

115TH CONGRESS
1ST SESSION

H. R. 3812

To amend the Internal Revenue Code of 1986 to modify the determination of earned income for purposes of the earned income credit and the child tax credit for individuals in the Hurricane Harvey and Hurricane Irma disaster areas.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2017

Mr. DOGGETT (for himself, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Ms. JACKSON LEE, Mr. GONZALEZ of Texas, Mr. VELA, Mr. O'ROURKE, Mr. CUELLAR, Mr. CASTRO of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. VEASEY, Mrs. DEMINGS, Ms. FRANKEL of Florida, Mr. HASTINGS, Ms. WILSON of Florida, Mr. JOHNSON of Georgia, Mr. LEWIS of Georgia, Mr. CLYBURN, Mr. BISHOP of Georgia, Ms. PLASKETT, Mr. SOTO, Mr. CRIST, Mr. LAWSON of Florida, Ms. CASTOR of Florida, Ms. WASSERMAN SCHULTZ, Mr. DEUTCH, Mrs. MURPHY of Florida, Mr. DAVID SCOTT of Georgia, Ms. SEWELL of Alabama, Ms. DELAURO, Mr. NEAL, Mr. THOMPSON of California, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. DANNY K. DAVIS of Illinois, Ms. SÁNCHEZ, Ms. JUDY CHU of California, Ms. LEE, and Ms. DELBENE) 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 modify the determination of earned income for purposes of the earned income credit and the child tax credit for individuals in the Hurricane Harvey and Hurricane Irma disaster areas.

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 “Hurricane Harvey and
5 Hurricane Irma Working Family Tax Relief Act”.

6 **SEC. 2. DETERMINATION OF EARNED INCOME FOR PUR-**
7 **POSES OF THE EARNED INCOME CREDIT AND**
8 **THE CHILD TAX CREDIT FOR INDIVIDUALS IN**
9 **THE HURRICANE HARVEY AND HURRICANE**
10 **IRMA DISASTER AREAS.**

11 (a) EARNED INCOME CREDIT.—Section 32 of the In-
12 ternal Revenue Code of 1986 is amended by adding at the
13 end the following new subsection:

14 “(n) SPECIAL RULE RELATING TO HURRICANE HAR-
15 VEY AND HURRICANE IRMA.—For purposes of this section
16 and section 24(d)—

17 “(1) IN GENERAL.—In the case of a qualified
18 individual, if the earned income of the taxpayer for
19 the taxable year which includes the applicable date
20 is less than the earned income of the taxpayer for
21 the preceding taxable year, the credit allowed under
22 subsection (a) for the taxable year which includes
23 the applicable date may, at the election of the tax-
24 payer, be determined by substituting—

1 “(A) such earned income for the preceding
2 taxable year, for

3 “(B) such earned income for the taxable
4 year which includes the applicable date.

5 “(2) QUALIFIED INDIVIDUAL.—For purposes of
6 this subsection, the term ‘qualified individual’ means
7 any individual—

8 “(A) whose principal place of abode on the
9 applicable date was located in the Hurricane
10 Harvey disaster area or the Hurricane Irma
11 disaster area and such individual was displaced
12 from such principal place of abode by reason of
13 the Hurricane Harvey federally declared dis-
14 aster or the Hurricane Irma federally declared
15 disaster, respectively, or

16 “(B) who performed substantially all em-
17 ployment services in the disaster area and was
18 so employed on the applicable date.

19 “(3) OTHER DEFINITIONS.—For purposes of
20 this subsection—

21 “(A) APPLICABLE DATE.—The term ‘appli-
22 cable date’ means—

23 “(i) August 25, 2017, with respect to
24 Hurricane Harvey, and

1 “(ii) September 5, 2017, with respect
2 to Hurricane Irma.

3 “(B) HURRICANE HARVEY FEDERALLY DE-
4 CLARED DISASTER.—

5 “(i) IN GENERAL.—The term ‘Hurri-
6 cane Harvey federally declared disaster’
7 means the disaster occurring by reason of
8 Hurricane Harvey and determined by the
9 President to warrant individual or indi-
10 vidual and public assistance from the Fed-
11 eral Government under the Robert T. Staf-
12 ford Disaster Relief and Emergency Assist-
13 ance Act.

14 “(ii) HURRICANE HARVEY DISASTER
15 AREA.—The term ‘Hurricane Harvey dis-
16 aster area’ means the area so determined
17 to warrant such assistance.

18 “(C) HURRICANE IRMA FEDERALLY DE-
19 CLARED DISASTER.—

20 “(i) IN GENERAL.—The term ‘Hurri-
21 cane Irma federally declared disaster’
22 means the disaster occurring by reason of
23 Hurricane Irma and determined by the
24 President to warrant individual or indi-
25 vidual and public assistance from the Fed-

1 eral Government under the Robert T. Staf-
2 ford Disaster Relief and Emergency Assist-
3 ance Act.

