Public Law 98-67
98th Congress

An Act

To promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region, to provide for backup withholding of tax from interest and dividends, and for other purposes.

Aug. 5, 1983
[H.R. 2973]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Interest and dividend withholding tax, repeal.
Caribbean Basin economic revitalization.

TITLE I—INTEREST AND DIVIDEND TAX COMPLIANCE

SEC. 101. SHORT TITLE; AMENDMENT OF 1954 CODE.

Interest and Dividend Tax Compliance Act of 1983.
26 USC 1 note.

(a) SHORT TITLE.—This title may be cited as the "Interest and Dividend Tax Compliance Act of 1983".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this title an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

26 USC 1 *et seq.*

SEC. 102. REPEAL OF WITHHOLDING ON INTEREST AND DIVIDENDS.

Effective date.
26 USC 3451 note.
96 Stat. 576.

(a) IN GENERAL.—Subtitle A of title III of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to withholding of tax from interest and dividends) is hereby repealed as of the close of June 30, 1983.

(b) CONFORMING AMENDMENT.—Except as provided in this section, the Internal Revenue Code of 1954 shall be applied and administered as if such subtitle A (and the amendments made by such subtitle A) had not been enacted.

(c) REPEAL NOT TO APPLY TO AMOUNTS DEDUCTED AND WITHHELD BEFORE SEPTEMBER 2, 1983.—

(1) IN GENERAL.—If, notwithstanding the repeal made by subsection (a) (and the provisions of subsection (b)), an amount is deducted and withheld before September 2, 1983, under subchapter B of chapter 24 of the Internal Revenue Code of 1954 (as in effect before its repeal by subsection (a)), the repeal made by subsection (a) (and the provisions of subsection (b)) shall not apply to the amount so deducted and withheld.

96 Stat. 576.
26 USC 3451.

(2) ELECTION TO HAVE PARAGRAPH (1) NOT APPLY.—Paragraph (1) shall not apply with respect to any payor who elects (at the time and in the manner prescribed by the Secretary of the Treasury or his delegate) to have paragraph (1) not apply.

(d) ESTIMATED TAX PAYMENTS.—For purposes of determining the amount of any addition to tax under section 6654 of the Internal Revenue Code of 1954 with respect to any installment required to be paid before July 1, 1983, the amount of the credit allowed by section 31 of such Code for any taxable year which includes any portion of the period beginning July 1, 1983, and ending December 31, 1983,

26 USC 6654.

96 Stat. 585.
26 USC 31.

shall be increased by an amount equal to 10 percent of the aggregate amount of payments—

(1) which are received during the portion of such taxable year after June 30, 1983, and before January 1, 1984, and

(2) which (but for the repeal made by subsection (a)) would have been subject to withholding under subchapter B of chapter 24 of such Code (determined without regard to any exemption described in section 3452 of such subchapter B).

96 Stat. 576.
96 Stat. 577.
26 USC 3452.

(e) TECHNICAL AMENDMENTS.—

96 Stat. 591.
26 USC 6049.

(1) Subsection (a) of section 6049 (relating to returns regarding payments of interest) is amended—

(A) by inserting "or" at the end of paragraph (1),

(B) by striking out "or" at the end of paragraph (2),

(C) by striking out paragraph (3), and

(D) by striking out ", tax deducted and withheld, and the name and address of the person to whom paid or from whom withheld", and inserting in lieu thereof "and the name and address of the person to whom paid".

(2) Subsection (b) of section 6049 (defining interest) is amended—

(A) by amending subparagraph (C) of paragraph (2) to read as follows:

"(C) except to the extent otherwise provided in regulations—

"(i) any amount paid to any person described in paragraph (4), or

"(ii) any amount described in paragraph (5),", and

(B) by adding at the end thereof the following new paragraphs:

"(4) PERSONS DESCRIBED IN THIS PARAGRAPH.—A person is described in this paragraph if such person is—

"(A) a corporation,

"(B) an organization exempt from taxation under section 501(a) or an individual retirement plan,

"(C) the United States or any wholly owned agency or instrumentality thereof,

"(D) a State, the District of Columbia, a possession of the United States, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing,

