership or corporation of individuals that requests an extension to file the return will be granted an automatic extension for the payment until May 15, 2020.	Year 2019

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 30	1061.20- Requirement to pay estimated tax by individuals	1061.20(a)	Individuals	Added to the list of situations that do not require estimated tax payments, the income received from distributions as a result of a disaster declared by the Governor of PR.	Year 2020
Section 31	1061.21- Payment of estimated tax by individuals	1061.21(a)	Individuals	For the year 2020 establishes May 15, 2020 as the due date for the first estimated tax payment for the individuals.	Year 2020
Section 32	1061.23- Payment of estimated tax by corporations	1061.23(c)	Corporations	Establishes that for the year 2020 the first estimated tax payment for corporations with a year end on December 31 will be on May 15, 2020.	Year 2020
Section 33	1062.01- Withholding of tax at source on wages	1062.01(a)	Withholding at source	This amendment establishes that the following payments made from January 1, 2019 and on will be considered wages not subject to withholding and such payments will be required to be reported on a withholding statement: <ul style="list-style-type: none"> - Payments for agricultural services - Payments for domestic services in the home, local college club or local chapter of a fraternity or sorority - Payments for services rendered by a minister or a member of a religious order - Compensation and indemnization received by an employee for dismissal 	Year 2019
		1062.01(c)	Withholding at source	Eliminates from the formula related to the exemption from withholding, the contributions made to a governmental pensions or retirements system divided by \$500.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 34	1062.02- Withholding of tax at source on indemnification payments received in judicial and extrajudicial proceedings	1062.02(a)	Withholding at source	Adds that in the case of payments made to US citizens non residents of PR or non resident aliens, they will be subject to the 20% and 29% withholdings established by Section 1062.08 or in the case of payments to a non resident corporation, the 29% established by Section 1062.11.	Year 2020
		1062.02(f)	Withholding at source	New subsection added to explain that the Secretary can relieve the withholding agent from its obligation to withhold, in those cases where it is demonstrated that obligation to withhold will cause improper setbacks without leading to any practical purpose.	Year 2020
Section 35	1062.03- Withholding of tax at source on payments for services rendered	1062.03(b)	Withholding at source	The obligation to deduct and withhold will not apply to continued educational services defined in 4010.01(11)(11)	Year 2020
		1062.03(g)	Withholding at source	Increases the withholding amount under a waiver to 6% from 3% for years beginning after December 31, 2018 if an Agreed Upon Procedures or Financial Statement has been submitted with the return. The Secretary can relieve the withholding agent from its obligation to withhold, in those cases where it is demonstrated that the obligation to withhold will cause improper setbacks without leading to any practical purpose.	Year 2019

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 36	1062.08- Withholding of tax at source on income of nonresident individuals, for withdrawal of authorization to do business in Puerto Rico, on the sale of certain assets, and in the case of certain exempt organizations	1062.08(j)	Withholding at source	Those taxpayers using the accrual method of accounting or with a fiscal year will not be required to present a reconciliation between the amount claimed as expense and the informative returns if they file their income tax return with audited Financial Statements.	Year 2020
		1062.08(k)	Withholding at source	In a sale of the interest in a partnership by a non-resident, the purchaser must withhold 15% on the gain on the sale that is considered from sources within Puerto Rico, unless the seller obtains a waiver. Also the purchaser can refund any amount withheld if the non-resident already paid the tax, or when there is no gain in the transaction, as confirmed by the Secretary.	Year 2020
Section 37	1062.09- Income tax withheld at source on individuals, estates, corporations, partnerships and trusts on interest paid or credited upon deposits in accounts that bear interest, or upon bonds, notes or other obligations of certain corporations or partnerships and upon certain mortgages and on certain variable annuities distributions.	1062.09(a)	Withholding at source	Eliminates the reference to the withholding of 17% from the non exempt interest paid or accredited. Leaving only the 10% withholding.	Year 2019
Section 38	1063.01- Information at source	1063.01(b)(1)	Informative returns	Adds a paragraph to establish that for the tax year 2019 the required informative returns can be filed on or before March 31, 2020.	Year 2019

