

106TH CONGRESS
2D SESSION

S. RES. 333

Expressing the sense of the Senate that there should be parity among the countries that are parties to the North American Free Trade Agreement with respect to the personal exemption allowance for merchandise purchased abroad by returning residents, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 30, 2000

Ms. COLLINS (for herself, Mr. MOYNIHAN, Mr. KYL, Mr. GREGG, Mr. LEAHY, and Ms. HUTCHISON) submitted the following resolution; which was referred to the Committee on Finance

JULY 27, 2000

Committee discharged; considered and agreed to

RESOLUTION

Expressing the sense of the Senate that there should be parity among the countries that are parties to the North American Free Trade Agreement with respect to the personal exemption allowance for merchandise purchased abroad by returning residents, and for other purposes.

Whereas the personal exemption allowance is a vital component of trade and tourism;

Whereas many border communities and retailers depend on customers from both sides of the border;

Whereas a United States citizen traveling to Canada or Mexico for less than 24 hours is exempt from paying duties

on the equivalent of \$200 worth of merchandise on return to the United States, and for trips over 48 hours United States citizens have an exemption of up to \$400 worth of merchandise;

Whereas a Canadian traveling in the United States is allowed a duty-free personal exemption allowance of only \$50 worth of merchandise for a 24-hour visit, the equivalent of \$200 worth of merchandise for a 48-hour visit, and the equivalent of \$750 worth of merchandise for a visit of over 7 days;

Whereas Mexico has a 2-tiered personal exemption allowance for its returning residents, set at the equivalent of \$50 worth of merchandise for residents returning by car and the equivalent of \$300 worth of merchandise for residents returning by plane;

Whereas Canadian and Mexican retail businesses have an unfair competitive advantage over many American businesses because of the disparity between the personal exemption allowances among the 3 countries;

Whereas the State of Maine legislature passed a resolution urging action on this matter;

Whereas the disparity in personal exemption allowances creates a trade barrier by making it difficult for Canadians and Mexicans to shop in American-owned stores without facing high additional costs;

Whereas the United States entered into the North American Free Trade Agreement with Canada and Mexico with the intent of phasing out tariff barriers among the 3 countries; and

Whereas it violates the spirit of the North American Free Trade Agreement for Canada and Mexico to maintain re-

strictive personal exemption allowance policies that are not reciprocal: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) the United States Trade Representative and
3 the Secretary of the Treasury, in consultation with
4 the Secretary of Commerce, should initiate discus-
5 sions with officials of the Governments of Canada
6 and Mexico to achieve parity by harmonizing the
7 personal exemption allowance structure of the 3
8 NAFTA countries at or above United States exemp-
9 tion levels; and

10 (2) in the event that parity with respect to the
11 personal exemption allowance of the 3 countries is
12 not reached within 1 year after the date of the adop-
13 tion of this resolution, the United States Trade Rep-
14 resentative and the Secretary of the Treasury should
15 submit recommendations to Congress on whether
16 legislative changes are necessary to lower the United
17 States personal exemption allowance to conform to
18 the allowance levels established in the other coun-
19 tries that are parties to the North American Free
20 Trade Agreement.

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