

THE THIRTY-SEVENTH LEGISLATURE OF AMERICAN SAMOA

Fourth Regular Session

Begun and held at Fagatogo, Tutuila, American Samoa
on Monday, the eleventh day of July
two thousand and twenty two

AN ACT AMENDING THE AMERICAN SAMOA TAX CODE TO PROVIDE EARNED INCOME TAX CREDIT PAYMENTS PURSUANT TO THE AMERICAN RESCUE PLAN ACT OF 2021 TO THE CITIZENS AND RESIDENTS OF AMERICAN SAMOA; AMENDING SECTION 11.0530 A.S.C.A.

Preamble:

WHEREAS, the American Rescue Plan Act of 2021 (hereafter referred to as ARPA) was enacted by Congress on March 11, 2021, providing various sources of financial relief for individuals, families, and businesses; and

WHEREAS, the individuals eligible for the *Earned Income Tax Credit* shall include U.S. citizens, U.S. nationals, American Samoa permanent residents, or a resident with an alien registration receipt card (ID card) and are lawful residents of American Samoa with a U.S. Social security card; and

WHEREAS, due to the structure of the American Samoa tax code, an amendment to the code is required to enact this provision for the Territory; and

WHEREAS, in order for the Territory to immediately receive certain tax credits, this Act shall become effective upon passage by the Legislature and approval by the Governor.

BE IT ENACTED BY THE LEGISLATURE OF AMERICAN SAMOA:

Section 1. 11.0530 is amended to read:

“11.0530 Sections 43 and 3507 deleted.

(a) Section 43, relating to the earned income credit, and Section 3507, relating to advance payment of the earned income credit by employers, are deleted for all tax years beginning after 31 December 1979. There shall be no earned income credit or advance earned income credit except as provided in this section.

(b) The Earned Income Tax Credit in Title 26 USC § 32 and the Earned Income Tax Credit rules, regulations, notices, and other applicable guidance, including

Sections 9621, 9622, 9623, 9624, 9626 of the American Rescue Plan Act of 2021, in force in the United States of America, where not clearly inapplicable or incompatible with the intent of this section and as provided herein below, are adopted by American Samoa.

(c) Allowance of refundable credit.

(1) In general. In the case of an eligible individual, there shall be allowed as a refundable credit against the tax imposed by this subtitle for the taxable year an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income amount.

(2) Limitation. The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall not exceed the excess (if any) of:

(A) the credit percentage of the earned income amount, over

(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the phaseout amount.

(d) Percentages and amounts. For purposes of subsection (c):

(1) Percentages. The credit percentage and the phaseout percentage shall be determined as follows:

<u>In the case of an eligible individual with:</u>	<u>The credit percentage is:</u>	<u>The phaseout percentage is:</u>
<u>1. qualifying child</u>	<u>21.42</u>	<u>21.42</u>
<u>2. qualifying children</u>	<u>25.20</u>	<u>25.20</u>
<u>3. or more qualifying children</u>	<u>28.35</u>	<u>28.35</u>
<u>4. No qualifying children</u>	<u>9.64</u>	<u>9.64</u>

(2) Amounts.

(A) In general. Subject to subparagraph (B), the earned income amount and the phaseout amount shall be determined as follows:

<u>In the case of an eligible individual with:</u>	<u>The earned income amount is:</u>	<u>The phaseout amount is:</u>
<u>1. qualifying child</u>	<u>\$10,641</u>	<u>\$21,280</u>
<u>2. or more qualifying children</u>	<u>\$14,949</u>	<u>\$29,896</u>
<u>3. No qualifying children</u>	<u>\$9,814</u>	<u>\$19,926</u>

(B) Joint returns. In the case of a joint return filed by an eligible individual and such individual's spouse, the phaseout amount determined under subparagraph (A) shall be increased by \$5,000.

(e) Definitions and special rules. For purposes of this section:

(1) Eligible individual:

(A) In general. The term "eligible individual" means:

(i) any individual who has a qualifying child for the taxable year, or

(ii) any other individual who does not have a qualifying child for the taxable year, if:

(I) such individual's principal place of abode is American Samoa for more than one-half of such taxable year,

(II) such individual (or, if the individual is married, either the individual or the individual's spouse) has attained age 25, before the close of the taxable year, and

(III) such individual is not a dependent for whom a deduction is allowable under section 151 to another taxpayer for any taxable year beginning in the same calendar year as such taxable year.

(2) Qualifying child ineligible:

If an individual is the qualifying child of a taxpayer for any taxable year of such taxpayer beginning in a calendar year, such individual shall not be treated as an eligible individual for any taxable year of such individual beginning in such calendar year.


(f) Increase for inflation.

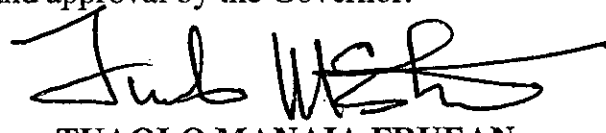
The gross earned income limit and maximum credit amounts provided in Section (1) of Subsection (d) of this section shall be subject to the increase provided for inflation as adjusted by the U.S. Internal Revenue Service. The Secretary of the Treasury shall issue an information bulletin notifying the earned income and maximum credit limits, after the U.S. Internal Revenue Service announces the inflation adjustments.


