

(S. B. 697)

(No. 166-2013)

(Approved December 26, 2013)

AN ACT

To add a new Section 3020.14 to Act No. 1-2011, as amended, known as the “Puerto Rico Internal Revenue Code of 2011,” in order to allocate one percent (1%) of the revenues collected on account of the excise taxes on cigarettes and tobacco byproducts as follows: point thirty-three percent (0.33%) of such revenues shall be allocated to the Puerto Rico School of Plastic Arts; point thirty-three percent (0.33%) shall be allocated to the Puerto Rico Conservatory of Music; and point thirty-four percent (0.34%) of such revenues shall be allocated to the Musical Arts and Stagecraft Corporation.

STATEMENT OF MOTIVES

This Legislative Assembly is strongly committed to furthering arts and culture. It is a well-known fact that the Puerto Rico School of Plastic Arts, the Conservatory of Music, and the Musical Arts and Stagecraft Corporation are institutions of the Government of the Commonwealth of Puerto Rico focused on developing special abilities and talent, which contribute to the cultural development and international exposure of Puerto Rico. Said Institutions, in addition to developing the artistic and cultural talent of Puerto Rico, are headquartered in facilities whose construction or rehabilitation entail substantial investments in order to prevent their deterioration and to protect them.

Although the Puerto Rico School of Plastic Arts and the Puerto Rico Conservatory of Music are part of the postsecondary education system of the Commonwealth of Puerto Rico, and constitute a critical element for the cultural development of Puerto Rico and for the promotion of the creative industry policy, these institutions lack a statutory funding formula, such as that of the University of

Puerto Rico. Guaranteeing a recurring fund allocation for postsecondary institutions is a top priority for this Legislative Assembly; for such reason, it enacted Act No. 7-2013 thus ensuring that the University of Puerto Rico receives all of the funds resulting from the application of the allocation formula, which was originally established in Act No. 2 of January 20, 1966, but was adversely affected by the preceding Legislative Assembly with the approval of Act No. 7-2009.

Since the Puerto Rico School of Plastic Arts and the Puerto Rico Conservatory of Music are part of the postsecondary education system of the Commonwealth of Puerto Rico, these warrant a modest fund allocation to be determined by means of a statutory formula in order to guarantee a minimum investment in their physical facilities. In view of the difficult fiscal situation of the Island, we must seek innovative alternatives to satisfy the demands for quality educational institutions such as the School of Plastic Arts and the Conservatory of Music. This measure allocates point thirty-three percent (0.33%) of revenues collected from the excise taxes on cigarettes and tobacco byproducts to the Puerto Rico School of Plastic Arts, and point thirty-three percent (0.33%) of such revenues to the Puerto Rico Conservatory of Music.

In the case of the Musical Arts and Stagecraft Corporation, Act No. 120-1994 allocated eighteen percent (18%) of the revenues collected from excise taxes on public shows to the Corporation. However, the approval of Act No. 17-2006 and the implementation of the Sales and Use Tax by the Legislative Assembly at the time deprived the Musical Arts and Stagecraft Corporation of said source of income. A modest allocation of point thirty-four percent (0.34%) of the revenues collected from the excise taxes on cigarettes and tobacco byproducts shall provide the Musical Arts and Stagecraft Corporation with a partial allocation of funds that was once eliminated and had not been replaced since.

This Legislative Assembly is committed to the Island's education and cultural development. Therefore, we further the allocation of funds as are necessary to fulfill our commitment to the cultural entities in Puerto Rico, as well as to the development of the arts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- A new Section 3020.14 is hereby added to Act No. 1-2011, as amended, known as the "Puerto Rico Internal Revenue Code of 2011," to read as follows:

"Section 3020.14.- Appropriation of Funds

The Secretary of the Treasury shall set aside the revenues collected by virtue of Section 3020.05 and Section 3020.13, directly in the General Fund. Provided, that point thirty-three percent (0.33%) of such revenues shall be allocated to the Puerto Rico School of Plastic Arts; point thirty-three percent (0.33%) shall be allocated to the Puerto Rico Conservatory of Music; and point thirty-four percent (0.34%) of such revenues shall be allocated to the Musical Arts and Stagecraft Corporation. Provided, further, that in the case of the School of Plastic Arts and the Conservatory of Music, such fund allocation shall be used to carry out capital works and improvements in their facilities."

Section 2.- Effectiveness

This Act shall take effect on July 1, 2014.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 166-2013 (S. B. 697)** of the **2nd Regular Session** of the **17th Legislative Assembly of Puerto Rico**:

AN ACT to add a new Section 3020.14 to Act No. 1-2011, as amended, known as the “Puerto Rico Internal Revenue Code of 2011,” in order to allocate one percent (1%) of the revenues collected on account of the excise taxes on cigarettes and tobacco byproducts as follows: point thirty-three percent (0.33%) of such revenues shall be allocated to the Puerto Rico School of Plastic Arts; point thirty-three percent (0.33%) shall be allocated to the Puerto Rico Conservatory of Music; and point thirty-four percent (0.34%) of such revenues shall be allocated to the Musical Arts and Stagecraft Corporation.

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

In San Juan, Puerto Rico, on this 14th day of September, 2017.

Orlando Pagán-Ramírez
Acting Director