"(E) a foreign government, a political subdivision of a foreign government, or any wholly owned agency or instrumentality of any one or more of the foregoing,

"(F) an international organization or any wholly owned agency or instrumentality thereof,

"(G) a foreign central bank of issue,

"(H) a dealer in securities or commodities required to register as such under the laws of the United States or a State, the District of Columbia, or a possession of the United States,

"(I) a real estate investment trust (as defined in section 856),

"(J) an entity registered at all times during the taxable year under the Investment Company Act of 1940,

15 USC 80a-51.

"(K) a common trust fund (as defined in section 584(a)), or

"(L) any trust which—

"(i) is exempt from tax under section 664(c), or

"(ii) is described in section 4947(a)(1).

"(5) AMOUNTS DESCRIBED IN THIS PARAGRAPH.—An amount is described in this paragraph if such amount—

"(A) is subject to withholding under subchapter A of chapter 3 (relating to withholding of tax on nonresident aliens and foreign corporations) by the person paying such amount, or 26 USC 1441.

"(B) would be subject to withholding under subchapter A of chapter 3 by the person paying such amount but for the fact that—

"(i) such amount is income from sources outside the United States,

"(ii) the payor thereof is exempt from the application of section 1441(a) by reason of section 1441(c) or a tax treaty, or

"(iii) such amount is original issue discount (within the meaning of section 1232(b)(1)).".

(3) Paragraph (1) of section 6049(c) (relating to statements to be furnished to persons with respect to whom information is furnished) is amended— 96 Stat. 591. 26 USC 6049.

(A) by inserting "and" at the end of subparagraph (A),

(B) by striking out ", and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (C).

SEC. 103. SENSE OF THE CONGRESS WITH RESPECT TO INCREASED APPROPRIATIONS.

It is the sense of the Congress—

(1) that additional amounts should be appropriated for purposes of collecting tax due with respect to reportable payments (as defined in section 3406(b) of the Internal Revenue Code of 1954), and *Infra.*

(2) that—

(A) such additional amounts should not be less than—

(i) $15,000,000 for fiscal year 1984, and

(ii) $300,000,000 for the period consisting of fiscal years 1984 through 1988, and

(B) it would be preferable that such additional amounts for such period be at least $600,000,000.

SEC. 104. BACKUP WITHHOLDING.

(a) IN GENERAL.—Chapter 24 (relating to collection of income tax at source) is amended by inserting after section 3405 the following new section:

"SEC. 3406. BACKUP WITHHOLDING. 26 USC 3406.

"(a) REQUIREMENT TO DEDUCT AND WITHHOLD.—

"(1) IN GENERAL.—In the case of any reportable payment, if—

"(A) the payee fails to furnish his TIN to the payor in the manner required,

"(B) the Secretary notifies the payor that the TIN furnished by the payee is incorrect,

"(C) there has been a notified payee underreporting described in subsection (c), or

"(D) there has been a payee certification failure described in subsection (d),

then the payor shall deduct and withhold from such payment a tax equal to 20 percent of such payment.

"(2) SUBPARAGRAPHS (C) AND (D) OF PARAGRAPH (1) APPLY ONLY TO INTEREST AND DIVIDEND PAYMENTS.—Subparagraphs (C) and (D) of paragraph (1) shall apply only to reportable interest or dividend payments.

"(b) REPORTABLE PAYMENT, ETC.—For purposes of this section—

"(1) REPORTABLE PAYMENT.—The term 'reportable payment' means—

"(A) any reportable interest or dividend payment, and

"(B) any other reportable payment.

"(2) REPORTABLE INTEREST OR DIVIDEND PAYMENT.—

"(A) IN GENERAL.—The term 'reportable interest or dividend payment' means any payment of a kind, and to a payee, required to be shown on a return required under—

Ante, p. 370.

"(i) section 6049(a) (relating to payments of interest),

"(ii) section 6042(a) (relating to payments of dividends), or

"(iii) section 6044 (relating to payments of patronage dividends) but only to the extent such payment is in money.

"(B) SPECIAL RULE FOR PATRONAGE DIVIDENDS.—For purposes of subparagraphs (C) and (D) of subsection (a)(1), the term 'reportable interest or dividend payment' shall not include any payment to which section 6044 (relating to patronage dividends) applies unless 50 percent or more of such payment is in money.

