

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS IMPORTED UNDER GOVERNMENT ORDERS

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Mr. LONG of Louisiana, from the Committee on Finance, submitted the following

REPORT

[To accompany H.R. 12864]

The Committee on Finance to which was referred the bill (H.R. 12864) to make permanent the existing duty-free treatment of personal and household effects brought into the United States under Government orders, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of H.R. 12864 is to make permanent the existing duty-free treatment of personal and household effects brought into the United States under U.S. Government orders.

GENERAL STATEMENT

The act of June 27, 1942 (Public Law 633, 77th Cong.) allowed, until the day following the proclamation of peace by the President, the free entry of personal and household effects of any person returning to the United States under Government orders.

Public Law 450 of the 82d Congress extended the period of free entry until the close of April 1, 1953.

Public Law 20 of the 83d Congress continued the free entry privilege until the close of June 30, 1955.

Public Law 126 of the 84th Congress extended the period of free entry until the close of June 30, 1958. This public law also amended the basic law in several respects, including granting authority to the

Secretary of the Treasury to promulgate appropriate regulations so as to prevent abuse of the free entry privilege with regard to alcoholic beverages and tobacco products.

Public Law 85-398 extended the period of free entry until the close of June 30, 1960; Public Law 86-563, until the close of June 30, 1962; Public Law 87-790, until the close of June 30, 1964; and Public Law 88-323, until the close of June 30, 1966. The free entry privilege is presently provided for under item 915.20 of the Tariff Schedules of the United States.

H. R. 12864, as reported by your committee, would repeal the temporary provisions in item 915.20 and add new item 817.00 to the Tariff Schedules, to make permanent the existing duty-free treatment of personal and household effects brought into the United States under U.S. Government orders. These amendments would apply with respect to articles entered, or withdrawn from warehouse, for consumption, after June 30, 1966.

The principal effect of this duty-free importation privilege has been to avoid the imposition of undue administrative burdens upon persons returning to the United States from foreign service. It has thus constituted an important morale factor and inducement to oversea service. In view of the continued presence in many parts of the world of members of the Armed Forces of the United States and Government personnel and the favorable experience under the temporary exemption of almost a quarter of a century's duration, continuation of the exemption from duty of personal and household effects brought into the United States under Government orders on a permanent basis is warranted.

In so recommending, your committee is mindful that during the period that these successive extensions of duty-free treatment have been in effect, the statutory provision has been safeguarded from abuse, not only by restrictions contained in the law itself, but also by appropriate regulations issued by the Treasury Department, the Department of State, and within the Department of Defense. In particular, attention is invited to the fact that Public Law 126 of the 84th Congress conferred specific authority upon the Secretary of the Treasury to provide safeguarding regulations with regard to alcoholic beverages and tobacco products. This provision, together with the other substantive provisions of item 915.20, is carried over without change into item 817.00, the new item that would be added to the schedules by this bill. Your committee, therefore, in recommending this legislation, expects increasing diligence on the part of the departments to assure that the exemption will not be abused.

The continuation of this exemption is important both in the encouragement of people to serve abroad and in contributing to the morale of U.S. personnel on duty outside the customs territory of the United States. The Department of the Treasury has indicated to your committee that there are presently no unusual administrative difficulties with the existing duty-free provision. All of the interested departments have consistently reported favorably on the successive extensions of the present temporary exemption.

The Committee on Finance agrees with the Committee on Ways and Means of the House of the desirability of this legislation to make

permanent the existing duty-free treatment of personal and household effects brought into the United States under Government orders.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930

TARIFF SCHEDULES OF THE UNITED STATES

SCHEDULE 8.—SPECIAL CLASSIFICATION PROVISIONS

Item	Articles	Rates of duty	
		1	2
	PART 2.—PERSONAL EXEMPTIONS		
	Part 2 headnote: 1. Any article exempted under this part from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.		
	• • • • • SUBPART B.—UNITED STATES PERSONNEL AND EVACUEES		
817.00	<i>The personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary of the Treasury may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in regulations issued in connection with this provision) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions</i>	<i>Free</i>	<i>Free</i>
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