

(S. B. 1856)

(No. 64)

(Approved April 11, 2000)

## **AN ACT**

To add subsection (M) to paragraph (3) of subsection (a) of Section 2052 of Chapter IV of Subtitle B of Act No. 120 of October 31, 1994, as amended, known as the “Puerto Rico Internal Revenue Code of 1994,” to exempt the admission fees for shows in which there are “paso fino” horse competitions held by “bona fide” nonprofit corporations or associations registered in the Department of State, from the payment of excise taxes.

### **STATEMENT OF MOTIVES**

The “Paso Fino” sport dates back to the 16<sup>th</sup> century. The horses that the colonizers brought to the Island, gradually acquired, the particular characteristics that identify this sport. As the years passed, the horses developed a rhythmic, harmonious and lilting gait. At present, the horse is smaller, has good form, a well-developed chest, and a shorter back than that of its ancestors.

The sport began when the owners of these horses began to improve the breed and held competitions among themselves to see which of the specimens had better pace and form. This horse has a four-legged gait which keeps the wither and croup in a straight line that is not interrupted by a jerky motion.

In 1966, the Public Parks and Recreation Administration and the Puerto Rico Olympic Committee awarded official recognition of the “paso fino” horse riding sport as the autochthonous sport of Puerto Rico. Today there

are several entities devoted to regulating the sport and carrying out competitions throughout the Island.

The Legislature of Puerto Rico considers that the Puerto Rico Internal Revenue Code of 1994 should be amended, in order to exempt the admission fees for “paso fino” shows from the payment of excise taxes. In this way, this autochthonous sport is given an incentive, thus achieving a large participation of the citizenry.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Subsection (M) is hereby added to paragraph (3) of subsection (a) of Section 2052 of Chapter IV of Subtitle B of Act No. 120 of October 31, 1994, as amended, to read as follows:

“SUBTITLE B  
EXCISE TAXES

CHAPTER IV – TAXES ON CERTAIN TRANSACTIONS

Section 2052.- Taxes on Admission Fees to Public Shows.

(a) A ten (10) percent tax shall be levied, collected, and paid on the admission fees to any public show held in Puerto Rico.

(1) ...

(3) Total or partial exemptions. - The following public shows shall be exempted, in whole or in part, from the tax levied in this Section:

(A) ...

(M) The admission fees to the “paso fino” sport horse shows held by “bona fide” nonprofit corporations or associations registered as such in the Department of State.”

Section 2.- This Act shall take effect immediately after its approval, and its provisions shall be applicable upon its effectiveness.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 64 (S.B. 1856) of the 7<sup>th</sup> Session of the 13<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to add subsection (M) to paragraph (3) of subsection (a) of Section 2052 of Chapter IV of Subtitle B of Act No. 120 of October 31, 1994, as amended, known as the “Puerto Rico Internal Revenue Code of 1994,” to exempt the admission fees for shows in which there are “paso fino” horse competitions held by “bona fide” nonprofit corporations or associations registered in the Department of State, from the payment of excise taxes,

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

In San Juan, Puerto Rico, today 18<sup>th</sup> of August of 2003.

Elba Rosa Rodríguez-Fuentes  
Director