

Puerto Rico Film Commission

Film Tax Decree Application Process

1. Submit your application through our online portal at: [DDEC - Single Business Portal \(pr.gov\)](https://www.ddec.pr.gov) before the end of Principal Photography. Only eligible Film Projects may apply pursuant to Section 2091.01(a)(1) of the Puerto Rico Incentives Code (Act 60, 2019, as amended).
2. Following the presentation of the application and the corresponding documents requested in the application, the Puerto Rico Film Commission will evaluate your Film Project in a timely manner. The DEDC Secretary or any representative of the Secretary, may request any additional documents or information as part of the evaluation and approval process if deemed necessary.
3. Upon approval of the application and before issuing a Decree of Film Tax Credits, the Film Program will pursue endorsement of the application on behalf of the Secretary of the Treasury Department pursuant to Section 6020.01(d) of the Puerto Rico Incentives Code. The Film Program will provide the Department of Treasury 10 days for the endorsement of the application.
4. Upon comments from the Treasury Department or the completion of the assigned days, the DEDC Secretary will issue a Decree of Film Tax Credits to an approved application of an eligible Film Project. The Decree will be presented with a Notification of Decree. For the Decree to become effective, the applicant is required to pay a mandatory filing fee equivalent of 1% of the Production Expenses of Puerto Rico, up to a maximum rate of two \$250,000.00. The Filing Fee will be paid in two terms.
5. The first payment of 50% of the Filing Fee must be presented to the DEDC Secretary within **30** days from the date the Decree was issued. The 50% of the Filing Fee must be presented with a dully notarized sworn statement accepting the Decree. Failure to present evidence of payment and an acceptance of the Decree shall deemed as a revocation of the Decree and the tax credits reserved shall be forfeited.
6. A Film Project with a Decree must also comply with the following:
 - a. *Circular Letter DDEC No. 2021-005*
 - b. Set visits for DEDC officials and any other government representatives which should be coordinated in good faith with the production;
 - c. Set photos and behind the scenes footage/photos must be provided to the DEDC Secretary during production for promotional use;
 - d. Screen credit requirement at the end credits of the Film Project;
 - e. A copy of the film project must be available when released for the DEDC Secretary's promotional use.

- f. Joint press releases, conferences and other press related matters are encouraged.
7. Following the payment and acceptance of the Decree, the applicant must begin Principal Photography within **120** days of the issuance of the Decree. This term may be extended with evidence of reasonable cause.
 8. Following the completion of the Film Project, an Audit Report by a certified Puerto Rico public accountant must be presented to the DEDC Secretary 90 days after wrap for Film Projects that are not undergoing postproduction in Puerto Rico. This 90 day period may be extended by reasonable cause with an approval of the DEDC Secretary or representative. Before the presentation of the Audit Report, the Film Project must present evidence of payment of the remaining Filling Fee.
 9. The Audit Report and Auditor must comply with the Agreed Upon Procedures established by the DEDC Secretary.
 10. Following the presentation of the Auditor Report, the DEDC Secretary will evaluate the Report and may request any information necessary for purposes of determining if the Audit Report complies with the Code, Regulation, Administrative Orders, Circular Letters or Agreed Upon Procedures issued by the Government of Puerto Rico or any of its agencies and representatives.
 11. Within 30 days after receiving the Auditor's Report or **less**, the DDEC Secretary will issue a Certification of Tax Credits based on the certification of expenses provided in the Audit Report subject to the maximum amount of tax credits established in the Decree. This thirty (30) day period may be interrupted if the DDEC Secretary requests additional information from the Auditor.

PRFPG - Puerto Rico Film Project Decree Application

The application document requires information about the entity, budget, financing, locations, and heads of department in accordance with film industry documents. Please be aware that all documents must meet industry standard applications such as *final draft*, *moviemagic budgeting & moviemagic scheduling*, etc.

Applicant company documents required with the application:

1. If the company is registered to do business in PR:
 - a. Certificate and Articles of Organization;
 - b. Certification of registration to do business in Puerto Rico;
 - c. Corporate resolution in favor of the complying individual and/or the principal contact.
2. If the company is a PR entity:
 - a. Certificate and Articles of Organization;
 - b. Certificate of no-debt from the Department of Treasury for income taxes and sales and use taxes;
 - c. Certificate of compliance of filing income taxes for the past 5 years (if applicant has existed for less than 5 years or if during this period it did not have the obligation to file income

taxes, it must supplement the difference with certifications from its partners, members, or shareholders);

- d. Debt certificate from the Municipal Revenue Collection (CRIM);
- e. Copy of Municipal License or Certification of Commencement of Operations;
- f. Merchant's Registration Certificate (SURI);
- g. Corporate resolution in favor of the complying individual and/or the principal contact.

Project documents required with the application:

1. Synopsis;
2. Script;
3. Short bio main talent;
4. Total itemized budget;
5. Total itemized Puerto Rico Production Expenses budget;
6. Total itemized Qualified Nonresident budget;
7. Days out of Days reflecting Qualified Nonresident workflow;
8. Letter from the distributor;
9. Distribution plan;