Changes corresponding to the Puerto Rico Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 39	1063.03- Reports on the payment of interest	1063.03(a)	All taxpayers	Adds a provision for taxpayers under the accrual method of accounting or with a fiscal year, to indicate that they will not be required to submit a reconciliation of the expenses claimed and the informative returns with their income tax returns when the return is filed along with audited financial statements and required supplementary information.	Year 2019
Section 40	1063.07- Information return on extension of credit transactions - Affirmative Statement of Transactional Amounts	1063.07(f)	Informative returns	For credit application or credit extension transactions approved after November 30, 2010, the Declaration required under this section must be submitted by the financial business no later than the last day of the calendar month following the date the credit application or extension was approved.	December 2010
Section 41	1063.12- Reports on income subject to alternate basic tax.	1063.12(a)	Individuals	Adds a provision for taxpayers under the accrual method of accounting or with a fiscal year, to indicate that they will not be required to submit a reconciliation of the expense claimed and the informative return with their income tax returns when the return is filed along with audited financial statements and required supplementary information.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 42	1063.16- Information return on ads, insurance premiums, telecommunication services, access to internet and cable or satellite television.	1063.16(a)	Informative returns	<ul style="list-style-type: none"> - Amended paragraph (a) to make reference to payments received after December 31, 2019 instead of 2018. - Due date of the informative return should be February 28 after the close of the natural year for which the informative return is being filed. - Eliminates reference to residential clients. In the case of bundles that could not be segregated, the informative return must be prepared for the total amount of payments received. - For 2019 the taxpayer may file an informative return in order to take a deduction for purposes of determining the net income subject to alternate basic tax or alternative minimum tax and does not want to present an AUP or FS with the return. 	Year 2020
		1063.16(c)	Informative returns	Adds the option of submitting the informative return to both the payer and the Secretary of Treasury by mail. Previously it was only by electronic means.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 43	1071.02- Partners' income and credits	1071.02(a)	Partnerships	New paragraph (D) included on subsection (a)(11), a partner will not have to separately consider adjustments for alternative minimum tax or alternate basic tax if the partnership submits an audited financial statement along with the supplementary information, or submits an AUP or compliance attestation report with its IT return. For years beginning after 12-31-2019 in cases of partnerships with a volume of business lower than \$1MM in order to comply with the requirements of the Section, they can submit a due diligence checklist by a Credited Agent Specialist.	Year 2020
Section 44	1077.02- Reorganizations	1077.02(a)	Entities	Eliminates reference to Section 1077.01(Election or conversion to a partnership) and substitutes it for the applicability of 1034.04(b)(3) and (4) related to stock for stock on reorganizations and property for stock on reorganizations which will apply as if both entities were corporations.	Year 2020
		1077.02(b)	Entities	New paragraph added to establish that the liquidation of a special partnership or corporation of individuals with the subsequent contribution of all the assets and debts to a new or preexisting partnership will be considered an exempt exchange.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 45	1081.01- Employee's trusts	1081.01(b)	Employee's trusts	New paragraph (b)(1)(E) related to distributions to non resident individuals. For years beginning after 12-31-2019 any distribution of retirement income defined under the US Code or under a qualified plan pursuant to the PR Code and which trust was created in the US, will be exempt from tax if distributed to a non resident individual.	Year 2020
		1081.01(b)	Employee's trusts	<ul style="list-style-type: none"> - Adds paragraph (b)(3)(B) to establish the withholding rates (10%) and amounts not subject to withholdings on "Other Distributions" not lump sum - Adds paragraph (b)(3)(C) to define "periodic payments" - Adds (b)(3)(D) to state that amounts rolled over are not subject to withholding. - Adds paragraph (b)(3)(E) to establish when a loan made to a participant or beneficiary will be considered a taxable distribution. 	Year 2020
