

CONTINUATION OF TEMPORARY SUSPENSION OF DUTY
ON CERTAIN HORSES

JUNE 25 (legislative day, JUNE 18), 1976.—Ordered to be printed

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

REPORT

[To accompany H.R. 9401]

The Committee on Finance, to which was referred the bill (H.R. 9401) to continue until the close of June 30, 1978, the existing suspension of duty on horses, other than for immediate slaughter, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

I. BACKGROUND

Under item 903.50 and 903.51 of the tariff schedules, horses, other than for immediate slaughter, are temporarily free of duty until June 30, 1976. In the absence of the enactment of H.R. 9401, imports of horses will become dutiable on July 1, 1976, under item 100.73 (relating to horses not valued over \$150 per head) at \$2.75 per head or item 100.75 (relating to horses valued over \$150 per head) at 3 percent ad valorem.

In reporting H.R. 13631 under which the existing duty suspension on horses was enacted (Public Law 93-484) it was stated in the report of the Committee on Ways and Means:

The present tariff structure for horses operates discriminatorily among different breeds. For example, horses may be imported duty free for breeding purposes under item 100.01. This rule applies, however, only if they are certified by the Department of Agriculture as being of a recognized breed and duly registered on a book of record recognized by the Secretary of Agriculture for that breed. Since the American

Quarter Horse does not qualify under these criteria, importers of such horses for breeding purposes are required to pay duty, usually under item 100.75 at 3 percent *ad valorem*, while other breeds may be entered duty free. Enactment of H.R. 13631 would suspend this discriminatory treatment for a temporary period, during which the new rule's operation may be studied to determine if it should be made permanent, allowed to expire, or continued for an additional temporary period.

Insofar as is known at this time, there has been no change in the basic condition under which there is differential duty status among certain breeds of horses.

The Office of the Special Representative for Trade Negotiations issued a report with no objections to the legislation. No objections to this legislation have been received by the Committee from any source.

II. EXPLANATION OF THE BILL

H.R. 9401 as reported amends the termination date for items 903.50 and 903.51 of the Tariff Schedules of the United States (TSUS) to extend the existing temporary suspension of duty on horses, other than for immediate slaughter, from June 30, 1976, to June 30, 1978.

III. COST OF CARRYING OUT THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the effect on the revenues of this bill. The existing suspension of the duty on imports of certain horses results in a loss of customs revenue of no more than \$200,000 annually. The enactment of H.R. 9401 would result in no additional revenue loss.

IV. VOTE OF COMMITTEE IN REPORTING THE BILL

In compliance with section 133 of the Legislative Reorganization Act of 1946, the following statement is made relative to the vote of the Committee on reporting this bill. This bill was ordered favorably reported by the Committee by voice vote.

V. CHANGES IN EXISTING LAW MADE BY THE LAW

In compliance with paragraph 4 of rule XXIX of the Rules of the Senate, changes in existing law made by the bill, as reported, 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):

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TARIFF SCHEDULES OF THE UNITED STATES

APPENDIX TO THE TARIFF SCHEDULES

Item	Articles	Rates of duty		Effective period
		1	2	
	PART 1.—TEMPORARY LEGISLATION			
	Subpart B.—Temporary Provisions Amending the Tariff Schedules			
	Horses, other than for immediate slaughter (provided for in part 1, schedule 1):			
903.50	Valued not over \$150 per head (item 100.73).....	Free.....	No change..	On or before [6/30/76] 6/30/78.
903.5	Value over \$150 per head (item 100.75).....	Free.....	No change..	On or before [6/30/76] 6/30/78.

