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## GOVERNMENT AFFAIRS ALERT

### *Governor files "Jobs Now Act"*

On January 16, 2013, Governor Alejandro García-Padilla filed, through his party's delegations in the Puerto Rico Legislature, the "Act to Create Jobs Now" ("Ley de Empleos Ahora") with the goal of creating 50,000 new jobs in 18 months. The [bill](#) proposes a new job creation incentives program whereby existing and new businesses can enter into "special agreements" with government agencies to receive:

- New non-transferable "energy credits" worth up to \$2,000 per each new full-time job created;
- 100% property tax exemption during for the first two years after acquisition of qualifying properties;
- 25% salary subsidy for certain qualifying employees for the first 18 months of the special agreement;
- \$1 per-year rental fee for available PRIDCO and CCE properties during for the first two years of operations;
- 10% income tax rate (retroactive) applicable to the first year of operations;
- 100% tax deduction of business losses applicable to first two years of the special agreement;
- 100% municipal license tax exemption applicable to 3 semesters;
- 80% salary reimbursement for certain jobs in certain kinds of businesses for new employees covered by the special agreement;
- New rules for employee "Christmas Bonuses," depending on total employee head-count, starting at \$175-200 (per employee) for the first year of operations;
- 50% discount on premiums payable to the State Insurance Fund for each new incremental job during the first year of operations;
- 25% refund of the cost of freight for exports of certain products;
- 100% refund of the cost of freight incurred to export agricultural products; and
- A new fast-track permits process for qualifying business projects.

The incentives to be awarded under this program will not generally be available to businesses enjoying benefits under other government incentives programs, such as tourism, industrial development, energy, export and film incentives. Each situation will have to be evaluated in light of its particular context. Given the aggressive 18-month timeline, this bill is expected to be approved by the Legislature and signed into law by the Governor in speedy fashion.

If you have any questions or would like our assistance regarding this matter, you may contact any of the following members of our Government Affairs Practice Team:

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