Section 46	1081.02- Individual retirement account	1081.02(f)	Informative returns	New due date of the informative returns will be no later than February 28 of the following year in which distributions were made and no later than November 30 of the taxable year following the taxable year in which said contribution will be claimed by the taxpayer as a deduction.	Year 2019

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 47	1081.05- Educational contribution account	1081.05(e)	Informative returns	New due date of the informative returns will be no later than February 28 of the following year in which distributions were made and no later than November 30 of the taxable year following the taxable year in which said contribution will be claimed by the taxpayer as a deduction.	Year 2019
Section 48	1082.01- Definition of real estate investment [trust]	1082.01(a)	REIT	Added paragraph (a)(5)(D) to establish the necessary factors to consider a foreign stockholder, partner, member or holder of participation certificates in a foreign entity, as stockholders of a Real Estate Investment Trust.	Year 2020
Section 49	1082.02- Taxation of real estate investment trusts and their beneficiaries	1082.02(d)	REIT	Amends paragraph (d)(3)(A) to establish that in the case of entities created or organized in a foreign country, the tax will be imposed to the stockholders, partners, members or holders of participation certificates and not to the entity.	Year 2020
Section 50	1101.01- Exemptions from tax on corporations and nonprofit entities	1101.01(a)	Not for profit	Expands definition of non-profit entities to allow secondary entities, which perform functions that are an integral part of the primary entity.	Year 2020
		1101.01(h)	Not for profit	Adds subsection h - The Secretary is authorized to evaluate the request and approve the exemption to entities recognized under Section 501(c)(3) of the US Internal Revenue Code, even if they don't comply with every requirement of 1101.01(a).	Year 2020
Section 51	1102.01- Imposition of tax on unrelated business income of charitable organizations, and for other purposes	1102.01(a)	Not for profit	Eliminates reference to the 20% rate on regular tax and makes reference to the tax computed pursuant to Section 1022.01.	Year 2020

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Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 52	1114.06- Inclusion of a special partnership's income	1114.06(a)	Flow through	A partner will not have to separately consider adjustments for alternative minimum tax or alternate basic tax if the special partnership submits an audited financial statement along with the supplementary information, or submits an AUP or compliance attestation report with its IT return. For years beginning after 12-31-2019 in cases of special partnerships with a volume of business lower than \$1MM in order to comply with the requirements of the Section, they can submit a due diligence checklist by a Credited Agent Specialist.	Year 2020
Section 53	1115.04- Attribution of items to shareholders of the corporation of individuals	1115.04(b)	Flow through	Sets the circumstances in which the shareholder will not consider separately the net income of the Corporation of individuals. For 2020 Corporations of Individuals with gross revenues lower than 1MM may submit a due diligence checklist to meet the requirement settled down.	Year 2020
Section 54	1116.19- Law of Public Private Alliances	1116.19	Entities with tax grants	Adds entities under the Law of Public Private Alliances to the list of entities with tax exemption grants.	Year 2020
Section 55	1116.20- Puerto Rico Incentives Code	1116.20	Entities with tax grants	Adds entities under Puerto Rico Incentives Code to the list of entities with tax exemption grants.	Year 2020

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Section 56	4010.01- General definitions	4010.01(a)	Sales and use tax	Excludes from the term "food and food ingredients" any compound, product, derivative, mixture or preparation of all the parts of any substance, the use of which is authorized or permitted under Act 42-2017 (Act to Manage the Study, Development and Research of Cannabis for Innovation, Applicable Norms and Limitations).	Year 2020
		4010.01(h)	Sales and use tax	Adds to the definition of "merchant" a person that is a market facilitator or a market vendor that sells and sends, or causes to be sent, tangible personal property from any state or foreign country to any person in Puerto Rico through a link on a website.	Year 2020
		4010.01(ii)	Sales and use tax	Eliminates the 85% requirement of residential units for the exclusion of SUT for housing cooperatives and associations of residents, property owners or condominium associations.	Year 2020
		4010.01(bbb)	Sales and use tax	The amount of the exemption for the business to business services increased from two hundred thousand dollars to (\$200,000) to three hundred thousand dollars (\$300,000)	July 1, 2020
		4010.01(ddd)	Sales and use tax	Adds the definition and duties of a "Market Facilitator".	Year 2020
