(H. B. 500)
(Conference)

(No. 78-2025)

(Approved July 27, 2025)

AN ACT

To add a subsection (ii) to Section 7.092 of Act No. 107-2020, as amended, known as the "Puerto Rico Municipal Code," to exempt prescription drugs from personal property tax; and for other related purposes.

STATEMENT OF MOTIVES

Applying personal property taxes on prescription medication inventories is particularly unfair. Prescription medications are exempt from the Sales and Use Tax (SUT), therefore, for the same public policy reasons, should also be exempt from municipal taxes. Prescription medications serve a vital need of patients; therefore, it is the public policy of this Administration to increase the availability of, and access to, prescription medications and reduce their cost.

Property tax on inventory discourages pharmacies from maintaining high inventory levels of prescription medications, thereby delaying their dispatch to patients. Moreover, property tax on inventory is a cost that pharmacies must absorb because they cannot pass it on to patients. This situation substantially and disproportionately affects community pharmacies because 90% of their revenues come from the sale of prescription medications, while only 10% comes from over-the-counter medications and other products sold on shelves.

The health of the people is a compelling State interest; therefore, it is the intent of this Legislative Assembly to guarantee a higher inventory of prescription medications in Puerto Rico by exempting this product category from property tax on inventory.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- A subsection (ii) is hereby added to Section 7.092 of Act No. 107-2020, as amended, to read as follows:

"Section 7.092.- Property Exempt from Taxation.

The following assets shall be exempt from personal and real property taxes:

a) ...

...

(ii) Prescription medications, as such term is defined in subsection (a) of Section 4030.12 of Act No. 1-2011, as amended, known as the Puerto Rico Internal Revenue Code of 2011, as amended."

Section 2.- Effectiveness.

This Act shall take effect upon its approval.