





PUERTO RICO CONVENTION CENTER, SAN JUAN

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## PUERTO RICO TOURISM INDUSTRY INCENTIVES

*Puerto Rico's natural beauty and world-class attractions make it a must-visit vacation spot, but these are not the only attractive selling points for the global tourism industry. The All Star Island's incentive package for the tourism and hospitality industry is equally enticing.*

### HOSPITALITY AND HOTEL DEVELOPMENT

By virtue of Act No. 74 of 2012, the Tourism Development Act, the government of the Commonwealth of Puerto Rico, through the Puerto Rico Tourism Company, provides incentives for the development of world-class tourism activities. The benefits under this law will remain valid for a period of 10 years from the starting date of the eligible tourism-related project, and the business operation will be entitled to a 10-year extension.

### INCENTIVES

- Tax credit equal to 10% of the total project costs, or 50% of the cash investment made by investors (whichever is less)
- 100% exemption on municipal construction excise taxes
- 100% exemption on sales and uses taxes
- 100% exemption on excise taxes and other municipal taxes for new projects or 90% exemption, if existing project
- 90% exemption on income tax or 100% exemption if project is located in the island municipalities of Vieques or Culebra
- Up to 90% exemption on personal and real property municipal taxes



EL YUNQUE RAINFOREST, RÍO GRANDE



TRUMP INTERNATIONAL GOLF COURSE, RÍO GRANDE

## ELIGIBLE BUSINESSES

- Hotels, condo-hotels, small inns (“paradores”), guest houses, timeshares and vacation clubs, excluding the operation of casinos
- Theme parks, golf courses operated by or associated with a hotel that is an exempt business, tourism marinas and docking facilities for tourists
- Natural resources that are useful as a source of active or passive entertainment or amusement
- Other facilities or activities that, due to the special attractive features deriving from their usefulness as a source of active or passive entertainment or amusement, constitute a stimulus to domestic or foreign tourists

## EXPORT SERVICES

Act No. 20 of 2012, known as the Act to promote the exportation of services, provides attractive tax incentives for companies that establish and expand their export services businesses in the island.

- 4% corporate tax rate, which may be reduced to 3%
- 100% tax exemption on dividends from export services businesses
- Decree of 20 years, renewable for an additional 10 years

## INDIVIDUAL INVESTORS

Act No. 22, known as the Individual Investors Act seeks to attract new residents to Puerto Rico by providing a total exemption from Puerto Rico income taxes on all passive income realized or accrued after such individuals become bona fide residents of Puerto Rico.

- 0% taxes on all dividends and interest income
- 0% taxes on all capital gains
- Tax exemptions under Act 22 are valid through December 31, 2035