		4010.01(eee)	Sales and use tax	Adds the definition of "Market Seller" to the Code.	Year 2020

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Section 57	4020.05- Collection of the tax	4020.05(a)	Sales and use tax	Added that all mail order sales in which a market facilitator performs certain activities will be automatically considered taxable transactions, and the market facilitator will be considered a withholding agent and will be responsible of collecting and depositing the SUT.	Year 2020
Section 58	4020.08- Collection of sales tax on mail order sales	4020.08(a)	Sales and use tax	Adds the provisions to state when the market facilitators will be responsible for the collection and deposit of the Sales and Use Tax.	Year 2020
		4020.08(d)	Sales and use tax	Adds to the term mail order sales, any sales made through a market facilitator who performs certain activities.	Year 2020
		4020.08(e)	Sales and use tax	Adds a provision stating that mail order sales will be subject to Sales and Use Tax when they are made through a market facilitator. In this case the market facilitator will be responsible of collecting and depositing the sales and use tax.	Year 2020
Section 59	4030.12- Exemption on prescription medicines	4030.12(d)	Sales and use tax	Adds subsection (d) to exclude from the exemption any substance which use is authorized or permitted by Act 42-2017 (Act to Manage the Study, Development and Research of Cannabis for Innovation, Applicable Norms and Limitations).	Year 2020
Section 60	4030.19- Exemption on machinery, medical-surgical material, supply, article, equipment and technology used to render health services.	4030.19(b)	Sales and use tax	The rental of medical equipment to hospitals is exempted from the sales and use tax for those entities holding a tax exemption under Section 1101.01(a)(2) and who comply with the requirements of Section 4030.19, including the exemption certificate required by subsection (c).	Year 2020

Changes corresponding to the Puerto Rico Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 61	4041.01- Accounting method	4041.01(c)	Sales and use tax	Cash basis accounting method is allowed for the construction industry.	July 1, 2020
Section 62	4041.02- Declaration of imports and monthly returns of imports and of sales and use tax	4041.02(a)	Sales and use tax	Establishes a new option for importers in which the Secretary of Treasury will allow people to claim the sales tax charged by the seller in the Declaration of Imports, including those merchants who have entered into an agreement with the Secretary to collect the Sales and Use Tax.	Year 2020
Section 63	5001.01- Definitions	5001.01(a)	Alcoholic Beverages	Amends certain definitions such as: - Artisan Distilled Spirits - Increased to 300,000 (from 100,000) the amount of gallons distilled during the prior year to be considered an Artisan Distilled Spirit. - Tropical fruits wine - Increased to 3MM (from 2MM) the amount of wine produced during the prior year to qualify under this category. - Substandard wine - Increased to 3MM gallons (from 2MM) the amount of wine produced by the manufacturer in order to qualify under this category.	Year 2020
Section 64	6030.25- Payment assignment	6030.25(a)	Payments	Eliminated the reference to voluntary payments to expand the provisions to any payment. Order to apply payments made.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 65	6041.11- Penalties for failure to file certain information statements, returns and reconciliation statements, reports of transactions, and brokers' or securities dealers' statements.	6041.11(c)	Penalties	New paragraph (c) to add some exclusions to the penalties imposed by Section 6041.11. - Informative returns described in 1063.01 with reportable amounts lower than \$500 - An item which the Code does not require to be reported in an informative declaration and is voluntarily informed by the taxpayer	Year 2020
Section 66	6042.08- Offenses related to cigarettes	6042.08(b)	Penalties	Adds the vaping devices as part of the regulated products which sales to minors of 18 years can trigger the suspension of the license to sell cigarettes for a year and penalties of up to \$10,000.	Year 2020
Section 67	6051.11- Rules and regulations	6051.11(a)	Rules and regulations	Adds that the Secretary of Treasury is empowered to regulate any special law that affects the provisions of the Code. Also adds that any regulations related to the 2019 PR Incentives Code or any similar Law must be prepared in conjunction with the Secretary of Economic Development.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 68	6074.01- Creation of the accredited agents-tax return specialists registry	6074.01 (New)	Accredited agent / tax return specialists	Creates the Accredited Agents-Tax Returns Specialists registry, with a mandatory inscription and administered by the office of the Assistant Secretary of Internal Revenue.	Year 2020
