## Puerto Rico pays taxes. The US is obligated to help it just as much as Texas and Florida.

Alexia Fernández Campbell Vox, October 4, 2017

FEMA is required to treat the territory like any other state.



When a president visits a disaster zone, three things normally happen: He thanks emergency responders for their work, offers words of comfort to victims, and promises to commit all federal resources available.

When Trump visited Puerto Rico Tuesday, two weeks after Hurricane Maria devastated the island, he had few words of support for the 3.4 million Americans who live on the island.

Instead, Trump spent a lot of time downplaying the severity of the storm and complained about how much money the US government is spending to help.

"I hate to say it, Puerto Rico, you've thrown our budget out of whack," he said during a briefing with local and federal responders. "We've spent a lot of money in Puerto Rico."

A spokesperson for FEMA told me Tuesday that the agency had approved \$35 million in public and individual assistance grants for the island. Meanwhile, FEMA has approved \$691 million in grants to Irma victims in Florida and has sent \$323 million to Texas communities recovering from Harvey.

Public and individual assistance figures don't capture all the federal money spent responding to a disaster, but they do give a good picture of recovery costs to date.

In hounding Puerto Rico about money, President Trump was trying to make a larger point. He was telling Puerto Ricans that they should be grateful for whatever help they end up getting from Washington, DC. Trump is framing the US response in Puerto Rico as an act of charity and goodwill.

What the president may not realize is that Puerto Rico funds the US government. Puerto Ricans who live on the island aren't just American citizens — they're American taxpayers. They pay payroll taxes, business taxes, and estate taxes. They helped pay for disaster relief in Texas after Hurricane Harvey and in Florida after Hurricane Irma.

Now they are entitled to the same response and financial help that the federal government extended to those states. This is not a matter of charity or goodwill. It's how the federal government is supposed to work.

## Puerto Rico pays billions of federal taxes each year

Puerto Rico is a US territory and not a state, so its residents don't pay federal income tax unless they work for the US government. Even so, workers there pay the majority of federal taxes that Americans on the mainland pay — payroll taxes, social security taxes, business taxes, gift taxes, estate taxes and so on.

The recent economic crisis on the island has put a huge dent in the federal tax revenue collected from Puerto Rico, but it still added up to \$3.6 billion in fiscal year 2016. That's not much less than some states where residents do pay income tax: Vermont and Wyoming paid \$4.5 billion in federal taxes that year.

Even during the island's worst financial crisis, Puerto Rico is still directly funding the US government, including the Federal Emergency Management Agency, which is spending millions of dollars to rebuild damaged infrastructure in Houston after Hurricane Harvey.

In Texas, FEMA has provided \$323 million worth of public assistance grants and has authorized both short-term emergency help and long-term rebuilding costs. It only took one week for Trump to ask Congress for extra relief money to help Texas rebuild critical infrastructure and to provide residents and businesses with low-interest recovery loans.

So far, Trump has only authorized the basic response for short-term emergency help in Puerto Rico, even though the island needs extensive work on infrastructure.

Meanwhile, the White House is in no hurry to ask Congress to draft a relief package for Puerto Rico. Instead, the president keeps implying that he doesn't know how the massive rebuilding effort will be funded. Instead of assuring Puerto Rico that the government will pay for the same type of rebuilding efforts happening in Texas, though, President Trump is essentially telling the island not to expect too much.

## Disaster relief isn't based on a state's financial health

There are no official estimates out yet on the cost of the hurricane damage to Puerto Rico, but just fixing the electrical system will cost billions of dollars, a Department of Energy responder told me. Then there's the cost of rebuilding hospitals, water pumping stations, and other critical infrastructure.

It's true that the government of Puerto Rico is bankrupt, and, as President Trump likes to point out, partially to blame for its own fiscal mess. And measured on a per capita basis, Puerto Ricans pay fewer taxes per capita than residents of any of the 50 states.

But that is irrelevant. The federal government doesn't operate business transactions with each state, giving the best services to the states that pay the most taxes. That's not how the government works.

The Stafford Act, which governs federal response to major disasters, says the government must provide help to Puerto Rico like it would to any other state. It doesn't say that help should be based on the state's financial health. If it did, that would mean the government should give less help to Illinois after a disaster because the state is nearly bankrupt.

Nor does it say disaster relief depends on how much it puts the budget "out of whack," in Trump's words. After all, the majority of states get more back from the federal government than they pay in taxes. One of them is Louisiana, where the federal government spent \$9.9 billion rebuilding after Katrina. Nobody complained about the cost. In fact, President George W. Bush was criticized for not doing more for Katrina victims.