"(3) OTHER REPORTABLE PAYMENT.—The term 'other reportable payment' means any payment of a kind, and to a payee, required to be shown on a return required under—

"(A) section 6041 (relating to certain information at source),

96 Stat. 601.
26 USC 6041A.

"(B) section 6041A(a) (relating to payments of remuneration for services),

96 Stat. 600.
26 USC 6045.

"(C) section 6045 (relating to returns of brokers), or

"(D) section 6050A (relating to reporting requirements of certain fishing boat operators), but only to the extent such payment is in money and represents a share of the proceeds of the catch.

"(4) WHETHER PAYMENT IS OF REPORTABLE KIND DETERMINED WITHOUT REGARD TO MINIMUM AMOUNT.—The determination of whether any payment is of a kind required to be shown on a return described in paragraph (2) or (3) shall be made without regard to any minimum amount which must be paid before a return is required.

"(5) EXCEPTION FOR CERTAIN SMALL PAYMENTS.—To the extent provided in regulations, the term 'reportable payment' shall not include any payment which—

"(A) does not exceed $10, and

"(B) if determined for a 1-year period, would not exceed $10.

"(6) OTHER REPORTABLE PAYMENTS INCLUDE PAYMENTS DESCRIBED IN SECTION 6041(a) OR 6041(A)(a) ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS $600 OR MORE.—Any payment of a kind required to be shown on a return required under section 6041(a) or 6041A(a) which is made during any calendar year shall be treated as a reportable payment only if—

"(A) the aggregate amount of such payment and all previous payments described in such sections by the payor to the payee during such calendar year equals or exceeds $600,

"(B) the payor was required under section 6041(a) or 6041A(a) to file a return for the preceding calendar year with respect to payments to the payee, or

96 Stat. 601.
26 USC 6041A.

"(C) during the preceding calendar year, the payor made reportable payments to the payee with respect to which amounts were required to be deducted and withheld under subsection (a).

"(7) EXCEPTION FOR CERTAIN WINDOW PAYMENTS OF INTEREST, ETC.—For purposes of subparagraphs (C) and (D) of subsection (a)(1), the term 'reportable interest or dividend payment' shall not include any payment—

"(A) in redemption of a coupon on a bearer instrument or in redemption of a United States savings bond, or

"(B) to the extent provided in regulations, of interest on instruments similar to those described in subparagraph (A).

The preceding sentence shall not apply for purposes of determining whether there is payee underreporting described in subsection (c).

"(c) NOTIFIED PAYEE UNDERREPORTING WITH RESPECT TO INTEREST AND DIVIDENDS.—

"(1) NOTIFIED PAYEE UNDERREPORTING.—If—

"(A) the Secretary determines with respect to any payee that there has been payee underreporting,

"(B) at least 4 notices have been mailed by the Secretary to the payee (over a period of at least 120 days) with respect to the underreporting, and

"(C) in the case of any payee who has filed a return for the taxable year, any deficiency of tax attributable to such failure has been assessed,

the Secretary may notify payors of reportable interest or dividend payments with respect to such payee of the requirement to deduct and withhold under subsection (a)(1)(C) (but not the reasons therefor).

"(2) PAYEE UNDERREPORTING DEFINED.—For purposes of this section, there has been payee underreporting if for any taxable year the Secretary determines that—

"(A) the payee failed to include in his return of tax under chapter 1 for such year any portion of a reportable interest or dividend payment required to be shown on such return, or

"(B) the payee may be required to file a return for such year and to include a reportable interest or dividend payment in such return, but failed to file such return.

"(3) DETERMINATION BY SECRETARY TO STOP (OR NOT TO START) WITHHOLDING.—

"(A) IN GENERAL.—If the Secretary determines that—

"(i) there was no payee underreporting,

"(ii) any payee underreporting has been corrected (and any tax, penalty, or interest with respect to the payee underreporting has been paid),

"(iii) withholding under subsection (a)(1)(C) has caused (or would cause) undue hardship to the payee

and it is unlikely that any payee underreporting by such payee will occur again, or

"(iv) there is a bona fide dispute as to whether there has been any payee underreporting,

then the Secretary shall take the action described in subparagraph (B).

