What is Law 101?
The spirit of Law 101-2008 is to encourage and reward externally funded research found to be meritorious through a highly competitive peer review mechanism at a Federal or U.S level. These types of competitive research awards, move knowledge forward, provide opportunities for innovation, sustain the work of students and staff, bring funds to local universities, and improve Puerto Rico’s position in the knowledge economy.

In order to be eligible for a tax exemption:
- He or she must have been a resident of Puerto Rico during the tax year under consideration.
- He or she must be employed by an Academic Institution.
- He or she must have submitted a proposal as a Principal Investigator (PI) or Co-Principal Investigator (Co-PI) that resulted in a highly competitive research award.

Institution
Must be an accredited Puerto Rican institution of higher education:

Only external awards received by institutions of higher education licensed by Puerto Rico’s Higher Education Council (Consejo de Educación Superior) and accredited by the Middle States Association will be eligible for tax exemption.

Research
Types of externally funded activities that qualify for consideration:

1. Awarded for the conduct research, defined as creative work undertaken on a systematic basis and designed to increase the stock of knowledge in a particular science field.
2. Awarded through a contractual agreement between the Academic Institution and the granting agency (including federal, state or private entities that promote competitive scientific investigation) for the completion of specific research goals.
3. Obtained competitively through programs that are open to the general scientific community and that are subject to same evaluation scrutiny as, for example, NIH's R01 grant mechanism.

Assessment Process

1. Investigators
   - Are responsible of:
   - Notifying their Academic Institutions of the desire to seek the Law 101-2008 incentive for one or more of their external awards.
   - Compile necessary information to submit to their Institutions.

2. Institution
   - Is responsible of:
   - Appointing a Suitable Evaluator to review external awards for the previous tax year. Select those that qualify for consideration under Law 101-2008, and submit materials to the Trust.

3. Puerto Rico Science, Technology & Research Trust
   - Is responsible of:
   - Reviewing nomination materials received from the Academic Institutions and makes a recommendation to Puerto Rico’s Internal Revenue Service based on Law 101-2008 criteria.

4. PR Internal Revenue Service
   - Final decision:
   - Makes final decision regarding exemption and notifies investigator. If exemption is approved, Puerto Rico's IRS will calculate changes to tax and may issue a reimbursement.

MORE INFO: LAW101@PRSCIENCETRUST.ORG
WWW.PRSCIENCETRUST.ORG

RESEARCH GRANTS PROGRAM FUNDS TO GROW
A program of: Puerto Rico Science, Technology & Research Trust