

117TH CONGRESS  
1ST SESSION

# H. R. 2165

To limit the authority of a State or other related taxing jurisdiction to impose a tax on a resident who has relocated permanent residence to another State or its related taxing jurisdiction.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2021

Mr. SCHWEIKERT (for himself, Mr. PERRY, Mr. MANN, Mr. C. SCOTT FRANKLIN of Florida, and Mr. HICE of Georgia) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To limit the authority of a State or other related taxing jurisdiction to impose a tax on a resident who has relocated permanent residence to another State or its related taxing jurisdiction.

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 “Exit Tax Prevention  
5 Act of 2021”.

1 **SEC. 2. PROHIBITION ON CERTAIN STATE AND LOCAL TAX-**  
2 **ATION.**

3 A State, or taxing jurisdiction in a State, may not  
4 impose an obligation for the collection of an income tax,  
5 wealth tax, or any similar tax on a resident who has relo-  
6 cated permanent residence to another State or a taxing  
7 jurisdiction of another State.

8 **SEC. 3. DEFINITIONS.**

9 For purposes of this Act:

10 (1) **INCOME TAX.**—The term “income tax” has  
11 the same meaning given to it by the taxing jurisdic-  
12 tion in which the resident lives.

13 (2) **RESIDENT.**—The term “resident” has the  
14 same meaning given to it by the taxing jurisdiction  
15 in which the resident lives.

16 (3) **SIMILAR TAX.**—The term “similar tax”  
17 means any imposed tax on an individual relating to  
18 the net wealth, value of held assets, or annual in-  
19 come of such individual.

20 (4) **TAXATION JURISDICTION.**—The term “tax-  
21 ing jurisdiction” means any of the several States,  
22 the District of Columbia, any territory or possession  
23 of the United States, or any municipality, city, coun-  
24 ty, township, parish, transportation district, assess-  
25 ment jurisdiction, or other political subdivision with-

1 in the territorial limits of the United States with the  
2 authority to impose a tax, charge, or fee.

3 (5) WEALTH TAX.—The term “wealth tax”  
4 means any imposed tax on an individual’s net wealth  
5 or value of held assets.

6 **SEC. 4. EFFECTIVE DATE; APPLICATION.**

7 (a) EFFECTIVE DATE.—This Act shall apply to cal-  
8 endar years beginning after December 31, 2021.

9 (b) APPLICATION.—This Act shall not apply to any  
10 tax obligation that accrues before January 1, 2022.

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