"(B) SECRETARY TO TAKE ACTION TO STOP (OR NOT TO START) WITHHOLDING.—For purposes of subparagraph (A), if at the time of the Secretary's determination under subparagraph (A)—

"(i) no notice has been given under paragraph (1) to any payor with respect to the underreporting, the Secretary shall not give any such notice, or

"(ii) if such notice has been given, the Secretary shall—

"(I) provide the payee with a written certification that withholding under subsection (a)(1)(C) is to stop, and

"(II) notify the applicable payors (and brokers) that such withholding is to stop.

"(C) TIME FOR TAKING ACTION WHERE NOTICE TO PAYOR HAS BEEN GIVEN.—In any case where notice has been given under paragraph (1) to any payor with respect to any underreporting, if the Secretary makes a determination under subparagraph (A) during the 12-month period ending on October 15 of any calendar year—

"(i) except as provided in clause (ii), the Secretary shall take the action described in subparagraph (B)(ii) to bring about the stopping of withholding no later than December 1 of such calendar year, or

"(ii) in the case of—

"(I) a no payee underreporting determination under clause (i) of subparagraph (A), or

"(II) a hardship determination under clause (iii) of subparagraph (A),

such action shall be taken no later than the 45th day after the day on which the Secretary made the determination.

"(D) OPPORTUNITY TO REQUEST DETERMINATION.—The Secretary shall prescribe procedures under which—

"(i) a payee may request a determination under subparagraph (A), and

"(ii) the payee may provide information with respect to such request.

"(4) PAYOR NOTIFIES PAYEE OF WITHHOLDING BECAUSE OF PAYEE UNDERREPORTING.—Any payor required to withhold any tax under subsection (a)(1)(C) shall, at the time such withholding begins, notify the payee of such withholding.

"(5) PAYEE MAY BE REQUIRED TO NOTIFY SECRETARY WHO HIS PAYORS AND BROKERS ARE.—For purposes of this section, the Secretary may require any payee of reportable interest or dividend payments who is subject to withholding under subsection (a)(1)(C) to notify the Secretary of—

"(A) all payors from whom the payee receives reportable interest or dividend payments, and

"(B) all brokers with whom the payee has accounts which may involve reportable interest or dividend payments.

The Secretary may notify any such broker that such payee is subject to withholding under subsection (a)(1)(C).

"(d) INTEREST AND DIVIDEND BACKUP WITHHOLDING APPLIES TO NEW ACCOUNTS AND INSTRUMENTS UNLESS PAYEE CERTIFIES THAT HE IS NOT SUBJECT TO SUCH WITHHOLDING.—

"(1) IN GENERAL.—There is a payee certification failure unless the payee has certified to the payor, under penalty of perjury, that such payee is not subject to withholding under subsection (a)(1)(C).

"(2) SPECIAL RULES FOR READILY TRADABLE INSTRUMENTS.—

"(A) IN GENERAL.—Subsection (a)(1)(D) shall apply to any reportable interest or dividend payment to any payee on any readily tradable instrument if (and only if) no certification was provided to the payor by the payee under paragraph (1) and—

"(i) the payor was notified by a broker under subparagraph (B),

"(ii) such instrument was acquired directly by the payee from the payor, or

"(iii) such instrument is held by the payor as nominee for the payee.

"(B) BROKER NOTIFIES PAYOR.—If—

"(i) a payee acquires any readily tradable instrument through a broker, and

"(ii)(I) the payee does not provide a certification to such broker under subparagraph (C), or (II) such broker is notified by the Secretary before such acquisition that such payee is subject to withholding under subsection (a)(1)(C),

such broker shall, within 15 days after the date of the acquisition, notify the payor that such payee is subject to withholding under subsection (a)(1)(D) (or subsection (a)(1)(C) in the case of a notification described in clause (ii)(II)).

"(C) TIME FOR PAYEE TO PROVIDE CERTIFICATION TO BROKER.—In the case of any readily tradable instrument acquired by a payee through a broker, the certification described in paragraph (1) may be provided by the payee to such broker—

"(i) at any time after the payee's account with the broker was established and before the acquisition of such instrument, or

"(ii) in connection with the acquisition of such instrument.

