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SENATE RESOLUTION

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

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

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WHEREAS, Despite the influx of investors, there is limited
9 evidence of trickle-down benefits for the broader Puerto Rican
10 economy, as reported by the Washington Post; and

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

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

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WHEREAS, Tax incentives and the right to return to land
19 should only benefit Puerto Ricans in the diaspora and those
20 who reside in the Commonwealth of Puerto Rico; therefore, be

1 it

2 RESOLVED, BY THE SENATE OF THE ONE HUNDRED THIRD GENERAL
3 ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the United
4 States Congress to take immediate action to clarify and amend
5 the U.S. tax code to prevent the misuse of Puerto Rican tax
6 incentives; and be it further

7 RESOLVED, That we urge any amendments to the tax code to
8 preserve the original intent of promoting economic growth in
9 Puerto Rico while preventing potential misuse and addressing
10 the negative economic impacts on the local population; and be
11 it further

12 RESOLVED, That we encourage collaboration between federal,
13 state, and local governments, as well as with Puerto Rican
14 authorities, to ensure that tax policies are fair,
15 transparent, and effective; and be it further

16 RESOLVED, That we recommend the implementation of
17 educational campaigns to inform the public about the proper
18 use of tax incentives and the potential consequences of misuse
19 in Puerto Rico; and be it further

20 RESOLVED, That suitable copies of this resolution be
21 delivered to the President of the United States, the U.S.

1 Senate Majority Leader, the U.S. Senate Minority Leader, the
2 U.S. Speaker of the House, the U.S. House of Representatives
3 Minority Leader, all members of the Illinois Congressional
4 Delegation, and the Governor of Puerto Rico.