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To change the date on which individual Federal income tax returns must be filed to the Nation's Tax Freedom Day, the day on which the country's citizens no longer work to pay taxes, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 15, 1997

Mr. GREGG introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To change the date on which individual Federal income tax returns must be filed to the Nation's Tax Freedom Day, the day on which the country's citizens no longer work to pay taxes, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Tax Filing On Tax
5 Freedom Day Act of 1997".

6 **SEC. 2. TAX FILING ON TAX FREEDOM DAY.**

7 (a) IN GENERAL.—Each year, in time to be included
8 in the instruction and information booklets that accom-

1 pany the year’s individual income tax returns, the Sec-
2 retary of the Treasury (in this Act referred to as the “Sec-
3 retary”) shall determine the year’s Tax Freedom Day pur-
4 suant to subsection (d).

5 (b) DUE DATE FOR TAXES.—Notwithstanding any
6 other provision of law, Federal individual income tax re-
7 turns for each year shall be due on the date of the Tax
8 Freedom Day in the subsequent year (rather than April
9 15th).

10 (c) INFORMATION PROVIDED.—The Secretary shall
11 include in the instruction and information booklets a
12 prominent section that provides the following information
13 with respect to the Tax Freedom Day:

14 (1) An explanation of Tax Freedom Day and
15 what it signifies.

16 (2) A statement that Congress provided for
17 Federal individual income tax returns to be due on
18 Tax Freedom Day to emphasize how long the aver-
19 age citizen works to pay government taxes.

20 (3) During leap years, a note that the year’s
21 Tax Freedom Day appears one calendar day earlier
22 than normal.

23 (4) A chart showing how the Tax Freedom
24 Day’s date has changed over time.

1 (5) Information on the State and Federal com-
2 ponents of the total tax burden, and how the Tax
3 Freedom Day would differ on a State-by-State basis.

4 (d) DETERMINATION OF TAX FREEDOM DAY.—Each
5 year, the Secretary shall determine the Tax Freedom Day
6 as follows:

7 (1) TAX FOUNDATION.—By contacting and re-
8 ceiving the date from the Tax Foundation (which
9 has been determining and publishing a Tax Freedom
10 Day since 1973), in time to meet the informational
11 requirements of subsection (c), as long as the Tax
12 Foundation maintains its—

13 (A) status as a non-profit, non-partisan re-
14 search and public education organization;

15 (B) consistent method of analysis with re-
16 spect to determining Tax Freedom Day (unless
17 a change results in a demonstrably much more
18 accurate determination); and

19 (C) trademark on Tax Freedom Day.

20 (2) REQUIREMENTS NOT MET.—If the Tax
21 Foundation—

22 (A) fails to maintain any of the require-
23 ments described in paragraph (1), or

1 (B) does not provide such information to
2 the Secretary in a timely manner after the Sec-
3 retary's request for the information,
4 then the Secretary shall determine the year's Tax
5 Freedom Day in accordance with paragraph (3).

6 (3) DETERMINATION BY THE SECRETARY.—If
7 either subparagraph (A) or (B) of paragraph (2) are
8 met, then the Secretary shall determine the year's
9 Tax Freedom Day—

10 (A) by assuming that income is earned
11 evenly throughout the year and that individuals
12 initially devote all of their earnings to paying
13 income taxes;

14 (B) by calculating an effective tax rate for
15 the Nation, by dividing the per capita income
16 tax burden (including Federal, State and local
17 taxes) by per capita income (using the net na-
18 tional product, a component of the national in-
19 come product accounts, as compiled annually by
20 the Bureau of Economic Analysis of the De-
21 partment of Commerce);

22 (C) by multiplying the effective tax rate
23 determined in subparagraph (B) by the number
24 of days in the year; and

1 (D) by ensuring that a consistent meth-
2 odology is utilized from year-to-year, and alter-
3 ing the existing methodology only if the new
4 methodology is demonstrably much more accu-
5 rate.

6 The resultant total shall signify the number of days
7 the average citizen devotes to paying taxes, and the
8 corresponding calendar day shall be the Tax Free-
9 dom Day.

10 **SEC. 3. EFFECTIVE DATE AND SECRETARIAL SUBMISSION.**

11 (a) **EFFECTIVE DATE.**—This Act shall take effect for
12 taxable years beginning after December 31, 1997.

13 (b) **SECRETARIAL SUBMISSION.**—Not later than 90
14 days after the date of the enactment of this Act, the Sec-
15 retary shall submit to the appropriate committees of the
16 Congress a legislative proposal providing for such tech-
17 nical and conforming amendments in the law as are re-
18 quired by the provisions of this Act.

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