"(3) EXCEPTION FOR EXISTING ACCOUNTS, ETC.—This subsection and subsection (a)(1)(D) shall not apply to any reportable interest or dividend payment which is paid or credited—

"(A) in the case of interest or any other amount of a kind reportable under section 6049, with respect to any account (whatever called) established before January 1, 1984, or with respect to any instrument acquired before January 1, 1984, 96 Stat. 591. 26 USC 6049.

"(B) in the case of dividends or any other amount reportable under section 6042, on any stock or other instrument acquired before January 1, 1984, or

"(C) in the case of patronage dividends or other amounts of a kind reportable under section 6044, with respect to any

membership acquired, or contract entered into, before January 1, 1984.

"(4) EXCEPTION FOR READILY TRADABLE INSTRUMENTS ACQUIRED THROUGH EXISTING BROKERAGE ACCOUNTS.—Subparagraph (B) of paragraph (2) shall not apply with respect to a readily tradable instrument which was acquired through an account with a broker if—

"(A) such account was established before January 1, 1984, and

"(B) during 1983, such broker bought or sold instruments for the payee (or acted as a nominee for the payee) through such account.

The preceding sentence shall not apply with respect to any readily tradable instrument acquired through such account after the broker was notified by the Secretary that the payee is subject to withholding under subsection (a)(1)(C).

"(e) PERIOD FOR WHICH WITHHOLDING IS IN EFFECT.—

"(1) FAILURE TO FURNISH TIN.—In the case of any failure by a payee to furnish his TIN to a payor in the manner required, subsection (a) shall apply to any reportable payment made by such payor during the period during which the TIN has not been furnished in the manner required.

"(2) NOTIFICATION OF INCORRECT NUMBER.—In any case in which the Secretary notifies the payor that the TIN furnished by the payee is incorrect, subsection (a) shall apply to any reportable payment made by such payor—

"(A) after the close of the 30th day after the day on which the payor received such notification, and

"(B) before the payee furnishes another TIN in the manner required.

"(3) NOTIFIED PAYEE UNDERREPORTING DESCRIBED IN SUBSECTION (c).—

"(A) IN GENERAL.—In the case of any notified payee underreporting described in subsection (c), subsection (a) shall apply to any reportable interest or dividend payment made—

"(i) after the close of the 30th day after the day on which the payor received notification from the Secretary of such underreporting, and

"(ii) before the stop date.

"(B) STOP DATE.—For purposes of this subsection, the term 'stop date' means the determination effective date or, if later, the earlier of—

"(i) the day on which the payor received notification from the Secretary under subsection (c)(3)(B) to stop withholding, or

"(ii) the day on which the payor receives from the payee a certification provided by the Secretary under subsection (c)(3)(B).

"(C) DETERMINATION EFFECTIVE DATE.—For purposes of this subsection—

"(i) IN GENERAL.—Except as provided in clause (ii), the determination effective date of any determination under subsection (c)(3)(A) which is made during the 12-month period ending on October 15 of any calendar year shall be the first January 1 following such October 15.

"(ii) DETERMINATION THAT THERE WAS NO UNDERREPORTING; HARDSHIP.—In the case of any determination under clause (i) or (iii) of subsection (c)(3)(A), the determination effective date shall be the date on which the Secretary's determination is made.

"(4) FAILURE TO PROVIDE CERTIFICATION THAT PAYEE IS NOT SUBJECT TO WITHHOLDING.—

"(A) IN GENERAL.—In the case of any payee certification failure described in subsection (d)(1), subsection (a) shall apply to any reportable interest or dividend payment made during the period during which the certification described in subsection (d)(1) has not been furnished to the payor.

"(B) SPECIAL RULE FOR READILY TRADABLE INSTRUMENTS ACQUIRED THROUGH BROKER WHERE NOTIFICATION.—In the case of any readily tradable instrument acquired by the payee through a broker, the period described in subparagraph (A) shall start with payments to the payee made after the close of the 30th day after the payor receives notification from a broker under subsection (d)(2)(B).

"(5) 30-DAY GRACE PERIODS.—

"(A) START-UP.—If the payor elects the application of this subparagraph with respect to the payee, subsection (a) shall also apply to any reportable payment made during the 30-day period described in paragraph (2)(A), (3)(A), or (4)(B).