# PUERTO RICO'S AIR ACCESS

*8.5MM yearly passengers*



*1600 weekly flights*

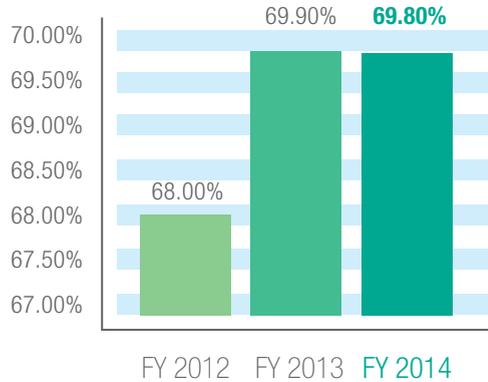
## NONSTOP FLIGHTS TO SJU - SUMMER 2014

Anguilla	1h 20m	Cape Air, Tradewind Aviation
Antigua, Antigua and Barbuda	1h 25m	LIAT
Atlanta, USA	3h 40m	Delta, Southwest
Bogotá, Colombia	2h 50m	Avianca
Boston, USA	3h 55m	JetBlue
Caracas, Venezuela	1h 50m	American
Charlotte, USA	3h 40m	US Airways
Chicago, USA	4h 45m	American, JetBlue, United
Cleveland, USA	4h 15m	United
Culebra	35m	Cape Air
Dallas, USA	4h 50m	American
Detroit, USA	4h 45m	Delta
Dominica	1h 50m	Seaborne Airlines, LIAT, Air Sunshine
Fort Lauderdale, USA	2h 40m	JetBlue, Southwest, Spirit
Fort-de-France Bay, Martinique	2h 0m	Seaborne Airlines
Frankfurt, Germany	9h 40m	Condor
Hartford, USA	3h 50m	JetBlue
Houston, USA	4h 30m	United, Southwest
Jacksonville, USA	3h 5m	JetBlue
La Romana, Dominican Republic	1h 10m	Seaborne Airlines
Madrid, Spain	8h 35m	Air Europa
Mayagüez	40m	Cape Air
Miami, USA	2h 35m	American
Nevis, Saint Kitts and Nevis	1h 30m	Cape Air, Tradewind Aviation, Air Sunshine
New York, USA	4h 0m	JetBlue, Delta, United, ...
Orlando, USA	2h 50m	JetBlue, Southwest, Spirit
Panama	2h 55m	COPA
Philadelphia, USA	3h 55m	US Airways
Pointe-a-Pitre, Guadeloupe	1h 40m	Seaborne Airlines
Providenciales, Turks and Caicos Islands	1h 55m	InterCaribbean Airways
Puerto Plata, Dominican Republic	1h 25m	InterCaribbean Airways
Punta Cana, Dominican Republic	55m	JetBlue, Seaborne Airlines
Saint Croix, U.S. Virgin Islands	45m	Cape Air, Seaborne Airlines, JetBlue
Saint Kitts, Saint Kitts and Nevis	1h 10m	Seaborne Airlines
Santiago De Los Caballeros, Dominican Republic	1h 20m	JetBlue, Seaborne Airlines
Santo Domingo, Dominican Republic	1h 5m	JetBlue, Seaborne Airlines
St Maarten	1h 30m	Air Sunshine, JetBlue, Seaborne Airlines
St Barthelemy, St Barthélemy	1h 10m	Tradewind Aviation
St Thomas Island, U.S. Virgin Islands	35m	Cape Air, Air Sunshine, Seaborne Airlines, ...
Tampa, USA	2h 55m	JetBlue, Southwest
Toronto, Canada	4h 20m	WestJet
Tortola, British Virgin Islands	45m	Cape Air, Seaborne Airlines, Air Sunshine
Vieques	25m	Cape Air, Vieques Air Link, Air Sunshine, ...
Virgin Gorda, British Virgin Islands	55m	Cape Air, Air Sunshine, Seaborne Airlines
Washington, USA	3h 50m	Southwest, JetBlue, United



## AVERAGE OCCUPANCY RATE

FY 2012-2014



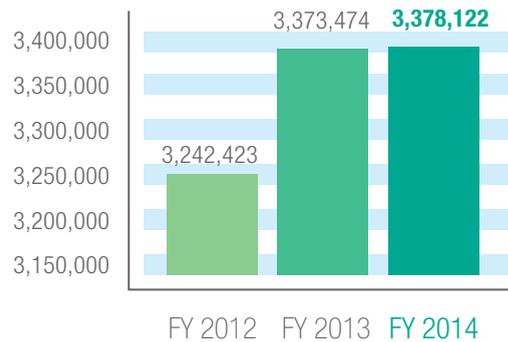
## AVERAGE ROOM RATE

FY 2012-2014

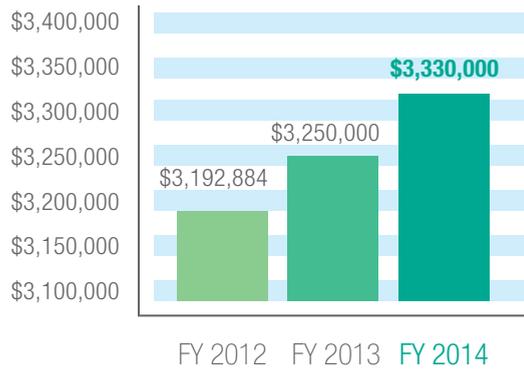


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## ROOM NIGHTS



## VISITOR EXPENDITURE



## REVENUE PER AVERAGE ROOM



THERE ARE MANY MORE BENEFITS AND OPPORTUNITIES FOR THOSE INVESTING IN PUERTO RICO'S THRIVING TOURISM INDUSTRY.

VISIT [BUSINESSINPUERTORICO.COM](http://BUSINESSINPUERTORICO.COM) FOR MORE INFORMATION.

*Puerto Rico* ★  
THE ALL STAR ISLAND

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