	6074.02- Duties of Accredited Agents-Specialists	6074.02 (new)	Accredited agent / tax return specialists	Establishes the duties of the Accredited Agents-Tax Returns Specialists: 1- Act competently in tax matters 2- Comply with the Laws, morality and public order 3- Comply with the rules and regulations issued under the Code dispositions 4- Include in any document required with a return, the agent's name, signature, registry number as accredited agent 5- Request the exclusion from the registry when the accredited agent decides to cease operations.	Year 2020
	6074.03- Administrative fine for conspiracy between the Agent-Specialist and the Taxpayer	6074.03 (new)	Accredited agent / tax return specialists	When there is sufficient evidence that there is collusion between the specialist and the taxpayer with the intention of defrauding the Department of the Treasury, the Department will proceed administratively against both. To the taxpayer - PRTD will impose a fine equal to 50% of the determined deficiency. Agent - (1)Fine equal to total deficiency, (2) applicable interests and penalties, (3) administrative sanctions and (4)suspension of its authorization to act as an Accredited agent.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 69	6080.12- Authority to exempt from the payment of excise taxes, from the payment of sales tax and to extend the deadlines for performing certain tax actions by reason of disasters declared by the Governor of Puerto Rico.	6080.12(e)	Excise tax	Adds paragraph (e) to establish that the Secretary is empowered to take all the tax measures that he considers reasonably prudent and necessary to assist taxpayers in facing an imminent threat of an atmospheric phenomenon and/or in the event of a disaster declared by the Governor of Puerto Rico and to ensure their faithful compliance with this Code and any law that directly or indirectly affects the Puerto Rico tax system. Nothing herein may be construed as granting the Secretary the power to reduce, exempt, or condone the payment of a tax beyond the provisions of Section 6080.12.	Year 2020
Section 70	General Corporations Law of 2009	Article 15.05	Entities	Starting on 2019, domestic and foreign corporations are granted an automatic two-month extension to file the annual report as long as the corporations file a request no later than the due date of the Annual Report, together with a filing fee of \$150. The two-month extension will begin on April 15th or such later date as determined by the Secretary of State. An additional two-month extension to file the Annual Report can be requested, provided it is filed before the expiration of the Automatic Extension, together with a \$30 filing fee.	Year 2019

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 71	Economic Incentives Act for the films Industry	Article 8.3	Entities and Non-resident individuals	<p>-(a) Eliminates the reference to Non-resident talent expanding the taxation at a 20% rate to any non-resident individual. Starting 1/1/2020 any qualified non resident individual, or entity that contracts the services of the non resident individual can opt for filing a tax return and pay the tax instead of being subject to the special tax.</p> <p>-(b) Paragraph (b) is amended to establish that the 20% tax withholding will apply even when the non-resident individual or entity contracting the non-resident opts to file an income tax return.</p>	Year 2020
Section 72	Law to establish a special contribution for professionals and advisory services; increase the proportion of machines in casinos and restructure the distribution of said earnings	Article 1	Entities and individuals with government contracts	<p>Adds reference to the applicability of the 1.5% contribution on contracts with any entity created by federal or local Law and whose funds come partially or totally from the General Fund.</p> <p>Starting on April 1, 2020 Professional, advisory, advertising, training or orientation services provided by individuals whose aggregate contracting amount does not exceed \$300,000 dollars per year will not be subject to the 1.5% contribution.</p>	April 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 73	Puerto Rico Incentives Code - General Definitions	Section 1020.01(a)(34)	Entities	Added highly efficient energy to the categories qualifying under the definition of eligible investment.	Year 2020
		Section 1020.01(a)(45)	Entities	Changes subparagraph (x) to add the activities relate to highly efficient energy as part of the eligible business.	Year 2020
Section 74	Puerto Rico Incentives Code - Definitions applicable to the activities of individuals	1020.02(a)(4)	Individuals	The definition of "Resident Investor Individual" is amended to exclude any individual that was a resident of Puerto Rico for the period between January 17, 2006 to January 17, 2012.	Year 2020
