



**Statement of the Center for Puerto Rico Equality & Advancement**  
**The White House Task Force on Puerto Rico's Status**  
**September 30, 2010**

**'Advancing Statehood Through Policy Analysis and Academic Endeavor'**

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The Center for Puerto Rico Equality & Advancement is an independent, nonprofit, non-partisan, research and policy center dedicated to advancing equality for Puerto Rico. We seek the full panoply of rights and privileges accorded United States citizens in the States along with the related responsibilities that accompany those rights. Our ultimate goal is to achieve the same balance of rights and responsibilities that apply to other U.S. citizens, an equilibrium that is possible only through statehood.

Discrepancies between the rights and responsibilities of territorial residents and those in the States are perhaps most dramatic in the contexts of military service and representative democracy. Since 1917, when Puerto Ricans were granted U.S. citizenship, Puerto Rico's soldiers have been an extraordinary presence in the armed services. Yet they cannot vote for President and have no voting representation when Congress considers military spending or other legislation.

This cruel irony has been explained by United States Court of Appeals First Circuit Judge Juan Torruella, who wrote:

We cannot overlook, and in fact we should take judicial notice of, the many official actions of the United States in promoting democratic elections throughout the world -- not the least of which is its support for the recently held national elections in Afghanistan and Iraq, places where thousands of U.S. citizens from Puerto Rico serve, at least twenty-five\* of whom have lost their lives in support of the rights of the citizens of those countries to

vote. The situations in Iraq and Afghanistan present the further anomaly of two classes of U.S. citizens, both fighting and dying side by side, only one of which was able to vote for its Commander in Chief. (*Gregorio Igartua-de la Rose v. United States*, 417 F.3d 145 (2005))

\* More recent data counts 78 servicemen and servicewomen of Puerto Rican descent among the fatalities of the war in Iraq and Afghanistan.

There have been numerous attempts throughout history to devise new packages of rights and responsibilities for Puerto Ricans that satisfy basic tenets of democracy, but this noble goal will remain elusive so as long as Puerto Rico remains a territory. It has also become common for some in Puerto Rico to ask for rights and powers that cannot be granted by Congress or the President, and to do so without addressing the concomitant responsibilities that must accompany those rights and powers. These attempts have failed, and have thoroughly confused the people of Puerto Rico regarding the parameters of the options for the territory's status. Puerto Rico remains an outlier to an otherwise proud democratic tradition.

In economics, the same principle applies: complete integration into the United States is required for true equality. To be more specific, full inclusion in national economic policy – including the federal tax code - is required before Puerto Rico can be an equal participant in our economy and, by association, a part of any nationwide economic recovery.

Puerto Rico's current piecemeal inclusion in federal economic policy is especially problematic for lower-income and middle-income individuals and families, who are excluded from our nation's most effective policies to reduce poverty and encourage work as implemented through the Internal Revenue Code.

Approximately half of all U.S. citizens pay no federal income tax. These citizens file income tax forms, but they often receive money back from the federal treasury rather than owing it because their low incomes qualify them for refundable tax credits. Residents of Puerto Rico do not have the same opportunity to receive refundable tax credits. They do, however, share in the financial obligations of their fellow citizens of paying related payroll taxes (as well as income tax on all U.S. source income).

In recent years, refundable tax credits have gained increased credibility from the perspective of both economists and policy-makers as an effective way of addressing poverty and incentivizing work. The major refundable tax credits are the Earned Income Tax Credit (EITC), which is available to workers on a sliding scale depending on a recipient's income, marital status and number of children, and the Child Tax Credit (CTC), which enables taxpayers to claim up to \$1,000 per year for children under age 17. Both measures are widely utilized by working families in the States - the Center on Budget and Policy Priorities has cited a study

concluding that half of all families with children receive the EITC at some point.

The CTC is only accessible to Puerto Rican families with three or more children – not to those with one child or two children. In addition, the EITC does not apply in Puerto Rico at all.

President Obama has recognized the philosophical and practical problems inherent in denying residents of Puerto Rico access to some of our nation's most effective economic programs. As a candidate, he pledged explicitly to “work to extend the Earned Income Tax Credit and Child Tax Credit” to Puerto Rico, including in an op-ed published in *El Nuevo Dia* on May 8, 2008. The 2008 Democratic Platform commits to “provide equitable treatment to the U.S. citizens in Puerto Rico in programs providing refundable tax credits to working families.” After the election, President-elect Obama reiterated his pledges to Puerto Ricans made during the campaign.

Members of Congress have taken steps to extend refundable tax credits to working families in Puerto Rico. Rep. Bill Pascrell (D-NJ) has introduced legislation to make residents of Puerto Rico eligible for the Earned Income Tax Credit (H.R. 2839) co-sponsored by seven other House Members, and Rep. Ed Towns (D-NY) has sponsored a bill to extend the Child Tax Credit

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to Puerto Rico (H.R. 3718) co-sponsored by 11 other House Members. Co-sponsors include Resident Commissioner Pedro Pierluisi (D-PR), Rep. John Mica (R-FL), Rep. Debbie Wasserman Schultz (D-FL), Rep. Joseph Crowley (D-NY), Rep. Mario Diaz-Balart (R-FL), Rep. Jose Serrano (D-NY), Rep. Don Young (R-AK), Rep. Albio Sires (D-NJ), Rep. Ileana Ros-Lehtinen (R-FL), Rep. Steven Rothman (D-NJ), and Rep. Carolyn Maloney (D-NY).

Puerto Rico faces an uphill battle to bring these effective policy tools to its residents who need them. Its lack of Senate representation combined with its single, non-voting representative in the House render the four million U.S. citizens of Puerto Rico a politically disadvantaged, disenfranchised group when the federal government makes decisions affecting their livelihood. Puerto Rico needs to be a part of our representative democracy. Puerto Rico needs statehood.

Until Puerto Rico achieves its long-sought-after goal of equality through statehood, however, it must depend on the White House to protect its interests in a Congress in which it lacks anything near equal representation. We, therefore, thank the White House for providing this welcome forum for our comments. We, further, urge your diligence to make sure that Puerto Rico is not denied critical economic opportunities based on its territory status. Puerto Rico dutifully recognizes its

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obligations as a part of the U.S. Principles of equity and fairness demand that its residents share in the opportunities available to their fellow U.S. citizens in the States.

When given a clearly defined choice as in the 1998 referendum, the U.S. citizens in Puerto Rico rejected the current territory status. All Puerto Ricans, regardless of political ideology, seek more comprehensive rights and opportunities. We, therefore, urge this Task Force to step up to provide committed leadership in developing a comprehensive plan to enable the question of the islands' ultimate status to be resolved, as well as in developing an economic policies that will provide equality for the U.S. citizens in Puerto Rico. Puerto Rico must ultimately advance towards a complete democracy -- possible only through statehood -- with a full extension of rights and responsibilities, and opportunities and obligations.

Thank you,

Rafael Rodriguez  
President and Founder  
CPREA