



Puerto Rico Incentives Code
Film Industry Highlights

On July 1, 2019 the Governor of Puerto Rico Ricardo Rosselló signed into law the “Puerto Rico Incentives Code”, which repealed and replaced the Puerto Rico Film Industry Economic Incentives Act (Act 27-2011, as amended). The Puerto Rico Incentives Code unifies into a single code all incentives programs directed at promoting investment and job creation in various industries, including the creative industries. Section 2091.01 includes the same **eligible activities** as Act 27 and others:

- Feature-length films
- Short-films
- Documentaries
- Series, mini-series, including pilots
- Commercials
- Video games
- TV programs, including reality shows
- Stand-alone post-production
- Film festivals
- Music videos
- Live events

Section 3050.01 provides for production incentives in the form of **transferable tax credits** equal to the sum of:

- 40% of payments to residents of Puerto Rico;
- 20% of payments to non-residents; and
- 15% of payments to residents of Puerto Rico, when a local producer of the **feature film, series or documentary** controls the intellectual property of the project, is responsible for its financing and production, and is entitled to 30% or more of the “producers’ net”, and either the director, cinematographer, editor, production designer, post-production supervisor, or the line producer is a resident of Puerto Rico.

In addition:

- Tax credits are allowed to be used against 100% of a person’s tax liability, which maximizes their transfer value.
- Tax credits sell for an average of 90% of face value.

About Puerto Rico

- Puerto Rico is part of the United States, a territory since 1898
- Puerto Ricans are US citizens since 1917
- All US federal labor, safety, banking, minimum wage, and immigration laws apply
- The currency is the US Dollar
- US citizens do not need a passport to travel to Puerto Rico
- Residents do not pay federal income taxes, but contribute to the US Medicare and Social Security systems
- Centrally located between California and Europe
- International airport with direct flights from Los Angeles, New York, Miami and Europe
- Sophisticated banking services
- Modern transportation infrastructure
- Major US hotel chains and boutiques around the Island (Hilton, Marriott, Sheraton, etc.)
- Major US store chains (COSTCO, Home Depot, Marshalls, Walgreens, Wal-Mart, etc.)
- Excellent cell phone reception with no roaming charges
- Overnight courier and shipping services
- High speed broadband Internet services
- US accredited bilingual schools and universities
- Fun, warm, safe and exciting destination with amenities

Production Attributes

- Skilled and experienced bilingual and bicultural crews
- Track record on delivering on schedule and on budget
- Diversity of locations in close proximity (possible to shoot more than one location on the same day)
- Ethnic diversity
- Equipment and crew available to supply several productions simultaneously
- Soundstages (TV) and warehouses for building and filming on sets
- Extras and stand-ins non-SAG
- Post-production, animation, and sound recording facilities
- Overnight dailies (three or four hours ahead from Los Angeles time)
- Availability of government locations for free
- Full government support
- Variety of production vendors (equipment, catering, accountants, attorneys, etc.)