

114TH CONGRESS
1ST SESSION

H. R. 4213

To amend the Internal Revenue Code of 1986 to make residents of Puerto Rico eligible for the earned income tax credit and to provide for equitable treatment for residents of Puerto Rico with respect to the refundable portion of the child tax credit.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2015

Mr. PASCRELL (for himself, Mr. PIERLUISI, Mr. RANGEL, Mr. LARSON of Connecticut, and Mr. SERRANO) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to make residents of Puerto Rico eligible for the earned income tax credit and to provide for equitable treatment for residents of Puerto Rico with respect to the refundable portion of the child tax credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tax Equity and Pros-
5 perity for Puerto Rican Families Act of 2015”.

1 **SEC. 2. PUERTO RICO RESIDENTS ELIGIBLE FOR EARNED**
2 **INCOME TAX CREDIT.**

3 (a) IN GENERAL.—Section 32 of the Internal Rev-
4 enue Code of 1986 (relating to earned income) is amended
5 by adding at the end the following new subsection:

6 “(n) RESIDENTS OF PUERTO RICO.—

7 “(1) IN GENERAL.—In the case of residents of
8 Puerto Rico—

9 “(A) the United States shall be treated as
10 including Puerto Rico for purposes of sub-
11 sections (c)(1)(A)(ii)(I) and (c)(3)(C),

12 “(B) subsection (c)(1)(D) shall not apply
13 to nonresident alien individuals who are resi-
14 dents of Puerto Rico,

15 “(C) adjusted gross income and gross in-
16 come shall be computed without regard to sec-
17 tion 933 for purposes of subsections (a)(2)(B)
18 and (c)(2)(A)(i),

19 “(D) subsection (c)(1)(A)(ii)(II) shall be
20 applied by substituting ‘age 21’ for ‘age 25’,
21 and

22 “(E) notwithstanding subsection (b)—

23 “(i) the credit percentage is 40,

24 “(ii) the phaseout percentage is 21.06,

25 “(iii) the earned income amount is
26 \$8,890, and

1 “(iv) the phaseout amount is \$11,610
2 (increased by \$3,000 in the case of a joint
3 return).

4 “(2) INFLATION ADJUSTMENT.—Subsection (j)
5 shall apply to the dollar amounts in subparagraph
6 (D), determined by treating the \$8,890 and \$11,610
7 amounts as though such amounts were contained in
8 subsection (b)(2)(A) and by treating the \$3,000
9 amount as though such amount were contained in
10 subsection (b)(2)(B)(iii).”.

11 (b) CHILD TAX CREDIT NOT REDUCED.—Subclause
12 (II) of section 24(d)(1)(B)(ii) of such Code (relating to
13 child tax credit) is amended by inserting before the period
14 “(determined without regard to section 32(n) in the case
15 of residents of Puerto Rico)”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2015.

19 **SEC. 3. EQUITABLE TREATMENT FOR RESIDENTS OF PUER-**
20 **TO RICO WITH RESPECT TO THE REFUND-**
21 **ABLE PORTION OF THE CHILD TAX CREDIT.**

22 (a) IN GENERAL.—Section 24(d)(1) of the Internal
23 Revenue Code of 1986 is amended by inserting “or section
24 933” after “section 112”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to taxable years beginning after
3 December 31, 2015.

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