

(S. B. 390)

(No. 324)

(Approved September 16, 2004)

AN ACT

To exempt from the payment of income tax the salary earned for overtime worked by employees required to do so as a result of the Island or one of its municipalities having been declared a disaster zone, up to a maximum of ninety (90) days after such declaration.

STATEMENT OF MOTIVES

The recovery of a country affected by either atmospheric phenomena or earthquakes forces the agencies and public corporations of the Government to require their employees to work beyond their regular work hours.

The best example of this are the public servants of the Electric Power Authority and the Aqueducts and Sewers Authority, who must report to work immediately and often under the climatological effects of the atmospheric phenomenon, when such is the case to reestablish the essential utilities of water and electric power services immediately. This also occurs with the members of the Puerto Rico Police who must ensure security and protection to the citizenry.

These anonymous heroes of public service perform recovery tasks, even when to do so entails leaving their families for more than 12 and up to 16 daily work hours, under unfavorable conditions such as power and water outages, and even the loss of homes and possessions that are the typical effects of the impact of an atmospheric phenomenon.

One way of compensating the efforts of these public employees who strive beyond their regular duties to achieve the Island's recovery is to exempt them from the payment of income tax on their overtime earnings, which also constitutes

financial aid for them to recover from any losses they may have sustained.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- The salary earned for overtime worked by employees required to do so as a result of the Island or one of its municipalities having been declared a disaster zone is hereby exempted from the payment of income tax up to a maximum of ninety (90) days after such declaration.

Section 2.- The Heads of Agencies of the Commonwealth of Puerto Rico and those employers that activate employees who may avail themselves of the benefits of this Act shall submit the lists of employees who were required to work during the emergency to the Secretary of the Treasury.

The Heads of Agencies of the Commonwealth of Puerto Rico and those employers who activate employees who may avail themselves of the benefits of this Act are hereby authorized to pay overtime without withholding income tax from those employees who were required to work due to an emergency when the Island is declared a disaster zone up to a maximum of ninety (90) days.

Section 3.- The Secretary of the Treasury shall establish by regulation the requirements and conditions to be complied with by the employers and their employees for the granting of the tax exemption established in this Act.

Section 4.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 324 (S.B. 390) of the 7th Session of the 14th Legislature of Puerto Rico:

AN ACT to exempt from the payment of income tax the salary earned for overtime worked by employees required to do so as a result of the Island or one of its municipalities having been declared a disaster zone, up to a maximum of ninety (90) days after such declaration,

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

In San Juan, Puerto Rico, today 1st of June of 2006.

Francisco J. Domenech
Director

