(1) by striking out "paragraph (32) of section 202 of such Act, as added by section 3 of this Act," and inserting in lieu thereof "paragraph (33) of section 202 of such Act, added by section 3 of this Act,"; and

(2) by striking out "such paragraph (32)" and inserting in lieu thereof "such paragraph (33)".

EFFECTIVE DATES

SEC. 7. (a) This section, and sections 2, 4, and 5 of this Act, shall become effective on the date of enactment of this Act.

(b) Sections 1, 3, and 6 of this Act shall become effective on the first day of the first pay period which begins after the date of enactment of this Act.

Approved September 23, 1959.

Public Law 86-371

AN ACT

To amend the Act of July 17, 1952.

September 23, 1959
[S. 2282]

Federal employees.
Withholding of State income taxes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act relating to withholding, for State income tax purposes, on the compensation of Federal employees", approved July 17, 1952 (66 Stat. 765; 5 U.S.C. 84b–84c), is amended to read as follows:

"That where—

"(1) the law of any State or Territory provides for the collection of a tax by imposing upon employers generally the duty of withholding sums from the compensation of employees and making returns of such sums to the authorities of such State or Territory, and

"(2) such duty to withhold is imposed generally with respect to the compensation of employees who are residents of such State or Territory,

then the Secretary of the Treasury, pursuant to regulations promulgated by the President, is authorized and directed to enter into an agreement with such State or Territory within one hundred and twenty days of the request for agreement from the proper officials of such State or Territory. Such agreement shall provide that the head of each department or agency of the United States shall comply with the requirements of such law in the case of employees of such agency or department who are subject to such tax and whose regular place of Federal employment is within the State or Territory with which such agreement is entered into. No such agreement shall apply with respect to compensation for service as a member of the Armed Forces of the United States.

"SEC. 2. Nothing in this Act shall be deemed to consent to the application of any provision of law which has the effect of imposing more burdensome requirements upon the United States than it imposes upon other employers, or which has the effect of subjecting the United States or any of its officers or employees to any penalty or liability by reason of the provisions of this Act. However, no department or agency of the United States shall, after March 31, 1959, accept compensation from any State or Territory for services rendered in withholding State or Territorial income taxes from the salaries of employees of such department or agency."

Approved September 23, 1959.

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