

105TH CONGRESS
1ST SESSION

H. R. 1953

AN ACT

To clarify State authority to tax compensation paid
to certain employees.

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AN ACT

To clarify State authority to tax compensation paid to certain employees.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. LIMITATION ON STATE AUTHORITY TO TAX**
2 **COMPENSATION PAID TO INDIVIDUALS PER-**
3 **FORMING SERVICES AT FORT CAMPBELL,**
4 **KENTUCKY.**

5 (a) IN GENERAL.—Chapter 4 of title 4, United
6 States Code, is amended by adding at the end the follow-
7 ing:

8 **“§ 115. Limitation on State authority to tax com-**
9 **penetration paid to individuals performing**
10 **services at Fort Campbell, Kentucky**

11 “Pay and compensation paid to an individual for per-
12 sonal services at Fort Campbell, Kentucky, shall be sub-
13 ject to taxation by the State or any political subdivision
14 thereof of which such employee is a resident.”

15 (b) CONFORMING AMENDMENT.—The table of sec-
16 tions for chapter 4 of title 4, United States Code, is
17 amended by adding at the end the following:

“115. Limitation on State authority to tax compensation paid to individuals per-
forming services at Fort Campbell, Kentucky.”

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to pay and compensation paid after
20 the date of the enactment of this Act.

1 **SEC. 2. CLARIFICATION OF STATE AUTHORITY TO TAX**
2 **COMPENSATION PAID TO CERTAIN FEDERAL**
3 **EMPLOYEES.**

4 (a) IN GENERAL.—Section 111 of title 4, United
5 States Code, is amended—

6 (1) by inserting “(a) GENERAL RULE.—” be-
7 fore “The United States” the first place it appears;
8 and

9 (2) by adding at the end the following:

10 “(b) TREATMENT OF CERTAIN FEDERAL EMPLOY-
11 EES EMPLOYED AT FEDERAL HYDROELECTRIC FACILI-
12 TIES LOCATED ON THE COLUMBIA RIVER.—Pay or com-
13 pensation paid by the United States for personal services
14 as an employee of the United States at a hydroelectric
15 facility—

16 “(1) which is owned by the United States,

17 “(2) which is located on the Columbia River;

18 and

19 “(3) portions of which are within the States of
20 Oregon and Washington,

21 shall be subject to taxation by the State or any political
22 subdivision thereof of which such employee is a resident.

23 “(c) TREATMENT OF CERTAIN FEDERAL EMPLOY-
24 EES EMPLOYED AT FEDERAL HYDROELECTRIC FACILI-
25 TIES LOCATED ON THE MISSOURI RIVER.—Pay or com-
26 pensation paid by the United States for personal services

1 as an employee of the United States at a hydroelectric
2 facility—

3 “(1) which is owned by the United States,

4 “(2) which is located on the Missouri River;

5 and

6 “(3) portions of which are within the States of

7 South Dakota and Nebraska,

8 shall be subject to taxation by the State or any political

9 subdivision thereof of which such employee is a resident.”.

10 (b) EFFECTIVE DATE.—The amendment made by

11 subsection (a) shall apply to pay and compensation paid

12 after the date of the enactment of this Act.

Passed the House of Representatives July 28, 1997.

Attest:

Clerk.