Section 75	Puerto Rico Incentives Code -Definitions applicable to economic activities of the visitor	1020.05(a)(7)	Entities	Paragraph (a)(7) is amended to add a specific reference to residential property under the definition of "Condo-hotel". Also to establish the requirements to consider as "Condo-hotels" the residential units, buildings or group of residential buildings inside a destination or resort converted to the horizontal property regime.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 76	Puerto Rico Incentives Code - Definitions Applicable to Infrastructure Activities and Green Energy or Highly Efficient Energy	1020.07(a)(14)	Entities	<p>The definition of highly efficient generation is amended to include the efficient use of generators by third parties that sell energy to PREPA. Provided that in the case of power generation in the form of electricity and heat together, the measuring standard will be modified to contemplate the generation of heat.</p> <p>In the case of cogeneration plants for energy and heat, they must comply with the same efficiency standards promulgated by the Federal Energy Regulatory Commission and will apply to installations that use natural gas, propane gas that meets these requirements, or any subsequent regulations that replace or supplement the same.</p>	Year 2020
		1020.07(a)(17)	Entities	The definition of income from highly efficient energy is added under paragraph (a)(17). Among the items included as income from highly efficient energy is the income received as a dividend or benefit by a corporation or company that has shares in the Exempt Business that makes the distribution, provided that such income is attributable to income from highly efficient energy derived by said Exempt Business.	Year 2020
		1020.07(a)(23)	Entities and individuals	The definition of producer of highly efficient energy is amended to include a person engaged in Highly Efficient Power Generation, either as owner and direct operator, or as owner of a system that is operated by a third party, or as operator of a system that is owned by a third party, in which case both shall be considered as Eligible Businesses under Act 60.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 77	Puerto Rico Incentives Code -Companies Dedicated to Infrastructure and Green or Highly Efficient Energy	2071.01	Entities and individuals	Added to the list of eligible activities: The producers of highly efficient energy who are dedicated to the production, sales and operation at a commercial scale for consumption in PR, either as owner, direct operator or as the owner of a system operated by a third party, or operators of a system that is owned by a third party. Production at a commercial scale includes the sale to one or more persons engaged in a trade or business in PR.	Year 2020



Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 78	Puerto Rico Incentives Code - Income taxes	2072.01(c)(2)	Entities and individuals	Amended paragraph (c)(2) to include that the sale of CERs will be treated as income from Green Energy or Highly Efficient Energy (new).	Year 2020
		2072.01(d)(1)	Entities	Added the businesses dedicated to highly efficient energy to those subject to the 4% rate.	Year 2020
		2072.01(d)(3)(iii)	Entities	Adds the accumulated earnings and profits from highly efficient energy to the increases to the basis in case of a sale or exchange of the stock or assets of the exempt business	Year 2020
		2072.01(d)(4)(ii)	Entities	Adds the income of highly efficient energy to the items to consider in the liquidation of accumulated earnings for entities with revoked decrees.	Year 2020
		2072.01(d)(4)(iii)	Entities	Added the accumulated excess of the income from highly efficient energy earned during the validity of the grant, to the amounts that the transferor can transfer to the transferee in a liquidation after the expiration of the decree.	Year 2020
		2072.01(d)(4)(iv)	Entities	Added the accumulated excess of the income from highly efficient energy earned during the validity of the grant, to the amounts that the transferor can transfer to the transferee when transferor has exempt and non exempt activities.	Year 2020
		2072.01(f)	Entities and individuals	New paragraph to establish an exemption for individuals, estates, corporations, partnerships, limited liability companies and trusts with respect to interest paid or credited on bonds, promissory notes or other obligations of businesses that have a Decree.	Year 2020
		2072.01(g)	Entities and individuals	New paragraph to establish an exemption for any individual, estate, corporation, partnership, LLC or trust from the payment of any tax imposed by the Internal Revenue Code or by any other successor law; and the municipal license tax on income from interest, charges and other credits received regarding bonds, promissory notes or other obligations of a business that has a Decree.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 79	Puerto Rico Incentives Code - Exemption Period	2072.04(e)(2)	Entities	Adds the business dedicated to produce highly efficient energy to those allowed to select the flexible tax exemption.	Year 2020