"(B) STOPPING.—Unless the payor elects not to have this subparagraph apply with respect to the payee, subsection (a) shall also apply to any reportable payment made after the close of the period described in paragraph (1), (2), or (4) (as the case may be) and before the 30th day after the close of such period. A similar rule shall also apply with respect to the period described in paragraph (3)(A) where the stop date is determined under clause (i) or (ii) of paragraph (3)(B).

"(C) ELECTION OF SHORTER GRACE PERIOD.—The payor may elect a period shorter than the grace period set forth in subparagraph (A) or (B), as the case may be.

"(f) CONFIDENTIALITY OF INFORMATION.—

"(1) IN GENERAL.—No person may use any information obtained under this section (including any failure to certify under subsection (d)) except for purposes of meeting any requirement under this section or (subject to the safeguards set forth in section 6103) for purposes permitted under section 6103. 26 USC 6103.

"(2) CROSS REFERENCE.—

"For provision providing for civil damages for violation of paragraph (1), see section 7431.

"(g) EXCEPTIONS.—

"(1) PAYMENTS TO CERTAIN PAYEES.—Subsection (a) shall not apply to any payment made to—

"(A) any organization or governmental unit described in subparagraph (B), (C), (D), (E), or (F) of section 6049(b)(4), or *Ante*, p. 370.

"(B) any other person specified in regulations.

"(2) AMOUNTS FOR WHICH WITHHOLDING OTHERWISE REQUIRED.—Subsection (a) shall not apply to any amount for which withholding is otherwise required by this title.

"(3) EXEMPTION WHILE WAITING FOR TIN.—The Secretary shall prescribe regulations for exemptions from the tax imposed by

subsection (a) during the period during which a person is waiting for receipt of a TIN.

"(h) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) OBVIOUSLY INCORRECT NUMBER.—A person shall be treated as failing to furnish his TIN if the TIN furnished does not contain the proper number of digits.

"(2) PAYEE FURNISHES 2 INCORRECT TINS.—If the payee furnishes the payor 2 incorrect TINs in any 3-year period, the payor shall, after receiving notice of the second incorrect TIN, treat the payee as not having furnished another TIN under subsection (e)(2)(B) until the day on which the payor receives notification from the Secretary that a correct TIN has been furnished.

"(3) JOINT PAYEES.—Except to the extent otherwise provided in regulations, any payment to joint payees shall be treated as if all the payment were made to the first person listed in the payment.

"(4) PAYOR DEFINED.—The term 'payor' means, with respect to any reportable payment, a person required to file a return described in paragraph (2) or (3) of subsection (b) with respect to such payment.

"(5) BROKER.—

"(A) IN GENERAL.—The term 'broker' has the meaning given to such term by section 6045(c)(1).

96 Stat. 600.
26 USC 6045.

"(B) ONLY 1 BROKER PER ACQUISITION.—If, but for this subparagraph, there would be more than 1 broker with respect to any acquisition, only the broker having the closest contact with the payee shall be treated as the broker.

"(C) PAYOR NOT TREATED AS BROKER.—In the case of any instrument, such term shall not include any person who is the payor with respect to such instrument.

"(6) READILY TRADABLE INSTRUMENT.—The term 'readily tradable instrument' means—

"(A) any instrument which is part of an issue any portion of which is traded on an established securities market (within the meaning of section 453(f)(5)), and

"(B) except as otherwise provided in regulations prescribed by the Secretary, any instrument which is regularly quoted by brokers or dealers making a market.

"(7) ORIGINAL ISSUE DISCOUNT.—To the extent provided in regulations, rules similar to the rules of paragraph (6) of section 6049(d) shall apply.

96 Stat. 591.
26 USC 6049.

"(8) REQUIREMENT OF NOTICE TO PAYEE.—Whenever the Secretary notifies a payor under paragraph (1)(B) of subsection (a) that the TIN furnished by any payee is incorrect, the Secretary shall at the same time furnish a copy of such notice to the payor, and the payor shall promptly furnish such copy to the payee.

