

117TH CONGRESS
1ST SESSION

H. R. 105

To amend the Internal Revenue Code of 1986 to make residents of Puerto Rico eligible for the earned income tax credit.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2021

Miss GONZÁLEZ-COLÓN (for herself and Mr. SOTO) 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.

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 “Earned Income Tax
5 Credit Equity for Puerto Rico Act of 2021”.

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

8 (a) IN GENERAL.—Section 32 of the Internal Rev-
9 enue Code of 1986 is amended by adding at the end the
10 following new subsection:

1 “(n) RESIDENTS OF PUERTO RICO.—

2 “(1) IN GENERAL.—In the case of residents of
3 Puerto Rico—

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

7 “(B) subsection (c)(1)(D) shall not apply
8 to nonresident alien individuals who are resi-
9 dents of Puerto Rico, and

10 “(C) adjusted gross income and gross in-
11 come shall be computed without regard to sec-
12 tion 933 for purposes of subsections (a)(2)(B)
13 and (c)(2)(A)(i).

14 “(2) LIMITATION.—The credit allowed under
15 this section by reason of this subsection for any tax-
16 able year shall not exceed the amount, determined
17 under regulations or other guidance promulgated by
18 the Secretary, that a similarly situated taxpayer
19 would receive if residing in a State.”.

20 (b) CHILD TAX CREDIT NOT REDUCED.—Subclause
21 (II) of section 24(d)(1)(B)(ii) of such Code is amended
22 by inserting before the period “(determined without re-
23 gard to section 32(n) in the case of residents of Puerto
24 Rico)”.

1 (c) EFFECTIVE DATE.—The amendment made shall
2 apply to taxable years beginning after December 31, 2021.

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