Sesión Informativa
Ley 60 Incentivo para Investigadores

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Department of Economic Development and Commerce
Director
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Agenda

Introducción
Ley 101
Cambios – Act 60
Single Business Portal
Q&A
Who we are

We are a private non-profit organization created in 2004 to encourage and promote innovation, transfer and commercialization of technology and creation of jobs in the technology sector. We are responsible for Puerto Rico’s public policy for science, technology, research and development.

Our mission

We invest, facilitate and build capacity to continually advance Puerto Rico’s economy and its citizens’ well-being through innovation-driven enterprises, science and technology and its industrial base.

Our vision

By 2022, Puerto Rico is a globally recognized innovation hub that develops, attracts, and retains scientists, technology entrepreneurs, and enterprises to unlock world class creativity and competitiveness.
Grants Program

A structured, systematic, open and competitive funding mechanism to support the development of science and technology research projects in Puerto Rico.

Our mission is to provide incentives for R&D activity to further the Trust’s overall mission.
Strategic Sectors

- Aerospace
- Conservation Sciences
- Agriculture
- Electronics
- Biotechnology and Natural Sciences
- Environmental Sciences
- Clean Technologies and/or Renewable Energy
- Information and communication technologies
- Clinical Trials
- Medical Devices
Nuestro Rol

Evaluar las solicitudes
Determinar si son elegibles
Recomendar
Public Law 101 (Law 101 hereafter) was approved in 2008 and is known as the Scientific Investigators Incentives Act. Law 101 is a unique tax incentive to foster research and development activity conducted at local universities in Puerto Rico, allowing qualified **Principal Investigators** or a **Co-Principal Investigator** to seek tax exemptions for salaries earned from eligible R&D research grants. The main objective of this incentive is to attract and retain competitive researchers to strengthen Puerto Rico’s performance in science and technology and the Island’s position in the knowledge economy.
Ley 101 - Process

Científico Elegible recopila documentos requeridos junto a representante de la universidad.

Representante envía paquete de solicitudes al Fideicomiso.

Fideicomiso evalúa casos y determina si son elegibles o no. Envía carta a investigador con determinación se recomendado o no.

De ser recomendado envía carta a Hacienda con la recomendación.

Hacienda envía determinación al investigador.
Ley 60

Sección 1020.02. — Definiciones Aplicables a Actividades de Individuos

(7) Investigaciones Científicas Elegibles. — Significa cualquier investigación que lleve a cabo la Universidad de Puerto Rico u otra Institución de Educación Superior que reciba una concesión (grant) obtenida mediante una propuesta revisada por pares (peer reviewed) en una competencia abierta para obtener dicha concesión, para llevar a cabo un proyecto de investigación u otro proyecto similar incluyendo concesiones para entrenamiento, desarrollo de capacidades profesionales o desarrollo de la fuerza trabajadora (training, capacity development, and workforce development).

Incluirán, además, las concesiones resultado de propuestas competitivas que provengan de fundaciones privadas, otras organizaciones sin fines de lucro, o empresas privadas que provean concesiones competitivas para la investigación y desarrollo. Se consideran elegibles aquellas concesiones de propuestas competitivas donde la competencia esté restringida a poblaciones minoritarias (underserved minorities) según las definiciones de minorías a nivel federal. Serán elegibles también las concesiones por subcontrato de propuestas competitivas (research subawards) donde el investigador principal del subcontrato es una Persona Doméstica.
Sección 1020.02. — Definiciones Aplicables a Actividades de Individuos

(8) Investigador o Científico Elegible. — Significa un Persona Doméstica, durante el Año Contributivo, contratado por la Universidad de Puerto Rico u otra Institución de Educación Superior autorizada a operar en Puerto Rico, que se dedique, entre otras funciones docentes a llevar a cabo Investigaciones Científicas Elegibles y que haya sometido una propuesta de investigación científica una organización de las descritas en la definición de Investigaciones Científicas Elegibles y que, con la aprobación de la propuesta, la institución académica reciba una concesión (grant) para investigación, según la definición de Investigaciones Científicas Elegibles, cuya cuantía cubra los costos de investigación, incluyendo, entre otros, la compensación del Investigador y del personal clave, compra de equipos y suministros, publicaciones y otros gastos relacionados, según sea aplicable. **Salvo en el caso de Investigadores Principales Múltiples (Multiple Principal Investigators or Multi PI’s),** no habrá más de un individuo elegible para esta deducción por concesión aprobada, según la definición de Investigaciones Científicas Elegibles, incluyendo las concesiones por subcontrato.
Sección 2022.05. – Exención a Investigadores o Científicos

