

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3844

To amend the Internal Revenue Code of 1986 to provide for advance payment of the earned income tax credit and the child tax credit for 2005 in order to provide needed funds to victims of Hurricane Katrina and to stimulate local economies.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2005

Mr. EMANUEL (for himself, Mr. LEWIS of Georgia, Mr. TAYLOR of Mississippi, Mr. MELANCON, and Mr. JEFFERSON) 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 provide for advance payment of the earned income tax credit and the child tax credit for 2005 in order to provide needed funds to victims of Hurricane Katrina and to stimulate local economies.

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 Katrina  
5       Fast-Track Refunds for Working Families Act of 2005”.

1 **SEC. 2. FINDINGS.**

2 (a) An estimated 1.3 million households were affected  
3 by Hurricane Katrina, many of which were working fami-  
4 lies left with no material belongings and minimal assets  
5 following the storm.

6 (b) It will be difficult for these working families to  
7 immediately find new employment opportunities and to re-  
8 store lost wages, reducing their resources for food, hous-  
9 ing, clothing, and other necessities.

10 (c) These working families can be expected to spend  
11 their fast-tracked tax refunds on immediate necessities  
12 which will stimulate local economic activity.

13 (d) These families have worked hard, earned their  
14 Child Tax Credit and Earned Income Tax Credit refunds  
15 and should receive them now rather than later.

16 **SEC. 3. ADVANCE PAYMENT OF EARNED INCOME TAX**  
17 **CREDIT AND CHILD TAX CREDIT FOR 2005**  
18 **FOR VICTIMS OF HURRICANE KATRINA.**

19 (a) IN GENERAL.—Subchapter B of chapter 61 of the  
20 Internal Revenue Code of 1986 (relating to rules of special  
21 application) is amended by adding at the end the following  
22 new section:

23 **“SEC. 6430. ADVANCE PAYMENT OF EARNED INCOME TAX**  
24 **CREDIT AND CHILD TAX CREDIT FOR 2005.**

25 “(a) IN GENERAL.—Each eligible taxpayer shall be  
26 treated as having made a payment against the tax imposed

1 by chapter 1 for the taxpayer's last taxable year ending  
2 in 2004 in an amount equal to—

3 “(1) the child tax credit refund amount (if any)  
4 for such taxable year, and

5 “(2) the earned income credit refund amount  
6 (if any) for such taxable year.

7 “(b) DEFINITIONS.—For purposes of this section—

8 “(1) ELIGIBLE TAXPAYER.—The term ‘eligible  
9 taxpayer’ means any taxpayer—

10 “(A) who was allowed a credit under sec-  
11 tion 24 (relating to child tax credit) or section  
12 32 (relating to earned income credit) for the  
13 taxpayer's last taxable year ending in 2004,  
14 and

15 “(B) whose address on such taxpayer's re-  
16 turn for such last taxable year was within an  
17 area determined by the President to warrant in-  
18 dividual or individual and public assistance  
19 from the Federal Government under the Robert  
20 T. Stafford Disaster Relief and Emergency As-  
21 sistance Act by reason of Hurricane Katrina.

22 “(2) CHILD TAX CREDIT REFUND AMOUNT.—  
23 The child tax credit refund amount is the amount of  
24 the credit which would have been allowed under sec-  
25 tion 24 for such last taxable year if only qualifying

1 children (as defined in section 24(c)) of the taxpayer  
2 for such year who had not attained age 17 as of De-  
3 cember 31, 2005, were taken into account.

4 “(3) EARNED INCOME CREDIT REFUND  
5 AMOUNT.—The earned income credit refund amount  
6 is the amount of the credit which would have been  
7 allowed under section 32 for such last taxable year  
8 if—

9 “(A) the amount in section 32(b)(2)(B)  
10 were \$2,000, and

11 “(B) an individual is treated as meeting  
12 the age requirements under section 32 only if  
13 such requirements are met as of December 31,  
14 2005.

15 “(c) TIMING OF PAYMENTS.—In the case of any over-  
16 payment attributable to this section, the Secretary shall,  
17 subject to the provisions of this title, refund or credit such  
18 overpayment as rapidly as possible and shall ensure that  
19 adequate systems and delivery mechanisms are in place  
20 for the prompt delivery of refunds to eligible recipients.

21 “(d) COORDINATION WITH CREDITS.—

22 “(1) IN GENERAL.—The amount of credit  
23 which would (but for this subsection and section 26)  
24 be allowed under sections 24 and 32, as the case  
25 may be, for the taxpayer’s first taxable year begin-

1       ning in 2005 shall be reduced (but not below zero)  
2       by so much of the payment made to the taxpayer  
3       under this section as is attributable to such section  
4       24 or 32. Any failure to so reduce the credit shall  
5       be treated as arising out of a mathematical or cler-  
6       ical error and assessed according to section  
7       6213(b)(1).

8               “(2) JOINT RETURNS.—In the case of a pay-  
9       ment under this section with respect to a joint re-  
10      turn, half of such payment shall be treated as hav-  
11      ing been made to each individual filing such return.

12              “(e) NO INTEREST.—No interest shall be allowed on  
13      any overpayment attributable to this section.”.

14              (b) CLERICAL AMENDMENT.—The table of sections  
15      for such subchapter B is amended by adding at the end  
16      the following new item:

    “Sec. 6430. Advance payment of earned income tax credit and child tax credit  
    for 2005 for victims of Hurricane Katrina.”.

17              (c) EFFECTIVE DATE.—The amendments made by  
18      this section shall take effect on the date of the enactment  
19      of this Act.

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