4 “(ii) HURRICANE IRMA DISASTER
5 AREA.—The term ‘Hurricane Irma disaster
6 area’ means the area so determined to
7 warrant such assistance.

8 “(4) SPECIAL RULES.—

9 “(A) APPLICATION TO JOINT RETURNS.—
10 For purposes of paragraph (1), in the case of
11 a joint return for a taxable year which includes
12 the applicable date—

13 “(i) such paragraph shall apply if ei-
14 ther spouse is a qualified individual, and

15 “(ii) the earned income of the tax-
16 payer for the preceding taxable year shall
17 be the sum of the earned income of each
18 spouse for such preceding taxable year.

19 “(B) UNIFORM APPLICATION OF ELEC-
20 TION.—Any election made under paragraph (1)
21 shall apply with respect to both this section and
22 section 24(d).

23 “(C) ERRORS TREATED AS MATHEMATICAL
24 ERROR.—For purposes of section 6213, an in-
25 correct use on a return of earned income pursu-

1 ant to paragraph (1) shall be treated as a
2 mathematical or clerical error.

3 “(D) NO EFFECT ON DETERMINATION OF
4 GROSS INCOME, ETC.—Except as otherwise pro-
5 vided in this subsection, this title shall be ap-
6 plied without regard to any substitution under
7 paragraph (1).”.

8 (b) CHILD TAX CREDIT.—Subsection (d) of section
9 24 of such Code is amended by adding at the end the fol-
10 lowing new paragraph:

11 “(6) SPECIAL RULE RELATING TO HURRICANE
12 HARVEY AND HURRICANE IRMA.—See section 32(n)
13 for determination of earned income with respect to
14 the Hurricane Harvey and Hurricane Irma federally
15 declared disasters.”.

16 (c) TREATMENT OF POSSESSIONS.—

17 (1) PAYMENTS TO POSSESSIONS.—

18 (A) MIRROR CODE POSSESSION.—The Sec-
19 retary of the Treasury shall pay to each posses-
20 sion of the United States with a mirror code
21 tax system amounts equal to the loss to that
22 possession by reason of the amendments made
23 by this section. Such amounts shall be deter-
24 mined by the Secretary of the Treasury based

1 on information provided by the government of
2 the respective possession.

3 (B) OTHER POSSESSIONS.—The Secretary
4 of the Treasury shall pay to each possession of
5 the United States which does not have a mirror
6 code tax system amounts estimated by the Sec-
7 retary of the Treasury as being equal to the ag-
8 gregate benefits that would have been provided
9 to residents of such possession by reason of the
10 amendments made by this section if a mirror
11 code tax system had been in effect in such pos-
12 session. The preceding sentence shall not apply
13 with respect to any possession of the United
14 States unless such possession has a plan, which
15 has been approved by the Secretary of the
16 Treasury, under which such possession will
17 promptly distribute such payments to the resi-
18 dents of such possession.

19 (2) COORDINATION WITH CREDIT ALLOWED
20 AGAINST UNITED STATES INCOME TAXES.—In the
21 case of any person—

22 (A) to whom a credit is allowed against
23 taxes imposed by a possession of the United
24 States by reason of the amendments made by
25 this section for any taxable year, or

1 (B) who is eligible for a payment under a
2 plan described in paragraph (1)(B) with respect
3 to any taxable year,
4 any credit allowed under section 24 or 32 of the In-
5 ternal Revenue Code of 1986 to such person for
6 such taxable year shall be determined without regard
7 to the amendments made by this section.

8 (3) DEFINITIONS AND SPECIAL RULES.—

9 (A) POSSESSION OF THE UNITED
10 STATES.—For purposes of this subsection, the
11 term “possession of the United States” includes
12 the Commonwealth of Puerto Rico and the
13 Commonwealth of the Northern Mariana Is-
14 lands.

15 (B) MIRROR CODE TAX SYSTEM.—For pur-
16 poses of this subsection, the term “mirror code
17 tax system” means, with respect to any posses-
18 sion of the United States, the income tax sys-
19 tem of such possession if the income tax liabil-
20 ity of the residents of such possession under
21 such system is determined by reference to the
22 income tax laws of the United States as if such
23 possession were the United States.

24 (C) TREATMENT OF PAYMENTS.—For pur-
25 poses of section 1324(b)(2) of title 31, United

1 States Code, the payments under this sub-
2 section shall be treated in the same manner as
3 a refund due from a credit allowed under sec-
4 tion 24(d) or 32 of the Internal Revenue Code
5 of 1986.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years ending after Au-
8 gust 25, 2017.

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