		2072.04(e)(3)	Entities	Section (e)(3) is amended to add the property dedicated to the generation of high efficiency energy under the applicable dispositions related to tax exemptions.	Year 2020
		2072.04(e)(5)(i)	Entities	Eliminates reference to exempt business with decrees of Green Energy and expands the exemption on municipal taxes to any business with a Decree.	Year 2020
Section 80	Puerto Rico Incentives Code - State excise taxes and sales and use taxes	2072.05(a)(1)	Entities	Expands the exemption on excise taxes and Sales and Use Tax to the raw material used in PR to produce highly efficient energy. Also expands the exemption to the machinery, equipment and accessories used exclusively for managing the raw material inside the premises of the exempt business, and machinery, equipment and accessories for the production of highly efficient energy.	Year 2020
Section 81	Puerto Rico Incentives Code - Special Deduction for Investment in Buildings, Structures, Machinery and Equipment for Green or Highly Efficient Energy	2072.06	Entities	Added the investment in excess of the income for the production of highly efficient energy, to the Special Deduction for investment in buildings, structures, machinery and equipment for Green Energy or highly efficient energy.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 82	Puerto Rico Incentives Code - Requirements for tax decrees applications	2073.01(b)(1)	Entities	Amended paragraph (b)(1) to expand the list of industries that promote job creation by adding the industry dedicated to the generation of highly efficient energy.	Year 2020
		2073.01(b)(2)	Entities	Adds the design and conceptual planning of the highly efficient generation of energy to the definition of harmonious integration.	Year 2020
		2073.01(b)(7)	Entities	The definition of Certified Energy Company is established, under this definition. The exempt businesses are required to present to the Secretary of the Department of Economic Development and Commerce evidence that they are a certified energy company before the Bureau of Energy of Puerto Rico before starting operations if the certification applies to the exempt business.	Year 2020
		2073.01(b)(8)	Entities	Based on the amendment, entities dedicated to the production of green energy and highly efficient energy will also be subject to the evaluation of the Secretary of the Department of Economic Development and Commerce to determine compliance with the requirements and the development of the necessary formula to determine the exact amount of the incentive in case all requirements are not met.	Year 2020
Section 83	Puerto Rico Incentives Code - Successor Business of Green Energy	2074.02(b)(2)	Entities	Amended to add highly efficient energy, to the following exception to the general rule on paragraph (b)(2): If the exemption period of the predecessor business has not finished, the successor business will enjoy the benefits of the exemption with respect to their portion of their investment in the facilities (declared not covered by the decree for purposes of this paragraph), if such facilities were used for the production of green energy or highly efficient energy.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 84	Puerto Rico Incentives Code - Companies Dedicated to Creative Industries	2091.01(a)(1)(iv)(C)	Entities	Adds to the definition of film project the productions of live shows which distribution includes markets outside of Puerto Rico during the live broadcast, such like beauty pageants, productions of awards, or shows of a similar nature.	Year 2020
Section 85	Puerto Rico Incentives Code - Income taxes	2092.01	Entities and individuals	Amended paragraph (d) to establish that any foreign individual or entity who contracts the services of a foreign person to provide services in Puerto Rico, may choose to file an income tax return and pay the corresponding tax under the Puerto Rico Internal Revenue Code instead of being subject to the 20% Special Tax established by the Section.	Year 2020
Section 86	Puerto Rico Incentives Code - Rules for the transfer of Tax Credits	3000.01(d)	Entities	Paragraph (d) is added to establish the option of assignment of tax credits to the Department of the Treasury. The exempt business who owns a tax credit (transferable) awarded under the PR Incentives Code or awarded under prior incentive acts after June 30, 2021, can opt to transfer all or part of the credit to the PRTD in exchange for a refund of 90% of the face value of the credit. For credits awarded under prior incentive Acts before July 1, 2021 the available option is for 85% of the face value of the credit. The Secretary can change the percentages based on the type of credit and the economic conditions. The Secretary can accept or deny the option elected by the taxpayer. The PRTD has up to 3 years to pay re refund after covering unpaid taxes. Maximum amount of refunds for the fiscal year is established at \$40MM. No gain or loss, taxable income or volume of business will be recognized for income tax or municipal license tax purposes.	Year 2021?

