

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.

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## 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

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## 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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