(g) If the federal funding provisions of 26 USC § 7530 (ARPA Section 9625) is discontinued in any year thereafter, then subsections (b), (c), (d), (e) and (f) will no longer be in effect for such years."

Sec 2. Effective date.

In order for the Territory to immediately receive certain tax credits, this Act shall become effective upon passage by the Legislature and approval by the Governor.


SAVALI TALAVOU ALE
Speaker, House of Representatives


TUAOLO MANAIA FRUEAN
President of the Senate


Acting Governor

NOFOA'IGA TOLUSEFULU-FITU FONOFAITULAFONO AMERIKA SAMOA

Fono Tele Lona Fa

Nofoia ma usua i Fagatogo, Tutuila, Amerika Samoa

Aso Gafua, aso sefulutasi o Iulai

Lua afe luasefululua

O SE TULAFONO E TUUINA ATU AI TUPE MAI LAFOGA O TOTOGI MAUA E TUSA AI MA LE TULAFONO O LE LAVEA'I A AMERIKA O LE 2021 I SITISENI MA TAGATA NOFOMAU I AMERIKA SAMOA; SUIA AI LE MAGA 11.0530 TTAS.

Faatomuaga: - -

TALUAI, o le Tulafono o Fuafuaga Lavea'i a Amerika o le 2021 (lea o le a ta'ua nei o le ARPA) sa faatulafono e le Konekeresi ia Mati 11, 2021, e aiaia ai le tele o ala puna'oa mo le fesoasoani tautupe mo tagata taitoatasi, o aiga, ma pisinisi; ma

TALUAI, o tagata taitoatasi e agavaa mo le Tupe lea, e aofia ai sitiseni o le Iunaite Setete, o nesionale, o tagata nofomau, poo se tagata foi e nofo iinei o loo i ai sona faapepa faailoa (ID) ma o loo nonofo e tusa ma le tulafono i Amerika Samoa ma o loo i ai se numera o le Saogaiemu; ma

TALUAI, talu ai le fausaga o le tulafono o lafoga a Amerika Samoa, ua manaomia ai se suiga i le tulafono e faagaoioia ai leni aiaiga mo le Teritori; ma

TALUAI, ina ia mafai e le Teritori ona vave maua ni lafoga faapitoa, o leni Tulafono e tatau ona aloa'ia pe a pasia e le Fono Faitulafono ina faamaonia e le Kovana.

IA FAATULAFONOINA E LE FONOFAITULAFONO A AMERIKA SAMOA:

Maga 1. 11.0530 ua suia nei e faitauina faapea:

"11.0530 Ua soloia nei Maga 43 ma le 3507.

(a) O le Maga 43, e faatatau i le tupe e maua mai totogi maua, ma le Maga 3507, e faatatau i le vave totogi mai o tupe nei e pule o galuega, ua faaleaogaina nei mo tausaga faalafoga uma ina ua mavae Tesema 31, 1979. O le a leai se tupe e maua mai o totogi maua poo se tupe vave totogi mai e pei ona aiaia i leni maga.

(e) O le Tupe Totogi mai o Lafoga Totogi i le Ulutala 26 Maga 32 o le TTIS ma tulafono galue, o aiaiga, o fa'aaliga, ma isi ta'iala talafeagai e aofia ai Maga 9621, 9622, 9623, 9624, 9626 o le ARPA o le 2021, o loo fa'aaogaina i le Iunaita Setete, i vaega e le o manino'lelei mai le fa'aaogaina pe lē fetau'i foi ma le manaoga o lenei maga ma ia tusa ai ma aiaiga o loo i lalo, ua fa'aaogaina nei e Amerika Samoa.

(i) Alauni o le Tupe e mafai ona toe maua mai.

(1) I le aotelega. I le mataupu i se tagata agavaa, o le a faataga e avea ma tupe toe faafoi mai faasaga i le lafoga o loo faaee i lenei soamaga mo le tausaga faalafoga se aofaiga e tutusa ma le pasene o le tupe o se aofai o le lafoga mai le totogi mo le tausaga faalafoga ia le silia le aofai o le lafoga o le totogi.

(2) Tapulaa. O le aofai o le tupe faataga ona maua e le togi lafoga i lalo o le parakalafa (1) mo soo se tausaga faalafoga, o le a le sili atu lea i se tupe faaopopo (pe afai e i ai) o le:

(A) le pasene o le tupe totogi mai mo le lafoga o totogi,

(E) le pasene o le tau faai'ui'u o le totogi fetuuna'i atoa (poo, pe afai e tele atu, na i lo le lafoga o totogi) o le tagata togi lafoga mo le tausaga faalafoga e sili atu ai i le aofai o le tau faai'ui'u o nei tupe.

