

Puerto Rico Medical Professional Incentives Expanded

ATTORNEYS

- Isis Carballo-Irigoyen
- Yamary I. González-Berríos
- Rubén Muñiz-Bonilla
- Francisco J. Pavía
- Lizzie M. Portela-Fernández
- Jorge M. Ruiz-Montilla
- James D. Noël
- Adrián P. Goyco-Vera

PRACTICE AREAS

- Health Care
- Tax

An McV Tax & Health Care Alert

May 5, 2020

On April 28, 2020, Governor Wanda Vázquez-Garced signed into law Act No. 47-2020 to expand the existing medical professional incentives to general practitioners, podiatrists, audiologists, chiropractors and optometrists.

Under these incentives, which were originally introduced by **Act No. 14-2017** and later codified under the Puerto Rico Incentives Code, Act No. 60-2019, individuals admitted to the practice of medicine, podiatry, audiology, chiropractic care, optometry and odontology, and any resident physician in a duly accredited program (“Qualified Physician”) can enjoy a 4% fixed income tax rate on net income, and a 100% income tax exemption for up to \$250,000 of dividends distributed each year from earnings and profits generated by the healthcare services.

To be eligible for the incentives, a Qualified Physician must request and obtain a Tax Exemption Grant (the “Grant”) from the Secretary of the Department of Economic Development and Commerce by filing an application with the Office of Industrial Tax Exemption together with the corresponding filing and processing fees. **Please note that the deadline to file the Grant application is June 30, 2020.**

The content of this McV Alert has been prepared for information purposes only. It is not intended as, and does not constitute, either legal advice or solicitation of any prospective client. An attorney-client relationship with McConnell Valdés LLC cannot be formed by reading or responding to this McV Alert. Such a relationship may be formed only by express agreement with McConnell Valdés LLC.