January 12, 2012

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

As representatives of the 4.1 million Americans living in the five U.S. territories, we were pleased to hear you announce yesterday that, in the coming weeks, you will be proposing new tax incentives intended to encourage U.S. companies to create American jobs. We write to respectfully ask that you work with us to ensure that our constituents are fully and fairly included in any proposal that the Administration puts forward, bearing in mind the unique tax systems that apply in our jurisdictions.

In the last three years, your Administration has established a strong and consistent record of including the U.S. territories in tax-based initiatives designed to strengthen the national economy and reduce unemployment. For example, the February 2009 American Recovery and Reinvestment Act included the territories in nearly all of its major provisions, including the Making Work Pay and American Opportunity tax credits. These credits were made applicable to the territories through grant mechanisms, whereby each territory government was authorized to offer the credits through its local tax system and to obtain reimbursement from the U.S. Treasury for the lost revenue.

Likewise, the territories were fully included in the March 2010 Hiring Incentives to Restore Employment Act. Section 102 of the HIRE Act enabled an employer to take a $1,000 income tax credit for every new employee hired and retained for at least one year. With the Administration’s strong support, the territories were again included in this provision through a grant mechanism.

Most recently, the territories were fully and fairly included in all major pillars of the American Jobs Act, which you transmitted to Congress in September 2011. After extensive conversations between our offices and your Administration, we were included in the bill’s provisions to provide income tax credits to companies that hire the long-term unemployed and military veterans. The tax credit for hiring veterans was enacted into law in November 2011 as the VOW to Hire Heroes Act, and it included the territories.

We are grateful that your Administration—through its actions—has demonstrated its recognition of the fact that jobs in the territories are American jobs. As you work to develop your most recent set of proposals aimed at putting our country back to work, we hope you will continue to build upon this record of inclusion. We look forward to working with you towards this end.
Sincerely,

Pedro R. Pierluisi  
Member of Congress

Madeleine Z. Bordallo  
Member of Congress

Donna M. Christensen  
Member of Congress

Eni F.H. Faleomavaega  
Member of Congress

Gregorio Kilili Camacho Sablan  
Member of Congress

cc: The Honorable Cecilia Muñoz, Director, Domestic Policy Council  
The Honorable Anthony Babauta, Assistant Secretary of the Interior for Insular Areas, U.S. Department of the Interior