

## Puerto Rico Economic Empowerment Act of 2018

The **Puerto Rico Economic Empowerment Act of 2018**, introduced by Senate Finance Committee Chairman Orrin Hatch and Senator Rubio, includes provisions recommended by the Report to the House and Senate from the Congressional Task Force on Economic Growth in Puerto Rico (December 20, 2016; available [here](#)). The Puerto Rico Economic Empowerment Act of 2018 includes:

### 1. Tax relief, consisting of:

- A **payroll tax holiday** for employees in Puerto Rico for two years, cutting their payroll taxes in half, to 3.1 percent. This provision provides economic relief directly to the *people* of Puerto Rico, who face a stagnant economy, and are recovering from massive hurricane damage.
- **Equal treatment of the federal child tax credit for Puerto Rican families.** Puerto Rican families with three or more children are eligible for federal child tax credits, while those with one or two children, but not three or more, are not eligible. This provision provides treatment that is more equitable to Puerto Rican *families* with respect to the federal child tax credit, to assist families and reduce child poverty.

### 2. Flexibility for Puerto Rico in Small Business Administration Programs:

- This title includes easing of, and greater flexibility in, Small Business programs (e.g., lending, procurement, entrepreneurial development, etc.) for Puerto Rico, to help small business owners during a time of prolonged economic downturn.

### 3. Economic Statistics:

- A [longstanding](#) challenge in monitoring Puerto Rico's economy is that Puerto Rico is not included in many federal statistics surveys in the same way that States are. Provisions in this title call for greater inclusion of Puerto Rico in various surveys, and the establishment of a Federal Statistical Research Data Center in Puerto Rico.

### 4. Offsets:

- The costs of the bill (mainly from the tax provisions) are fully offset by redirecting funds from the "Prevention and Public Health Fund," established under the so-called Affordable Care Act for use in funding this bill. The Affordable Care Act's Prevention and Public Health Fund has been used to fund other bills (e.g., [21<sup>st</sup> Century Cures Act](#); [Bipartisan Budget Act of 2018](#)) with bipartisan support.