"(9) REQUIREMENT OF NOTICE TO SECRETARY.—If the Secretary notifies a payor under paragraph (1)(B) of subsection (a) that the TIN furnished by any payee is incorrect and such payee subsequently furnishes another TIN to the payor, the payor shall promptly notify the Secretary of the other TIN so furnished.

"(10) COORDINATION WITH OTHER SECTIONS.—For purposes of section 31, this chapter (other than section 3402(n)), and so

96 Stat. 585.
26 USC 31.

much of subtitle F (other than section 7205) as relates to this chapter, payments which are subject to withholding under this section shall be treated as if they were wages paid by an employer to an employee (and amounts deducted and withheld under this section shall be treated as if deducted and withheld under section 3402).

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE OF INFORMATION.—Section 7431 (relating to civil damages for unauthorized disclosure of returns and return information) is amended by adding at the end thereof the following new subsection: 96 Stat. 645. 26 USC 7431.

"(f) EXTENSION TO INFORMATION OBTAINED UNDER SECTION 3406.— For purposes of this section— *Ante*, p. 371.

"(1) any information obtained under section 3406 (including information with respect to any payee certification failure under subsection (d) thereof) shall be treated as return information, and

"(2) any use of such information other than for purposes of meeting any requirement under section 3406 or (subject to the safeguards set forth in section 6103) for purposes permitted under section 6103 shall be treated as a violation of section 6103.

For purposes of subsection (b), the reference to section 6103 shall be treated as including a reference to section 3406."

(c) PENALTY FOR FAILURE BY BROKER TO PROVIDE NOTICE.—

(1) IN GENERAL.—Subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC. 6705. FAILURE BY BROKER TO PROVIDE NOTICE TO PAYORS. 26 USC 6705.

"(a) IN GENERAL.—Any person required under section 3406(d)(2)(B) to provide notice to any payor who willfully fails to provide such notice to such payor shall pay a penalty of $500 for each such failure. *Ante*, p. 371.

"(b) PENALTY IN ADDITION TO OTHER PENALTIES.—Any penalty imposed by this section shall be in addition to any other penalty provided by law."

(2) CONFORMING AMENDMENT.—The table of sections for subchapter B of chapter 68 is amended by adding at the end thereof the following new item:

"Sec. 6705. Failure by broker to provide notice to payors."

(d) TECHNICAL AMENDMENTS.—

(1) DEFINITION OF TIN.—Subsection (a) of section 7701 (relating to definitions) is amended by adding at the end thereof the following new paragraph: 96 Stat. 2611. 26 USC 7701.

"(41) TIN.—The term 'TIN' means the identifying number assigned to a person under section 6109."

(2) YEAR FOR WHICH CREDIT ALLOWED.—Section 31 (relating to credit for tax withheld on wages) is amended by adding at the end thereof the following new subsection: 96 Stat. 585. 26 USC 31.

"(c) SPECIAL RULE FOR BACKUP WITHHOLDING.—Any credit allowed by subsection (a) for any amount withheld under section 3406 shall be allowed for the taxable year of the recipient of the income in which the income is received." *Ante*, p. 371.

(3) REPEAL OF EXISTING BACKUP WITHHOLDING PROVISIONS.—
96 Stat. 607. Subsection (s) of section 3402 is hereby repealed.
26 USC 3402.
(4) CLERICAL AMENDMENT.—The table of sections for chapter 24 is amended by inserting after the item relating to section 3405 the following new item:

"Sec. 3406. Backup withholding."

SEC. 105. PENALTY FOR FAILURE BY PAYORS TO MEET CERTAIN INTEREST AND DIVIDEND REPORTING REQUIREMENTS.

(a) FAILURE TO SUPPLY TAXPAYER IDENTIFICATION NUMBERS.—
26 USC 6676. Section 6676 (relating to failure to supply identifying numbers) is amended to read as follows:

"SEC. 6676. FAILURE TO SUPPLY IDENTIFYING NUMBERS.

