

(S.B. 2299)

(No. 384)

(Approved September 6, 2000)

AN ACT

To amend Section 5 of Act No. 225 of December 1, 1993, as amended, known as the “Puerto Rico Agriculture Tax Incentives Act”, in order to establish that the bona fide farmer certification shall be effective for three (3) years; and to implement the public policy for this Act.

STATEMENT OF MOTIVES

The Puerto Rico Agriculture Tax Incentives Act establishes that agricultural businesses have the highest priority in every measure taken by the Government of Puerto Rico, and demands the elimination of all charges, restrictions, taxes, costs or impositions on bona fide farmers and their businesses in Puerto Rico. Nevertheless, farmers face problems and delays in the recognition of their rights, exemptions and other benefits granted by said Act. At times, banks, financial institutions or other persons require them to annually renew the bona fide farmer certifications, which is contrary to the public policy and causes inconveniences, and represents a waste of time and resources for the farmers. These requirements have absorbed bona fide farmers in bureaucratic processes, which are slow, complicated, repetitive and unnecessary. Therefore, this Legislature deems it necessary to establish in this Act that the bona fide farmer certification shall be effective for three (3) years, for the information of all concerned, and to expedite the recognition thereof.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1. – Section 5 of Act No. 225 of December 1, 1993, as amended, is hereby amended to read as follows:

“Section 5. – Certification

The Secretary of Agriculture of Puerto Rico shall issue a certification indicating that the bona fide farmer is engaged in the exploitation or operation of an activity that qualifies under an agricultural business. When the farmer files his income tax return, the Secretary of Agriculture shall determine if he complies with the requirement of fifty (50) percent of income from agricultural business in order to be considered a bona fide farmer. The certification issued by the Secretary of Agriculture of Puerto Rico shall constitute sufficient and attesting evidence before any private or public person, including the Government of Puerto Rico, its branches, agencies and public instrumentalities, municipalities and public corporations, that the person to whom this certification was issued is a bona fide farmer with the right to the exemptions, deductions, credits and other benefits or rights granted by this Act. Each certification issued by the Secretary of Agriculture shall be effective and have full force and effect for the year in which it was issued, on and from the first day of January of that same year, and for the following three (3) years, with no other renewal proceeding or otherwise required.

It is provided that if for the year in which the certification is issued, or for any of the following three (3) years, the person to whom the certification is issued fails to comply with the requirement that at least fifty (50) percent of his/her income derives from an agricultural business, ceases to operate as a bona fide farmer, fails to comply with the fiscal laws of Puerto Rico or those of the United States of America, or is convicted for a crime related to

the operation of an agricultural business, the certificate shall be revoked, and the person shall not enjoy the benefits granted by this Act, until he/she obtains a new bona fide farmer certification.

Section 2. – This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 384 (S.B. 2299) (Conference) of the 7th Session of the 13th Legislature of Puerto Rico:

AN ACT to amend Section 5 of Act No. 225 of December 1, 1993, as amended, known as the “Puerto Rico Agriculture Tax Incentives Act”, in order to establish that the bona fide farmer certification shall be effective for three (3) years; and to implement the public policy for this Act,

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

In San Juan, Puerto Rico, today 25th of January of 2005.

Marialma Alfau Alemán
Acting Director