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Tax Update

Regulations for Designated Priority Projects in Opportunity Zones

On January 30, 2020, the Puerto Rico Department of Economic Development and Commerce (“DDEC”, for its Spanish acronym) issued a publication notice for the approval of Regulations on Designated Priority Projects in Opportunity Zones (“Regulations”) pursuant to Section 6070.67 of Act 60-2019, also known as the Puerto Rico Incentives Code (“Incentives Code”).

The Regulations provide definitions of what constitutes eligible investments in opportunity zones and guidance on the process to request and transfer of tax credits for eligible investments in opportunity zones.

The Regulations would also set a filing fee of \$5,000 for applications for grants of tax exemption (“Grants”) filed under Section 6070.60(a)(3) of the Incentives Code by existing or proposed eligible businesses holding an opportunity zones priority project designation. Pursuant to the Regulations, the sworn applications for opportunity zones Grants must be filed through the Office of Incentives for Business in Puerto Rico’s online portal, which is currently the Single Business Portal shared with the Office of Permit Management (“OGPe”, for its Spanish acronym).

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