



## Puerto Rico Senate Approves COVID-19 Economic Relief Legislation

March 2020 »

Puerto Rico Senate approved on March 24, 2020, Joint Resolution No. 493 (CR 493) to ratify the relief measures announced by the Governor of Puerto Rico, Honorable Wanda Vazquez Garced, in connection with the COVID-19 emergency and business lockdown situation. The bill will now go to the Puerto Rico House of Representatives for consideration.

The announced \$787,000,000 stimulus package includes the following:

### Cash incentives and bonuses

\$500 cash incentive to self-employed individuals

\$1,500 cash incentive to small and mid-size businesses that have ceased operations due to the COVID-19 emergency, with priority to businesses with fifty employees or less that do not qualify for federal assistance

\$4,000 bonus to nurses in the public and private health systems; \$2,500 to health technicians who support their work.

Contribution of up to \$4,000 for emergency response personnel and up to \$3,500 for police officers, firefighters, correctional officers, among others.

### Appropriation of funds

\$240,000,000 allocated for the purchase of tablets, software, and training for approximately 325,000 teachers, students and directors of the Department of Education, to promote online education, and for the purchase of goods and services related to public health.

\$30,000,000 allocated for the purchase of equipment by public hospitals for COVID-19 response.

\$20,000,000 allocated to the Correction and Rehabilitation Department and to the Department of Public Safety (Police Department) for the purchase of equipment and for any other necessary expense

\$50,000,000 allocated to municipalities to cover losses suffered in connection with this emergency

### Unemployment benefits and government services

Increase in the unemployment benefits starting July 1st, 2020

Water and electricity service suspension prohibited during the emergency

No toll charges during emergency

### Tax related relief

The Secretary of the Treasury is authorized to postpone the due date for payment of any tax as long as such extension is applied uniformly among taxpayers and to exclude from gross income any compensation by the federal or state governments to persons affected by the emergency. In addition, the CR 493 authorizes the following:

Extension to pay income taxes to July 15, 2020

The Senate orders all agencies, public corporations and instrumentalities of the Executive Branch, including municipalities to take any necessary action to execute the above measures.

Suspension of sales and use tax collections at ports and in the resale supply for three months

Suspension of the 10% withholding requirement with respect to services rendered

Waiver of penalties for failure to remit sales taxes on a biweekly basis when otherwise required

Waiver of penalties for failure to remit first estimated tax installments

Note that the tax payment and filing extensions and benefits part of this stimulus package have been formally issued by the Puerto Rico Treasury Department in Administrative Determinations 20-09 and 20-10.

The Senate orders all agencies, public corporations and instrumentalities of the Executive Branch, including municipalities to take any necessary action to execute the above measures. In addition, the Senate proposes that the government promote government workers to work remotely from home through use of technology when possible and during the effectiveness of the Executive Order.

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