

(H. B. 1919)

(No. 4-2019)

(Approved February 3, 2019)

## AN ACT

To amend Sections 1021.06 and 1022.07 of Act No. 1-2011, as amended, known as the “Internal Revenue Code for a New Puerto Rico,” in order to clarify the language thereof.

### STATEMENT OF MOTIVES

The intent of this Legislative Assembly is for the Secretary of the Treasury to render in effect the Optional Tax for self-employed individuals, which provides staggered tax rates starting at six (6) percent for professional income earned in taxable years beginning after December 31, 2018, in accordance with Section 1021.06, simultaneously with the withholding at the source on payments for services rendered, in accordance with Section 1062.03 of the Code.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Section 1021.06 of Act No. 1-2011, as amended, known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1021.06.- Optional Tax for Self-Employed Individuals.-

(a) ...

...

(e) The provisions of this Section shall be in effect for taxable years beginning after December 31, 2018. Provided, that until the Secretary establishes the conditions under which a service provider is able to opt for said optional tax, such service provider shall submit to the withholding agent a copy of an affidavit stating his name, address, social security number or employer identification number, an

affirmation that he estimates in good faith that his gross income for the taxable year shall be equal to or less than one hundred thousand dollars (\$100,000), and an affirmation that the received payment is subject to withholding at the source, in accordance with the provisions of this Section, in lieu of the withholding provided for in Section 1062.03 of this Code.”

Section 2.- Section 1022.07 of Act No. 1-2011, as amended, known as the “Internal Revenue Code for a New Puerto Rico,” is hereby amended to read as follows:

“Section 1022.07.- Optional Tax for Corporation Rendering Services.-

(a) ...

...

(e) The provisions of this Section shall be in effect for taxable years beginning after December 31, 2018. Provided, that until the Secretary establishes the conditions under which a service provider is able to opt for the optional tax, such service provider shall submit to the withholding agent a copy of an affidavit stating his name, address, social security number or employer identification number, an affirmation that he estimates in good faith that his gross income for the taxable year shall be equal to or less than one hundred thousand dollars (\$100,000), and an affirmation that the received payment is subject to withholding at the source, in accordance with the provisions of this Section, in lieu of the withholding provided for in Section 1062.03 of this Code.”

Section 3.- This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 4-2019 (H. B. 1919)** of the **5<sup>th</sup> Regular Session** of the **18<sup>th</sup> Legislative Assembly of Puerto Rico**:

**AN ACT** to amend Sections 1021.06 and 1022.07 of Act No. 1-2011, as amended, known as the “Internal Revenue Code for a New Puerto Rico,” in order to clarify the language thereof.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 26<sup>th</sup> day of April, 2019.

Orlando Pagán-Ramírez  
Director