

February 24, 2026

Tax Update

Tax Incentives Available for Hard-to-Recruit Professionals

Among the incentives available under Act 60-2019, known as the Puerto Rico Incentives Code (“Act 60”) are certain tax benefits available to Exempt Businesses and individuals to facilitate the recruitment of persons classified as Hard-to-Recruit Professionals. With the Department of Economic Development and Commerce aggressively promoting Act 60, these incentives are worth consideration by all Exempt Businesses.

Eligibility

To qualify as a Hard-to-Recruit Professional, an individual and the Exempt Business must satisfy the following requirements:

- Be a bona fide resident of Puerto Rico;
- Possess at least one (1) year of work experience in any of the Eligible Activities described in Section 2031.01(a) of Act 60, which include, engineering services, consulting services, research and development, and computer software development, among others;
- Be employed on a full-time basis rendering an Eligible Activity to an Exempt Business;
- Possess indispensable talent, by reason of specialized knowledge, essential to the operations of the Exempt Business;
- The Exempt Business must demonstrate that such specialized knowledge requires a recruitment effort greater than that normally required to hire a professional within the relevant industry; and
- Not be a beneficiary of a Resident Investor Individual Grant under Sections 2022.01 and 2022.02 of Act 60, or under former Act 22-2012, as amended.



For more information on this Legal Update, please contact:

Alba I. Joubert Pereira
ajoubert@reichardescalera.com
787.777.8825
787.432.8356

Carlos E. Serrano
cserrano@reichardescalera.com
787.777.8815
787.406.5257

Sergio Perez
sperez@reichardescalera.com
787.777.8888

Omar Oquendo
ouquendo@reichardescalera.com
787.777.8888

Liliana Emanuelli
lemanuelli@reichardescalera.com
787.777.8888

Tax Benefits

A Hard-to-Recruit Professional with a grant under Act 60 may benefit from the following tax treatment:

- **Term of Grant:** The tax exemption grant is generally effective for a period of fifteen (15) years and may be extended for an additional fifteen (15) years, subject to compliance with statutory requirements.
- **Employment Income:** Wages earned by the Hard-to-Recruit Professional up to one hundred thousand dollars (\$100,000) per taxable year shall be subject to Puerto Rico income tax in accordance with the Puerto Rico Internal Revenue Code of 2011, as amended.
- **Excess Compensation:** Salaries and employment-related benefits in excess of \$100,000 per taxable year shall be fully exempt from Puerto Rico income taxation, including the alternative basic tax.
- **Other Income:** Any other income received by the Hard-to-Recruit Professional—including, but not limited to, compensation for services not constituting an Eligible Activity, as well as interest, dividends, bonuses, pensions, alimony, rental income, royalties, grants, awards, scholarships, sales commissions, or income derived from services performed outside Puerto Rico—shall remain subject to regular taxation.

Exempt Businesses are encouraged to assess the eligibility of potential new recruits as a Hard-to-Recruit Professionals.

This communication is for information purposes only and does not constitute legal advice. This communication may be based on authorities that are subject to change and is not a substitute for professional advice or services. You should consult a qualified professional advisor before taking any action based on the information herein. This communication does not create an attorney-client relationship between Reichard & Escalera and the recipient.

[Unsubscribe.](#)