

110TH CONGRESS  
1ST SESSION

# H. R. 1339

To make residents of Puerto Rico eligible for the earned income tax credit.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2007

Mr. FORTUÑO introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

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 “Puerto Rico Economic  
5       Stimulus Act of 2007”.

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 (relating to earned income) is amended  
10      by inserting at the end the following new subsection:

11      “(n) RESIDENTS OF PUERTO RICO.—

1           “(1) IN GENERAL.—In the case of residents of  
2       Puerto Rico, this section shall be applied—

3           “(A) by substituting ‘United States or  
4       Puerto Rico’ for ‘United States’ in subsections  
5       (c)(1)(A)(ii)(I) and (c)(3)(C),

6           “(B) by substituting ‘nonresident alien in-  
7       dividual (other than a resident of Puerto Rico)’  
8       for ‘nonresident alien individual’ in subsection  
9       (c)(1)(D), and

10          “(C) by substituting ‘gross income (com-  
11       puted without regard to section 933)’ for ‘gross  
12       income’ in subsections (a)(2)(B) and  
13       (c)(2)(A)(i).

14          “(2) PHASE-IN OF CREDIT.—

15          “(A) IN GENERAL.—The credit allowable  
16       under this section by reason of this subsection  
17       shall not exceed the applicable percentage of the  
18       amount of credit which would otherwise be al-  
19       lowable under this section (without regard to  
20       this paragraph).

21          “(B) APPLICABLE PERCENTAGE.—The ap-  
22       plicable percentage shall be determined as fol-  
23       lows:

“In the case of any taxable   The applicable percentage is—  
year beginning in—

2008 .....	20
2009 .....	40
2010 .....	60

**“In the case of any taxable year beginning in—**

2011 .....	80
2012 and thereafter .....	100.”.

- 1       (b) EFFECTIVE DATE.—The amendment made by
- 2 this section shall apply to taxable years beginning after
- 3 December 31, 2007.

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