

Income/Franchise:

Puerto Rico Governor Signs Anticipated Tax Legislation into Law

Puerto Rico Act 52-2022 (H.B. 1367), signed by gov. 6/30/22. New law addresses Puerto Rico's replacement of, and alternative to, the 4% excise tax on foreign corporations and the modified source of income rules by providing an optional election for an alternate 10.5% tax on industrial development income from sales of goods and services. The new law also contains several technical amendments to the 2019 Puerto Rico Incentives Code, 2011 Puerto Rico Internal Revenue Code, and 2020 Puerto Rico Municipal Code: among the changes are income and sales/use tax-related provisions addressing disregarded entity treatment for single member limited liability companies, the definition of a "remote worker," changes to the sales and use tax treatment of digital products (including streaming services and non-fungible tokens (NFTs)), and audited financial statement thresholds. Please contact us with any questions.

URL: <http://www.tucamarapr.org/dnncamara/web/ActividadLegislativa/tramitelegislativo.aspx?measureid=71937>

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