(a) Se provee una exención de contribución sobre ingresos para la compensación que reciba un Investigador o Científico Elegible por servicios que preste a la Universidad de Puerto Rico y todas aquellas otras instituciones de educación superior autorizadas a operar en Puerto Rico, por concepto de Investigaciones Científicas Elegibles, hasta una cantidad igual al máximo establecido por el NIH para concesiones (grants) como salario para investigadores que reciben concesiones de tal el NIH para el período aplicable conforme a los avisos publicados por éstos; sin embargo, la cantidad exenta no excederá de ciento noventa y cinco mil dólares ($195,000). Se excluye de este beneficio cualquier ingreso que un Investigador o Científico Elegible pueda devengar por servicio prestados a otras personas, naturales o jurídicas, que no sean la Universidad de Puerto Rico u otra Institución de Educación Superior.
(b) Se provee una exención de contribución sobre ingresos para la compensación que reciba un Investigador o Científico Elegible por servicios que preste por concepto de actividades de investigación y desarrollo de ciencia y tecnología que se lleven a cabo en el distrito establecido en el Artículo 7 de la Ley 214-2004, según enmendada, hasta la cantidad de doscientos cincuenta mil dólares ($250,000).

(c) Todo investigador o científico que se beneficie bajo esta Sección, tendrá que rendir por lo menos sesenta (60) horas anuales de servicio comunitario en áreas y tareas designadas por el Secretario del DDEC.
List of documentation to be submitted with this certification request:

For new certification requests:

a. Copy of research proposal submitted by applicant or eligible scientist of researcher to the granting agency or entity

b. Copy of the award/grant notification

c. Copy of all contracts and/or agreements associated to the award/grant (optional)

d. Any other documentation or material related and pertinent to the award/grant
e. Sworn statement from the principal executive of the institution of higher education with the following clauses:

- Award/grant was properly evaluated by a qualified assessor (provide name and title of assessor) who was selected by the institution of higher education

- Said assessor has delivered a written report concluding, that based on the evaluation performed, the awarded research is an eligible research project as defined by the Puerto Rico Science Trust and Regulation 7685 from Dept. of Treasury

- The principal executive of the higher education institution revised said written report and to their best judgement, the assessor’s conclusions are substantiated

- Copy of the CV or professional background of selected assessor; in the event of having an evaluation committee, then the CV of the president of said committee

- Certification of earned income by the eligible scientific researchers (Dept. of Treasury form)
Act 60 – Resumen (Proceso Fideicomiso)

Institution Eligibility:

Only research grants received by Institutions of higher education, licensed by Puerto Rico’s Higher Education Council and accredited by the Middle States Association, will be eligible for tax exemption. The Institution may participate as prime recipient or as sub-awardee of the eligible grant.

Investigator Eligibility: The applicant researcher:

Must have been a resident of Puerto Rico during the tax year under consideration. Employed by an Academic Institution, as defined by the law.

Submitted a proposal as a Principal Investigator (PI) or Co-Principal Investigator (Co-PI) that resulted in a research award.
**Definiciones**

**Multiple PI and Co-PI:** Some sponsors use the term Co-PI or Multiple PI to indicate the role has equal responsibility and authority as the lead PI (NIH uses the term Multiple PI, and NSF uses the term Co-PI).

**Co-investigators or Co-I:** This title is used to indicate the individual makes significant contributions, but does not have overall responsibility and authority for the project. They are NOT considered PD/PIs.
Act 60 - Proceso

1. Científico Elegible recopila documentos requeridos junto a representante de la universidad.

2. Representante envía paquete de solicitudes al Fideicomiso act60@prscientistrust.org

3. Fideicomiso evalúa casos y determina si son elegibles o no. Envía carta a investigador con determinación si es recomendado o no.

4. Investigador sube los documentos al Single Business Portal (SBP) Paga un fee de $5.00

5. El DEEC le otorga DECRETO al investigador
Office of Incentives for Businesses in Puerto Rico

Carlos M. Fontán Meléndez, Esq.
Application Process

PUERTO RICO IS OPEN FOR BUSINESS

- Launched in July 2018
- Digital platform where Applicants can submit and review their requests related to tax incentives online, 24/7 and paperless
- Facilitate conducting business in Puerto Rico and promote procedural transparency

https://ogpe.pr.gov/freedom/
Application Process

Application Type

Application Information

Other Incentives
- Description
- Details

Applications Request

GOVERNMENT OF PUERTO RICO
Department of Economic Development and Commerce
Application Process

> General Information

<table>
<thead>
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<th>Aerial and Maritime Transport</th>
<th>Distribution</th>
<th>Manufacturing</th>
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<td>Agroindustry</td>
<td>Entrepreneurship</td>
<td>Special Programs</td>
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<tr>
<td>Creative Industries</td>
<td>Exports</td>
<td>Tourism</td>
</tr>
<tr>
<td>Decree Transactions</td>
<td>Infrastructure and Green Energy</td>
<td></td>
</tr>
</tbody>
</table>

Select Eligible Activity: *
Decree Transactions

Select Application: *
Researchers or Scientists

> Download Document

Please download the following form. This form must be completed and subsequently submitted in the attachments section of this application. Please pay attention to the supplemental documents needed for this application. They are detailed in the form found below. These attachments must be submitted in the "Other" section of the attachments tab.