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 87	Puerto Rico Incentives Code - Additional Rules for the Concession, Sale and Transfer of Tax Credits	3000.02(a)(5)	Entities	It establishes that the tax credits granted under the Section will be subject to the requirements of Section 3000.02(a) and as a new requirement, it is established that they should not be refundable credits, except those under Section 3000.01(d) where certain credits transferred to the Puerto Rico Treasury are reimbursable by the agency.	Year 2020
Section 88	Puerto Rico Incentives Code - Tax Credit for Creative Industries	3050.01(c)	Entities	Paragraph (iv) added to Subsection (c)(1) to establish an annual limit of \$38MM in tax credits.	Year 2020
Section 89	Puerto Rico Incentives Code - Reports	6020.10(a), (b) and (d)	Individuals	The Annual Report required by the Incentives Code for Resident Investor Individuals must be accompanied with evidence of having made an annual contribution of \$10,000 destined to non-for-profit entities operating in Puerto Rico. From the \$10,000 annual contribution, the first \$5,000 must be destined to non-for-profit entities that render services to eradicate child poverty included in a list to be published annually by the Puerto Rico Legislature. Filing fees for the annual reports filed by individual resident investor have been increased from \$300 to \$5,000.	Year 2020
Section 90	Puerto Rico Incentives Code - Regulations under this Code	6060.02(c)	Entities and individuals	Amended paragraph (c) to add that the Puerto Rico Secretary of Treasury has the exclusive faculty for the publication of any Regulation, Administrative Determination, Circular Letter, Informative Bulletins or General Publication related to tax matters.	Year 2020
Section 91	Puerto Rico Incentives Code - Real and Personal Property Tax Applicable to Opportunity Zones	6070.57(b)	Entities	Amended paragraph (b) to add a clarification note indicating that "Nothing in this section shall be understood as a limitation to the application of any exemption established by the Municipal Property Tax Act of 1991.	Year 2020

Summary of amendments to the PR Internal Revenue Code of 2011 (cont'd)

Act 40 Section	2011 IRC Section	Subsections amended or added	Relevant to	Amendment	Year of effectiveness
Section 92	Act to Create the Trust for the Police Retirement	New Law	Individuals (Police officers)	New Act enacted with the purpose of establishing a Trust for the Police Retirement funded by transfers from the gaming machines and other donations. The Financial Advisory Authority and Fiscal Agency of Puerto Rico will be the trustee.	Year 2020
Section 93	Puerto Rico Conservation Easement Act	Article 17	Entities and individuals	Paragraph (l) of Article 17 was amended to reduce the maximum amount of available credits for a fiscal year from \$15MM to \$3MM.	Year 2020
Section 94	Private Capital Funds Act	New Law	Entities and individuals	The Private Capital Funds Act is created, establishing the definitions, tax treatments of investors, minimum capital requirements and all the necessary requirements to qualify as a Fund or an eligible investor.	Year 2019
Section 95	Repeals	None	Entities and individuals	This Section repeals the Law for the Urban Centers Rehabilitation (Act 212 of 2002).	Year 2020
Section 97	Effectiveness of the Law	None	Entities and individuals	Act 40-2020 will be effective immediately after its approval.	April 16, 2020

Note: The information contained in this document is as of May 15, 2020.