

logo not found or type unknown

U.S. House Passes \$4.7 Billion Puerto Rico, USVI Disaster Aid and Tax Relief Bill; Measure Likely to Die in Senate

Disaster Recovery / **Published On February 11, 2020 05:45 AM /**

Staff Consortium **February 11, 2020**

Image not found or type unknown



Earthquakes in January have destroyed homes and communities in the southern portion of Puerto Rico

The U.S. House of Representatives on Friday passed a roughly \$4.7 billion disaster aid bill mostly aimed at helping disaster-laden Puerto Rico. Though the measure was unlikely to pass the chamber because of partisan divisions on how relief funds are being handled in PR, Delegate to Congress Stacey Plaskett issued a statement on Monday praising the efforts of Democrats.

“Americans in the Virgin Islands and Puerto Rico have urgent needs following recent disasters. While President Trump has finally released some of the aid that Congress has appropriated for our

recovery, more support is clearly needed, especially in the wake of more disasters over the past several months. House Democrats' emergency funding and tax relief package would provide targeted assistance to help put families and communities on a better path to long-term recovery," Ms. Plaskett said.

The White House has indicated it will veto the legislation, and the Senate is unlikely to take it up. The bill also includes tax breaks for residents of Puerto Rico and other U.S. territories that would cost \$16 billion over 10 years, according to the Wall Street Journal.

According to Ms. Plaskett, the measure contains a number of provisions that she has long championed for the economic recovery of U.S. territories. They include the following:

Revenue Measures

The bill creates equality in the child tax credit for the Virgin Islands, and it expands the earned income tax credit by reimbursing the islands for costs related to providing the credit and educating preparers to encourage more workers to elect the credit. This will be important to raise wages and improve the economic standing of low-income people in the territories. The bill would also repeal the cap on the rebate of federal tax revenue collected on distilled spirits produced in the territory, commonly known as the "rum cover over".

Infrastructure and Community Development

The bill imposes deadlines for disbursement of hundreds of millions of dollars in community development funding owed to the Virgin Islands and other territories from the Bipartisan Budget Act of two years ago; stalled by the Trump administration.

Highway Funding

The bill contains \$1.25 billion for emergency highway relief projects nationwide. This is intended to fill a backlog of projects resulting from recent disasters, including \$73 million in Virgin Islands projects.

Energy Assistance

The bill contains \$18 million in funding for Department of Energy technical assistance with the recovery of electric grids in U.S. territories. Congresswoman Plaskett had this amount increased by \$3 million, from \$15 million, through an amendment that passed the House of Representatives unanimously.

Education Recovery

The bill contains higher education relief for the University of the Virgin Islands. It allows UVI to continue to use pre-disaster enrollment figures for post-disaster HBCU formula grants for at least another three fiscal years. In addition, to speed up K-12 school recovery in the Virgin Islands, it allows the territory more flexibility to shift education-related disaster relief funds to the most in-demand programs.

"Overall this crucial legislation provides \$4.67 billion for educational needs, transportation infrastructure repairs, and disaster relief activities for the Virgin Islands and Puerto Rico," Ms. Plaskett concluded.

