

TEMPORARY SUSPENSION OF DUTY ON PERSONAL AND HOUSEHOLD EFFECTS BROUGHT INTO UNITED STATES UNDER GOVERNMENT ORDERS

MAY 19, 1960.—Ordered to be printed

Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

R E P O R T

[To accompany H.R. 9881]

The Committee on Finance, to whom was referred to the bill (H.R. 9881) to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, having considered the the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

PURPOSE

The purpose of H.R. 9881, as amended, is to extend for 2 years, until July 1, 1962, with certain restrictions, the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders. The amendment adopted by the Committee on Finance provides that the exemption from duties for personal and household effects shall apply only to articles valued in aggregate at not more than \$5,000 and shall be allowed only when the foreign assignment involved is for 6 months or longer.

REASON FOR COMMITTEE AMENDMENT

The increasing assignment of personnel from the United States to foreign countries has provided opportunity for occasional very large amounts of personal and household goods to be brought from abroad without payment of duty. While the committee agrees that, in principle, it is equitable for a reasonable amount of such goods to be brought back by the returning citizen who has been abroad on assignment, there should be some limitation which would provide adequate latitude but prevent abuses of the privilege. Even though it may

2 SUSPENSION OF DUTY ON PERSONAL AND HOUSEHOLD EFFECTS

be agreed that there are few instances where there may be the desire or the ability to import inordinate amounts under this free proviso, the privilege, without the amendment, would provide opportunity for abuse. It was felt by the committee that the need for the importation of more than \$5,000 worth of personal and household effects would be rare indeed, and those who could, and wished, to import more should pay duties on the excess. It should be pointed out that this privilege of importing personal and household effects up to \$5,000 is in addition to the free importation allowance for miscellaneous articles up to \$500 which each citizen is permitted to bring back into the United States free of duty if he has been absent from this country for at least 15 days.

The committee also felt that, although most foreign assignments were for a duration of more than 6 months, there was a need to clarify and establish what was a foreign assignment for the purposes of this act. It should be noted that the exemptions provided for in this proposed legislation are for a further period of 2 years only, and at the end of that time another look will be taken and further improvements can be made if warranted.

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 to April 1, 1953.

Public Law 20 of the 83d Congress continued the free-entry privilege to July 1, 1955.

Public Law 126 of the 84th Congress extended the period of free entry to June 30, 1958. This public law also amended the basic law in several respects, including 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 further extended the period of free entry to July 1, 1960.

H.R. 9881 would further extend the free-entry privilege for a period of 2 additional years, until July 1, 1962.

The effect of this duty-free importation privilege is to avoid the imposition of undue administrative burdens upon persons evacuated to the United States, and constitutes 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, there is need for continuation of the exemptions from duty of personal and household effects brought into the United States under Government orders. The basic legislation is safeguarded from abuse not only by restrictions contained in the act but also by appropriate regulations issued by the Treasury Department 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.

It is the intention of your committee, as was the case with regard to enactment of Public Law 84-126, that the Secretary of the Treasury will not apply an overly rigid interpretation of the language of the basic act to mean that the employee must physically accompany the household effects, since there are instances where a person in the service of the United States who, although not returning to the United States on the termination of assignment to extended duty outside the customs territory of the United States, is ordered by the Government agency involved from the post or station of such duty to duty at another post or station outside the customs territory of the United States, necessitating the return to the United States of his personal and household effects.

Reports on the bill were received from the Departments of State, Treasury, and Commerce and from the Bureau of the Budget and the Tariff Commission. No objections were made to the bill.

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, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

THE FIRST SECTION OF THE ACT OF JUNE 30, 1955

(69 Stat. 242; Public Law 126, 84th Cong.)

AN ACT Relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Act of June 27, 1942, entitled "An Act to exempt from duty personal and household effects brought into the United States under Government orders", as amended (U.S.C., title 50 App., secs. 801 and 802), is hereby amended to read as follows: "That under regulations to be prescribed by the Secretary of the Treasury, after consultation with such agencies as he shall consider to be substantially interested, the personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary 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 the above-authorized regulations) 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, may be brought into customs territory of the United States without the payment of any duty or tax imposed upon, or by reason of, importation."

(b) The amendment made by subsection (a) shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after July 1, 1955, and before July 1, [1960] 1962.

4 SUSPENSION OF DUTY ON PERSONAL AND HOUSEHOLD EFFECTS

(c) The exemption provided for in this section for a person or members of his family shall be applied to articles up to but not exceeding in aggregate value \$5,000, and shall not be allowed in the case of an assignment of less than six months.

