

.....
(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

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

Mr. DOGGETT (for himself and [see ATTACHED LIST of cosponsors]) introduced the following bill; which was referred to the Committee on

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”.

1 **SEC. 2. DETERMINATION OF EARNED INCOME FOR PUR-**
2 **POSES OF THE EARNED INCOME CREDIT AND**
3 **THE CHILD TAX CREDIT FOR INDIVIDUALS IN**
4 **THE HURRICANE HARVEY AND HURRICANE**
5 **IRMA DISASTER AREAS.**

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

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

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

20 “(A) such earned income for the preceding
21 taxable year, for

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

24 “(2) QUALIFIED INDIVIDUAL.—For purposes of
25 this subsection, the term ‘qualified individual’ means
26 any individual—

1 “(A) whose principal place of abode on the
2 applicable date was located in the Hurricane
3 Harvey disaster area or the Hurricane Irma
4 disaster area and such individual was displaced
5 from such principal place of abode by reason of
6 the Hurricane Harvey federally declared dis-
7 aster or the Hurricane Irma federally declared
8 disaster, respectively, or

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

12 “(3) OTHER DEFINITIONS.—For purposes of
13 this subsection—

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

16 “(i) August 25, 2017, with respect to
17 Hurricane Harvey, and

18 “(ii) September 5, 2017, with respect
19 to Hurricane Irma.

20 “(B) HURRICANE HARVEY FEDERALLY DE-
21 CLARED DISASTER.—

22 “(i) IN GENERAL.—The term ‘Hurri-
23 cane Harvey federally declared disaster’
24 means the disaster occurring by reason of
25 Hurricane Harvey and determined by the

1 President to warrant individual or indi-
2 vidual and public assistance from the Fed-
3 eral Government under the Robert T. Staf-
4 ford Disaster Relief and Emergency Assist-
5 ance Act.

6 “(ii) HURRICANE HARVEY DISASTER
7 AREA.—The term ‘Hurricane Harvey dis-
8 aster area’ means the area so determined
9 to warrant such assistance.

10 “(C) HURRICANE IRMA FEDERALLY DE-
11 CLARED DISASTER.—

12 “(i) IN GENERAL.—The term ‘Hurri-
13 cane Irma federally declared disaster’
14 means the disaster occurring by reason of
15 Hurricane Irma and determined by the
16 President to warrant individual or indi-
17 vidual and public assistance from the Fed-
18 eral Government under the Robert T. Staf-
19 ford Disaster Relief and Emergency Assist-
20 ance Act.

21 “(ii) HURRICANE IRMA DISASTER
22 AREA.—The term ‘Hurricane Irma disaster
23 area’ means the area so determined to
24 warrant such assistance.

25 “(4) SPECIAL RULES.—

1 “(A) APPLICATION TO JOINT RETURNS.—

2 For purposes of paragraph (1), in the case of
3 a joint return for a taxable year which includes
4 the applicable date—

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

7 “(ii) the earned income of the tax-
8 payer for the preceding taxable year shall
9 be the sum of the earned income of each
10 spouse for such preceding taxable year.

11 “(B) UNIFORM APPLICATION OF ELEC-
12 TION.—Any election made under paragraph (1)
13 shall apply with respect to both this section and
14 section 24(d).

15 “(C) ERRORS TREATED AS MATHEMATICAL
16 ERROR.—For purposes of section 6213, an in-
17 correct use on a return of earned income pursu-
18 ant to paragraph (1) shall be treated as a
19 mathematical or clerical error.

20 “(D) NO EFFECT ON DETERMINATION OF
21 GROSS INCOME, ETC.—Except as otherwise pro-
22 vided in this subsection, this title shall be ap-
23 plied without regard to any substitution under
24 paragraph (1).”.

1 (b) CHILD TAX CREDIT.—Subsection (d) of section
2 24 of such Code is amended by adding at the end the fol-
3 lowing new paragraph:

4 “(6) SPECIAL RULE RELATING TO HURRICANE
5 HARVEY AND HURRICANE IRMA.—See section 32(n)
6 for determination of earned income with respect to
7 the Hurricane Harvey and Hurricane Irma federally
8 declared disasters.”.

9 (c) TREATMENT OF POSSESSIONS.—

10 (1) PAYMENTS TO POSSESSIONS.—

11 (A) MIRROR CODE POSSESSION.—The Sec-
12 retary of the Treasury shall pay to each posses-
13 sion of the United States with a mirror code
14 tax system amounts equal to the loss to that
15 possession by reason of the amendments made
16 by this section. Such amounts shall be deter-
17 mined by the Secretary of the Treasury based
18 on information provided by the government of
19 the respective possession.

20 (B) OTHER POSSESSIONS.—The Secretary
21 of the Treasury shall pay to each possession of
22 the United States which does not have a mirror
23 code tax system amounts estimated by the Sec-
24 retary of the Treasury as being equal to the ag-
25 gregate benefits that would have been provided

1 to residents of such possession by reason of the
2 amendments made by this section if a mirror
3 code tax system had been in effect in such pos-
4 session. The preceding sentence shall not apply
5 with respect to any possession of the United
6 States unless such possession has a plan, which
7 has been approved by the Secretary of the
8 Treasury, under which such possession will
9 promptly distribute such payments to the resi-
10 dents of such possession.

11 (2) COORDINATION WITH CREDIT ALLOWED
12 AGAINST UNITED STATES INCOME TAXES.—In the
13 case of any person—

14 (A) to whom a credit is allowed against
15 taxes imposed by a possession of the United
16 States by reason of the amendments made by
17 this section for any taxable year, or

18 (B) who is eligible for a payment under a
19 plan described in paragraph (1)(B) with respect
20 to any taxable year,

21 any credit allowed under section 24 or 32 of the In-
22 ternal Revenue Code of 1986 to such person for
23 such taxable year shall be determined without regard
24 to the amendments made by this section.

25 (3) DEFINITIONS AND SPECIAL RULES.—

1 (A) POSSESSION OF THE UNITED
2 STATES.—For purposes of this subsection, the
3 term “possession of the United States” includes
4 the Commonwealth of Puerto Rico and the
5 Commonwealth of the Northern Mariana Is-
6 lands.

7 (B) MIRROR CODE TAX SYSTEM.—For pur-
8 poses of this subsection, the term “mirror code
9 tax system” means, with respect to any posses-
10 sion of the United States, the income tax sys-
11 tem of such possession if the income tax liabil-
12 ity of the residents of such possession under
13 such system is determined by reference to the
14 income tax laws of the United States as if such
15 possession were the United States.

16 (C) TREATMENT OF PAYMENTS.—For pur-
17 poses of section 1324(b)(2) of title 31, United
18 States Code, the payments under this sub-
19 section shall be treated in the same manner as
20 a refund due from a credit allowed under sec-
21 tion 24(d) or 32 of the Internal Revenue Code
22 of 1986.

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