

108TH CONGRESS
1ST SESSION

S. RES. 119

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

APRIL 10, 2003

Ms. COLLINS (for herself, Mr. BAUCUS, Mr. BINGAMAN, Mr. DOMENICI, and Mrs. CLINTON) submitted the following resolution; which was referred to the Committee on Finance

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 48 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 \$800 worth of merchandise;

Whereas a Canadian traveling in the United States is given no exemption for trips of less than 24 hours;

Whereas a Canadian traveling in the United States is allowed a duty-free personal exemption allowance equivalent to, in Canadian currency—

(1) \$50 worth of merchandise, if the trip is over 24 hours but not over 48 hours;

(2) \$200 worth of merchandise, if the trip is over 48 hours but not more than 7 days; and

(3) \$750 worth of merchandise, if the trip is for 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 restrictive personal exemption allowance policies that are not reciprocal: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that the
2 United States Trade Representative and the Secretary of
3 the Treasury, in consultation with the Secretary of Com-
4 merce, should continue discussions with officials of the
5 Governments of Canada and Mexico to achieve parity by
6 harmonizing the personal exemption allowance structure
7 of the 3 NAFTA countries at or above United States ex-
8 emption levels.

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