

Congress of the United States
Washington, DC 20515

October 13, 2017

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Richard E. Neal
Ranking Member
Committee on Ways and Means
1139E Longworth House Office Building
Washington, DC 20515

Dear Chairman Brady and Ranking Member Neal:

Over the past few weeks, Americans have suffered from a one-two punch of severe hurricanes and wildfires devastating parts of our nation. We saw the United States' fourth largest city submerged in storm water, elderly and infirmed Americans dying because they were unable to be rescued in south Florida, and 3.6 million Americans isolated without access to electricity, water or medical care in Puerto Rico and the U.S. Virgin Islands. Additionally, wild fires are consuming large portions of California and the Northwest. In light of these unprecedented series of natural disasters, it is incumbent upon Congress to act. As the leaders of the most powerful committee in the House of Representatives, we urge you to convene the Committee on Ways and Means as soon as possible to pass bipartisan legislation to provide comprehensive relief to these hard-hit areas, addressing both their immediate needs as well as the issues they will face over the long-term recovery.

The disaster tax package presented in late September was anemic at best, particularly when compared to the relief packages supported by the Committee in the past. It did not provide even the bare minimum for the immediate recovery needs of the affected populations. Even with the amendment to the bill added at the Committee on Rules at the last minute, the relief was particularly paltry for the Americans residing in Puerto Rico and the U.S. Virgin Islands, given that they are not able to avail themselves of some of the tax benefits we typically provide. Understanding the deeper needs of our fellow Americans in these U.S. territories, the Committee can and must do more - especially in the areas of individual relief, employment and job assistance, disaster relief, environmental remediation, and housing aid. As a start, the Committee should immediately increase the allocation of the Low Income Housing Tax Credit to help those whose homes were destroyed, as well as provide additional allocations of New Markets Tax Credits to help restart the private sector businesses which were lost in these hurricanes. Such changes should account for the unique tax structures in the US territories.

The Committee should look to retroactively make permanent two vital tax provisions, the now-expired enhanced cover-over of rum excise taxes to Puerto Rico and the U.S. Virgin Islands, and the now-expired Section 199 tax credit for domestic manufacturing in Puerto Rico to match the benefit enjoyed on the mainland.

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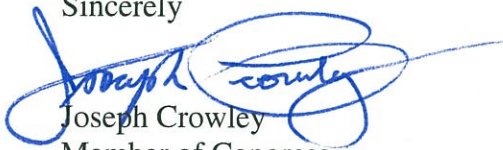
The definition of qualified activities under Section 199 should also fairly incorporate economic activity that occurs in the U.S. Virgin Islands. The first provision would provide budgetary support to the territorial governments, while the second provision would be another step toward job creation and economic growth in the territories, helping both islands' immediate recovery and long-term fiscal health.


Additionally, we should ensure that working families in Puerto Rico and the U.S. Virgin Islands are provided with the tax relief that mainland Americans receive. Recent legislation would extend the Earned Income Tax Credit to Puerto Rico and deserves thoughtful consideration. Expanding the Child Tax Credit to families with fewer than 3 children would go a long way to helping Americans living in Puerto Rico deal with their everyday costs that are on top of the costs of recovery. For the U.S. Virgin Islands, we urge full reimbursement by Treasury for the costs incurred to administer the Earned Income Tax Credit and the Child Tax Credit. These actions will represent positive steps forward to ensure all Americans are treated more equitably under the tax code.

Finally, we need to address the disparities in reimbursement rates in Medicare and Medicaid between Americans living on the mainland and those living in our territories. Under the Medicaid program, U.S. territories receive federal funding up to a pre-determined ceiling. The result is U.S. territories receive billions of dollars less in federal funding than states. In the wake of an unexpected natural disaster or public health emergency such as those taking place right now, territories do not have the flexibility to spend as much as necessary to address an urgent situation. We should not subject our U.S. territories to this arbitrary cap, particularly at a time when so many are suffering. Additionally, we should ensure hospitals in all U.S. territories have access to higher Medicare reimbursement rates, like those enjoyed by hospitals on the mainland.

We urge you to convene the Committee to consider these and other bipartisan proposals within the Committee's jurisdiction that would provide both immediate as well as long-term relief to our fellow Americans living in disaster areas in Texas, California, Florida, Georgia, Puerto Rico, the U.S. Virgin Islands, and other affected areas. We appreciate your immediate attention to this matter and look forward to working with you in a bipartisan way to help address the crisis facing millions of American citizens.

Sincerely


Joseph Crowley
Member of Congress


Stacey E. Plaskett
Member of Congress

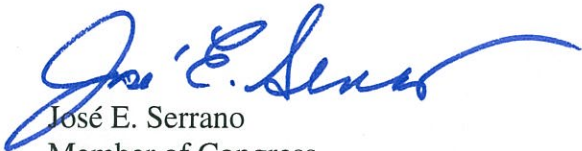

Nydia M. Velázquez
Member of Congress

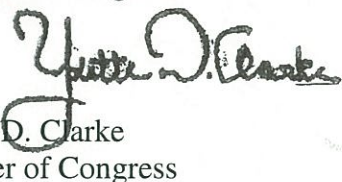

Mike Thompson
Member of Congress

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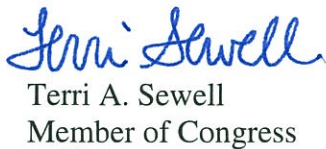

Yvette D. Clarke
Member of Congress

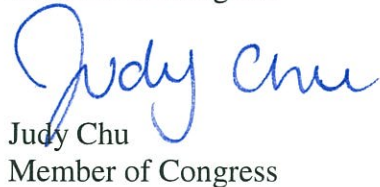

Sander M. Levin
Member of Congress


John B. Larson
Member of Congress

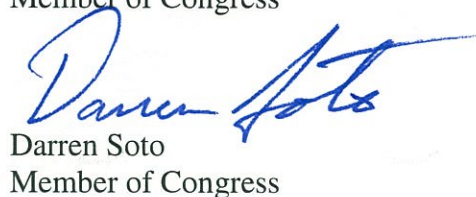

Bill Pascrell, Jr.
Member of Congress


Linda T. Sánchez
Member of Congress

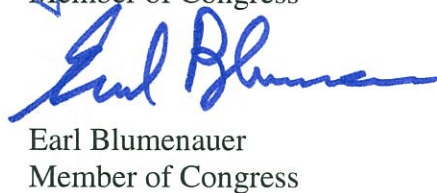

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