Please make sure you qualify for all the incentives you are applying for. All of these incentives have specific pre-requisites that must be met in order for the application to be considered. If you have any further questions, please contact us through our Chat. For information regarding application specifics, please contact the Department of Economic Development and Commerce at 787-765-2900.

Researchers or Scientists (Download Here)
Application Process

Application for Tax Exemption for Researchers or Scientists

Application Process:

Case No. ____________________________

Section A: Scientific District

III. Basic Information About Legal Entity & Contact Person

1. Name of Principal Investigator
2. Type of Legal Entity
   a. Non-Profit
   b. Other

IV. Applicant's Tax Benefits

1. Total salary earned by Researcher during the taxable year.
2. Tax benefits applied to salary.
3. Total amount paid to conduct R&D activity.
4. Compensation paid from grants from the Trust or grants obtained from local governmental agencies or municipalities.
5. Salary earned by Researcher claimed for the purpose of question 3 and 4, not more than $300,000. Salary claimed for exemption has to be the same as in 1099-NE.
6. List of documents to be submitted with this certification request.

VII. Agreements:

V. List of documents to be submitted with this certification request:

1. Tax Return
2. Employment Status
3. Copy of the contract
4. Copy of the tax return
5. Copy of the contract
6. Letter of recommendation
7. Copy of the contract
8. Letter of recommendation
9. Copy of the contract
10. Letter of recommendation

VI. Application's Eligibility & Documentation

1. List of all grants received.
2. List of all contracts awarded.
3. List of all agreements executed.
4. List of all grants earned.
5. List of all contracts awarded.
6. List of all agreements executed.
7. List of all grants earned.
8. List of all contracts awarded.
9. List of all agreements executed.
10. List of all grants earned.

VIII. Educational Institutions

1. Proposal/Project Name
2. Proposal/Project's Award Number
3. Agency or Federal entity paying grant/award
4. Duration of grant award
5. Total funds allocated towards the proposal/project
6. Are the funds granted through a competitive research award?
7. Are the funds granted through an open competition in scientific community?
8. Are the funds granted through other means?
9. Are the funds granted through other means?
10. Are the funds granted through other means?

IX. Research Eligibility

1. Proposal/Project Name
2. Proposal/Project's Award Number
3. Period of Award
4. Duration of Award
5. Total funds allocated towards the proposal/project
6. Are the funds granted through a competitive research award?
7. Are the funds granted through an open competition in scientific community?
8. Are the funds granted through other means?
9. Are the funds granted through other means?
10. Are the funds granted through other means?

X. Research Eligibility

1. Proposal/Project Name
2. Proposal/Project's Award Number
3. Period of Award
4. Duration of Award
5. Total funds allocated towards the proposal/project
6. Are the funds granted through a competitive research award?
7. Are the funds granted through an open competition in scientific community?
8. Are the funds granted through other means?
9. Are the funds granted through other means?
10. Are the funds granted through other means?

XI. Research Eligibility

1. Proposal/Project Name
2. Proposal/Project's Award Number
3. Period of Award
4. Duration of Award
5. Total funds allocated towards the proposal/project
6. Are the funds granted through a competitive research award?
7. Are the funds granted through an open competition in scientific community?
8. Are the funds granted through other means?
9. Are the funds granted through other means?
10. Are the funds granted through other means?
Application Process

- Application Attachments

  Attach all the required documents that are shown in the table. You will not be able to continue until all required documents are attached.

  Current Application:
  2021-OtherTransactions-004116

  Attachments Required by the Application:
  - Research and Development Tax Credit (PDF Application)
  - Other

  Application Attachments:

  Field Name | Value
 ------------|--------
  Company Name | General Incentive
  Application | Research and Development Tax Credit

  Next >
Application Process

Payment Breakdown

<table>
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<th>Application</th>
<th>Application Type</th>
<th>Description</th>
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<td>OtherTransactions - Platform Processing Fee</td>
<td>$5.00</td>
</tr>
</tbody>
</table>

Total: $5.00

To initiate the payment process, choose a payment method. Only Mastercard, Visa and ACH are accepted.

Choose your payment method

Credit Card:

- VISA
- MasterCard

Name On The Card

Address:
Decree

- Decree: Constitutes a contract between the Grantee and the Government of Puerto Rico. It is approved by the Secretary of the Department of Economic Development and Commerce.

- Decree must be accepted within 60 days from its notification.
THANK YOU!

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Director, Office of Incentives for Businesses in Puerto Rico
Department of Economic Development and Commerce
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Todas las solicitudes las debe enviar el representante de la universidad encargado de recopilar documentos y revisar casos, al siguiente email:

Act60@prsciencetrust.org

https://prsciencetrust.org/act-60/

Para preguntas relacionadas al decreto y el Single Business Portal:

Applications@ddec.pr.gov

Tel: 787-764-6363