

107TH CONGRESS  
1ST SESSION

# H. R. 3172

To provide Federal reimbursement to the States for a limited tax holiday during the period beginning November 23, 2001, and ending December 2, 2001.

---

## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 2001

Mr. GRAHAM (for himself, Mr. BLAGOJEVICH, Mr. HILLEARY, Mr. ABERCROMBIE, Mr. LARGENT, Mr. HOUGHTON, Mr. BROWN of South Carolina, Mr. SHIMKUS, Mr. SHADEGG, Mr. GUTKNECHT, and Mr. RILEY) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To provide Federal reimbursement to the States for a limited tax holiday during the period beginning November 23, 2001, and ending December 2, 2001.

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 “Sales Tax Holiday Act  
5       of 2001”.

6       **SEC. 2. STATE SALES TAX RELIEF FOR CONSUMERS.**

7       (a) IN GENERAL.—The Secretary of the Treasury  
8       shall reimburse each eligible State for the amount of State

1 sales tax not collected with respect to taxable tangible per-  
2 sonal property payable for the period beginning November  
3 23, 2001, and ending December 2, 2001.

4 (b) REQUIREMENT FOR REIMBURSEMENT.—The Sec-  
5 retary may not pay a reimbursement under subsection (a)  
6 unless—

7 (1) the chief executive officer of the State in-  
8 forms the Secretary of the Treasury and the Direc-  
9 tor of Management and Budget, not later than No-  
10 vember 15, 2001, of the intention of the State to  
11 qualify for such reimbursement,

12 (2) the chief executive officer of such State  
13 agrees to verify, not later than June 1, 2002, the  
14 amount of State sales tax not collected with respect  
15 such property during such period, and

16 (3) the Director of Management and Budget  
17 certifies such amount and recommends the amount  
18 of the reimbursement required by subsection (a).

19 (c) ELIGIBILITY.—To be eligible to receive a reim-  
20 bursement under subsection (a), a State shall—

21 (1) not collect sales tax with respect to taxable  
22 tangible personal property payable for the period be-  
23 ginning November 23, 2001, and ending December  
24 2, 2001, and

1           (2) shall comply with the requirements of this  
2 Act.

3 (d) PREPAYMENT WITH ADJUSTMENTS.—

4           (1) ADVANCE PAYMENT.—Subject to adjust-  
5 ment under paragraph (2), not later than February  
6 1, 2002, the Secretary of the Treasury shall pay to  
7 each eligible State an amount equal to 80 percent of  
8 the annual average amount of sales tax collected by  
9 such State with respect to taxable tangible personal  
10 property payable during the taxable period in 1998,  
11 1999, and 2000.

12           (2) ADJUSTMENT.—The amount paid under  
13 paragraph (1) shall be adjusted for overpayment or  
14 underpayment to conform to the amount required to  
15 be paid under subsection (a).

16 **SEC. 3. NEW YORK CITY SALES TAX RELIEF FOR CON-**  
17 **SUMERS.**

18           (a) IN GENERAL.—The Secretary of the Treasury  
19 shall reimburse the city of New York in the State of New  
20 York for the amount of municipal sales tax not collected  
21 with respect to taxable tangible personal property payable  
22 for the period beginning November 23, 2001, and ending  
23 December 2, 2001.

1 (b) REQUIREMENT FOR REIMBURSEMENT.—The Sec-  
2 retary may not pay a reimbursement under subsection (a)  
3 unless—

4 (1) the Mayor of the city of New York informs  
5 the Secretary of the Treasury and the Director of  
6 Management and Budget, not later than November  
7 15, 2001, of the intention of the city of New York  
8 to qualify for such reimbursement,

9 (2) the Mayor of the city of New York agrees  
10 to verify, not later than June 1, 2002, the amount  
11 of municipal sales tax not collected with respect such  
12 property during such period, and—

13 (3) the Director of Management and Budget  
14 certifies such amount and recommends the amount  
15 of the reimbursement required by subsection (a).

16 (c) ELIGIBILITY.—To be eligible to receive a reim-  
17 bursement under subsection (a), the City of New York  
18 shall—

19 (1) not collect municipal sales tax with respect  
20 to taxable tangible personal property payable for the  
21 period beginning November 23, 2001, and ending  
22 December 2, 2001, and

23 (2) shall comply with the requirements of this  
24 Act.

25 (d) PREPAYMENT WITH ADJUSTMENTS.—

1           (1) ADVANCE PAYMENT.—Subject to adjust-  
2           ment under paragraph (2), not later than February  
3           1, 2002, the Secretary of the Treasury shall pay to  
4           the Mayor of the city of New York an amount equal  
5           to 80 percent of the annual average amount of sales  
6           tax collected by such city with respect to taxable  
7           tangible personal property payable during the tax-  
8           able period in 1998, 1999, and 2000.

9           (2) ADJUSTMENT.—The amount paid under  
10          paragraph (1) shall be adjusted for overpayment or  
11          underpayment to conform to the amount required to  
12          be paid under subsection (a).

13 **SEC. 4. DEFINITIONS.**

14          For purposes of this Act—

15               (1) the term “sales tax” means—

16                       (A) a tax imposed on or measured by gen-  
17                       eral retail sales of taxable tangible property,  
18                       that is—

19                               (i) calculated as a percentage of the  
20                               price, gross receipts, or gross proceeds;  
21                               and

22                               (ii) can or is required to be collected  
23                               directly by sellers from purchasers of such  
24                               property,

25                       (B) a use tax, or

1           (C) the Illinois Retailers' Occupation Tax,  
2           as defined under the law of the State of Illinois,  
3           but excludes any tax payable with respect to food,  
4           tobacco products, and beverages containing alcohol,

5           (2) the term "State" means any of the several  
6           States, the District of Columbia, or the Common-  
7           wealth of Puerto Rico,

8           (3) the term "taxable period" means the period  
9           beginning November 23 and ending December 2,  
10          and

11          (4) the term "use tax" means a tax imposed on  
12          the storage, use, or other consumption of tangible  
13          property that is not subject to sales tax.

○