



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Details

File #:	24-3612	Version:	1	Name:	REVISE THE U.S. TAX CODE FOR THE BENEFIT OF PUERTO RICO
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On agenda:	6/13/2024	Final action:		Final action:	7/25/2024
Title:	PROPOSED RESOLUTION				

A RESOLUTION URGING THE UNITED STATES CONGRESS TO REVISE THE U.S. TAX CODE FOR THE BENEFIT OF PUERTO RICO

WHEREAS, Since 2012, tax incentives have been provided to investors, primarily mainland Americans, allowing them to pay no taxes on interest, dividends, or capital gains upon relocating to the U.S. Commonwealth of Puerto Rico; and

WHEREAS, These tax incentives were initially intended to promote economic growth and investment in Puerto Rico; and

WHEREAS, Despite the influx of investors, there is limited evidence of trickle-down benefits for the broader Puerto Rican economy, as reported by Bloomberg [Levin, J. (2023, September 22). Puerto Rico is being far too generous with rich investors. Bloomberg.]; and

WHEREAS, After a decade of these tax incentives, evidence from an Internal Revenue Service investigation indicates misuse of these incentives, leading to growing frustrations among Puerto Ricans due to the apparent favoritism; and

WHEREAS, Such misuse undermines the intent of the tax incentives, potentially displacing local residents and causing significant economic disparities; and

WHEREAS, Tax incentives and the right to return to land should only benefit Puerto Ricans in the diaspora and those who reside in the Commonwealth of Puerto Rico.

NOW, THEREFORE, BE IT RESOLVED, That the Cook County President and Board of Commissioners urge the United States Congress to take immediate action to clarify and amend the U.S. tax code to prevent the misuse of Puerto Rican tax incentives; and

BE IT FURTHER RESOLVED, That this Honorable Body urges any amendments to the tax code to preserve the original intent of promoting economic growth in Puerto Rico while preventing potential misuse and addressing the negative economic impacts on the local population; and

BE IT FURTHER RESOLVED, That this Honorable Body encourages collaboration between federal, state, and local governments, as well as with Puerto Rican authorities, to ensure that tax policies are fair, transparent, effective; and

BE IT FURTHER RESOLVED, That this Honorable Body recommends the implementation of educational campaigns to inform the public about the proper use of tax incentives and the potential consequences of misuse in Puerto Rico; and

BE IT FURTHER RESOLVED, That suitable copies of this resolution be delivered to the Cook County congressional delegation, the President of the United States of America, and the Governor of Puerto Rico.

Sponsors: ANTHONY J. QUEZADA, TARA S. STAMPS, FRANK J. AGUILAR, ALMA E. ANAYA

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Attachments:

Date	Ver.	Action By	Action	Result
7/25/2024	1	Board of Commissioners	approve	Pass
7/11/2024	1	Legislation and Intergovernmental Relations Committee	recommend for approval	Pass
6/13/2024	1	Board of Commissioners	refer	Pass