

Congress of the United States
Washington, DC 20515

March 20, 2020

Chairman Richard Neal
Ways and Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

Dear Chairman Neal:

We write in response to a recent document circulated by the U.S. Treasury Department with priorities for an emergency stimulus package proposing two rounds of direct payments¹ to individual taxpayers to be administered by the IRS and the Bureau of Fiscal Service.

We wholeheartedly support the inclusion of the American citizens residing in U.S. territories to be included in any direct cash assistance program. Puerto Rico and American Samoa have local tax systems that differ from those on the mainland while Guam, the Commonwealth of Northern Mariana Islands, and the U.S. Virgin Islands have mirror tax codes. However, American citizens in Puerto Rico pay billions of dollars in federal taxes each year. In fact, the IRS requires employers in Puerto Rico to withhold payroll taxes: “employers in Puerto Rico are subject to the taxes imposed by the Federal Insurance Contributions Act (FICA) (social security and Medicare taxes) and the Federal Unemployment Tax Act (FUTA). An employer is a person or organization for whom a worker performs services as an employee. Employers are required to withhold, report and pay employment taxes to the United States on wages paid.”²

Our fellow citizens from the territories lack the same economic opportunities enjoyed by the residents of the fifty states. Puerto Rico, for example, is undergoing its 13th year of economic recession, and the island faces an 8.9 percent unemployment rate and a 44 percent poverty rate. Due to the COVID-19 pandemic, the Puerto Rican government decided to impose a total shutdown of the island for the next two weeks. During this time, only critical services and infrastructure are allowed to operate. This necessary but difficult policy decision will have the unintended consequence of straining an already fragile economy. Workers will probably be laid off after businesses experience losses during the island-wide lockdown. As such, we ask the Committee to


¹ Department of Treasury Proposal for Coronavirus response, *available at* https://www.washingtonpost.com/context/department-of-treasury-proposal-for-coronavirus-response/6c2d2ed5-a18b-43d2-8124-28d394fa51ff/?itid=ik_inline_manual_3

² <https://www.irs.gov/taxtopics/tc903>

ensure that the American citizens residing in Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands receive these lifesaving direct payments from the U.S. Treasury.

It is our duty in Congress to guarantee that all citizens receive all the aid and support that the citizens on the mainland are provided. We cannot leave behind a single American citizen as we battle the pandemic.

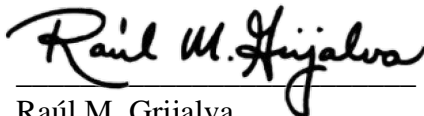
Thank you for your consideration,



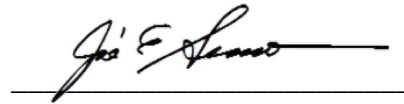
Nydia M. Velázquez
Member of Congress



Alexandria Ocasio-Cortez
Member of Congress



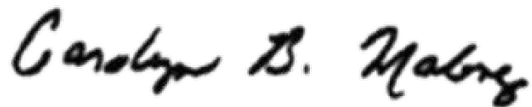
Raúl M. Grijalva
Member of Congress



José E. Serrano
Member of Congress



Darren Soto
Member of Congress



Carolyn B. Maloney
Member of Congress