

**TECHNICAL EXPLANATION OF THE
REVENUE RAISING PROVISIONS OF H.R. 1830,
THE “ANDEAN TRADE PREFERENCE ACT,”
AS PASSED BY THE HOUSE OF REPRESENTATIVES
ON JUNE 27, 2007**

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION



June 28, 2007
JCX-39-07

CONTENTS

	<u>Page</u>
INTRODUCTION	1
A. Extension of Customs User Fees	2
B. Modifications to Corporate Estimated Tax Payments	3

INTRODUCTION

This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a Technical Explanation of the revenue raising provisions of H.R. 1830, the “Andean Trade Preference Act,” as passed by the House of Representatives on June 27, 2007.

¹ This document may be cited as follows: Joint Committee on Taxation, *Technical Explanation of the Revenue Raising Provisions of H.R. 1830, the “Andean Trade Preference Act,” as Passed by the House of Representatives on June 27, 2007*, (JCX-39-07), June 28, 2007. This document can also be found on the web at www.house.gov/jct.

A. Extension of Customs User Fees

Present Law

Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”)² authorized the Secretary of the Treasury to collect certain service fees. Section 412 of the Homeland Security Act of 2002³ authorized the Secretary of the Treasury to delegate such authority to the Secretary of Homeland Security. Provided for under, these fees include: processing fees for air and sea passengers, commercial trucks, rail cars, private aircraft and vessels, commercial vessels, dutiable mail packages, barges and bulk carriers, merchandise, and Customs broker permits.⁴ COBRA was amended on several occasions but most recently by the American Jobs Creation Act of 2004,⁵ which extended authorization for the collection of these fees through September 30, 2014.⁶

Explanation of Provision

The bill extends the passenger and conveyance processing fees and the merchandise processing fees authorized under COBRA for 14 days (through October 14, 2014).

Effective Date

The provision is effective on the date of enactment.

² Pub. L. No. 99-272.

³ Pub. L. No. 107-296.

⁴ 19 U.S.C. sec. 58c.

⁵ Pub. L. No. 108-357.

⁶ For fiscal years after September 30, 2005, the Secretary is to charge fees in amounts that are reasonably related to the costs of providing customs services in connection with the activity or item for which the fee is charged.

B. Modifications to Corporate Estimated Tax Payments

Present Law

In general, corporations are required to make quarterly estimated tax payments of their income tax liability. For a corporation whose taxable year is a calendar year, these estimated tax payments must be made by April 15, June 15, September 15, and December 15.

Under present law, in the case of a corporation with assets of at least \$1 billion, the payments due in July, August, and September, 2012, shall be increased to 114.25 percent of the payment otherwise due and the next required payment shall be reduced accordingly.

Explanation of Provision

The provision increases the 114.25 percent to 114.50 percent.

Effective Date

The provision is effective on the date of enactment.