(o) Pasene ma aofa'iga. Mo mafuaaga o le soamaga (i):

(1) Pasene. O pasene o tupe totogi mai ma le pasene o le tau faai'ui'uga o le a fua faapenei:

<u>Tagata taitoatasi agavaa e iai:</u>	<u>Pasene o le Tupe:</u>	<u>Pasene faaiuiu e faapea:</u>
<u>1. tamaititi agavaa</u>	<u>21.42</u>	<u>21.42</u>
<u>2. tamaiti agavaa</u>	<u>25.20</u>	<u>25.20</u>
<u>3. pe sili atu tamaiti agavaa</u>	<u>28.35</u>	<u>28.35</u>
<u>4. leai ni tamaiti agavaa</u>	<u>9.64</u>	<u>9.64</u>

(2) Aofaiga.

(A) I le aotelega. Tusa ai ma le soaparakalafa (E), o le aofai o le tupe mai le lafoga totogi ma le aofai o le tau faai'ui'uina o le a fuafua e pei ona faatulaga i lalo:

<u>Tagata taitoatasi agavaa e iai:</u>	<u>Aofai o tupe o totogi:</u>	<u>Aofai faaiuiu:</u>
<u>1. tamaititi agavaa</u>	<u>\$10,641</u>	<u>\$21,280</u>
<u>2. pe sili atu tamaiti agavaa</u>	<u>\$14,949</u>	<u>\$29,896</u>
<u>3. Leai ni tamaiti agavaa</u>	<u>\$ 9,814</u>	<u>\$19,926</u>

(E) Lafoga faila toalua. I le mataupu i se lafoga faila to'alua/faatasi a se tagata toatasi e agavaa ma lona to'alua, o le aofai tau faaiuiu i lalo o le soaparakalafa (A) o le a faaopopo i ai le \$5,000.

(u) Uiga ma tulafono faapitoa. Mo mafuaaga o lenei maga:

(1) Tagata taitoatasi e agavaa:

(A) I le aotelega. O le upu "tagata taitoatasi" o lona uiga:

(i) soo se tasi e i ai se tamaititi agavaa mo le tausaga faalafoga, poo

(ii) soo se isi lava tagata e leai se tamaititi agavaa mo le tausaga faalafoga, pe afai:

(I) o lea tagata o lona aiga e nofo ai mo le silia i le 'afa tausaga o le tausaga faalafoga, o Amerika Samoa,

(II) o lea tagata (poo, pe afai e faaipoipo, pe o le tagata poo le toalua a le tagata) ua atoa le 25 tausaga o ia a o lei tapunia le tausaga faalafoga, ma

(III) o lea tagata e le o se tagata tausaga o loo toese ai se tupe a se isi tagata togilafoga i lalo o le maga 151 mo soo se tausaga faalafoga e amata i le tausaga faakalena e tutusa ma le tausaga faalafoga.

(2) Se tamaititi agavaa e lē fa'aagavaaina:

Afai o se tagata taitoatasi o le tamaititi agavaa a se tagata togilafoga mo soo se tausaga faalafoga a sea togilafoga e amata i se tausaga faakalena, o le a le avea la lea tagata e fai ma tagata taitoatasi agavaa mo soo se tausaga faalafoga a lea tagata e amata i lona tausaga faakalena.


(f) Faaopoopoga ona o le alu i luga o le tau o le soifuaga:

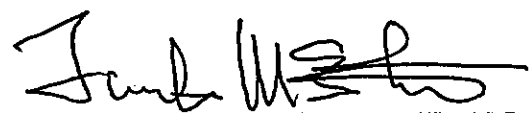
O le tapulaa o le lafoga o le totogi atoa ma aofaiga aupito maualuga o tupe totogi atu o loo aiaia i le Maga (1) o le Soamaga (o) o lenei maga o le a faalagolago i le faaopoopoga o loo aiaia mo le sii o le tau o le soifuaga e pei ona fetuuna'ia i le Vaega o Lafoga a le Iunaita Setete (IRS). O le a tuuina mai e le Failautusi o le Tupe se puletini o faamatalaga e faailoa ai tupe tapulaa aupito maualuga e maua, pe a mae'a ona faailoa mai le fetuuna'iga e le IRS.


(g) Afai e faamuta aiaiga o le Tulafono 26 Maga 7530 a le malo tele (Maga 9625 o le ARPA) i soo se tausaga mulimuli mai, ona le toe fa'aaoga loa lea o soamaga (e), (i), (o), (u) ma le (f) mo tausaga ia."

Maga 2. Aso e taualoga ai.

Ina ia mafai e le Teritori ona vave maua ni lafoga faapitoa, o lenei Tulafono e tatau ona aloa'ia pe a pasia e le Fono Faitulafono ma faamaonia e le Kovana.


SAVALI TALAVOU ALE
Fofoga Fetalai, Maota o Sui


TUAOLO MANAIA FRUEAN
Peresetene, Maota Maualuga


Acting Governor