TITLE VIII—EARNED INCOME AND CHILD TAX CREDITS

SEC. 801. PUERTO RICO RESIDENTS ELIGIBLE FOR EARNED INCOME TAX CREDIT.

(a) In General.—Section 32 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(n) Residents of Puerto Rico.—

“(1) In General.—In the case of residents of Puerto Rico—

“(A) the United States shall be treated as including Puerto Rico for purposes of subsections (c)(1)(A)(ii)(I) and (c)(3)(C),

“(B) subsection (c)(1)(D) shall not apply to nonresident alien individuals who are residents of Puerto Rico, and

“(C) adjusted gross income and gross income shall be computed without regard to sec-
tion 933 for purposes of subsections (a)(2)(B) and (c)(2)(A)(i).

“(2) LIMITATION.—The credit allowed under this section by reason of this subsection for any taxable year shall not exceed the amount, determined under regulations or other guidance promulgated by the Secretary, that a similarly situated taxpayer would receive if residing in a State.”.

(b) CHILD TAX CREDIT NOT REDUCED.—Subclause (II) of section 24(d)(1)(B)(ii) of such Code is amended by inserting before the period “(determined without regard to section 32(n) in the case of residents of Puerto Rico)”.

(e) EFFECTIVE DATE.—Notwithstanding section 2, the amendments made by this section shall apply to taxable years beginning after December 31, 2015.

SEC. 802. EQUITABLE TREATMENT FOR RESIDENTS OF PUERTO RICO WITH RESPECT TO THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.

(a) IN GENERAL.—Section 24(d)(1) of the Internal Revenue Code of 1986 is amended by inserting “or section 933” after “section 112”.

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(b) EFFECTIVE DATE.—Notwithstanding section 2, the amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2015.