"(a) IN GENERAL.—If any person who is required by regulations prescribed under section 6109—

"(1) to include his TIN in any return, statement, or other document,

"(2) to furnish his TIN to another person, or

"(3) except in the case of a return or statement required to be
96 Stat. 591. filed under section 6042, 6044, or 6049, to include in any return,
26 USC 6049. statement, or other document made with respect to another person the TIN of such other person,

fails to comply with such requirement at the time prescribed by such regulations, such person shall, unless it is shown that such failure is due to reasonable cause and not to willful neglect, pay a penalty of $5 for each such failure described in paragraph (1) and $50 for each such failure described in paragraph (2) or (3), except that the total amount imposed on such person for all such failures during any calendar year shall not exceed $50,000.

"(b) PENALTIES INVOLVING FAILURES ON INTEREST AND DIVIDEND RETURNS.—

"(1) IN GENERAL.—If any payor—

"(A) is required to include in any return or statement required to be filed under section 6042, 6044, or 6049 with respect to any payee the TIN of such payee, and

"(B) fails to include such number or includes an incorrect number,

then the payor shall pay a penalty of $50 for each such failure unless it is shown that the payor exercised due diligence in attempting to satisfy the requirement with respect to such TIN.

"(c) PROCEDURES RELATING TO ASSESSMENT OF PENALTY.—

"(1) SELF-ASSESSMENT OF PENALTY IMPOSED BY SUBSECTION (b).—Any penalty imposed under subsection (b) on any person—

"(A) for purposes of this subtitle, shall be treated as an
26 USC 4041. excise tax imposed by subtitle D, and

"(B) shall be due and payable on April 1 of the calendar year following the calendar year for which the return or statement was made.

"(2) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of
26 USC 6211. chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section."

(b) FAILURE TO FILE STATEMENTS.—

(1) SECTION 6652.—

(A) Subsection (a) of section 6652 (relating to returns relating to information at source, payments of dividends, etc., and certain transfers of stock) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph: 96 Stat. 605. 26 USC 6652.

"(2) FAILURE TO FILE RETURNS ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS.—

"(A) IN GENERAL.—In the case of each failure to file a statement of the amount of payments to another person required by—

"(i) section 6042(a)(1) (relating to payments of dividends),

"(ii) section 6044(a)(1) (relating to payments of patronage dividends), or 96 Stat. 587. 26 USC 6044.

"(iii) section 6049(a) (relating to payments of interest), *Ante*, p. 370.

on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid by the person failing to file such statement a penalty of $50 for each such failure unless it is shown that such person exercised due diligence in attempting to satisfy the requirement with respect to such statement.

"(B) SELF-ASSESSMENT.—Any penalty imposed under subparagraph (A) on any person—

"(i) for purposes of this subtitle, shall be treated as an excise tax imposed by subtitle D, and 26 USC 4041.

"(ii) shall be due and payable on April 1 of the calendar year following the calendar year for which such statement is required.

"(C) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subparagraph (A)." 26 USC 6211.

(B) Subparagraph (A) of section 6652(a)(1) is amended—

(i) by striking out clauses (ii), (iii), and (iv) and by redesignating clauses (v) and (vi) as clauses (ii) and (iii), respectively, and

(ii) by striking out "6042(e), 6044(f), 6049(e), or" in clause (iii), as so redesignated.

(C) Paragraph (3) of section 6652(a) (as redesignated by subparagraph (A)) is amended by striking out "paragraph (1)" in the matter preceding subparagraph (A) and in subparagraph (A) and inserting in lieu thereof "paragraph (1) or (2)". *Supra.*

(2) SECTION 6678.—Section 6678 (relating to failure to furnish certain statements) is amended— 26 USC 6678.

(A) by inserting "(a) IN GENERAL.—" before "In the case of",

(B) by striking out "6042(c), 6044(e), 6045(b), 6049(c)," in paragraph (1) and inserting in lieu thereof "6045(b),",

(C) by striking out "6042(a)(1), 6044(a)(1), 6045(a), 6049(a)," in paragraph (1) and inserting in lieu thereof "6045(a),", and

(D) by adding at the end thereof the following new subsection:

"(b) FAILURE TO FILE INTEREST AND DIVIDEND STATEMENTS.—

"(1) IN GENERAL.—In the case of any person who fails to furnish a statement under section 6042(c), 6044(e), or 6049(c) on the date prescribed therefor to a person with respect to whom a return has been made under section 6042(a)(1), 6044(a)(1), or 6049(a), respectively, such person shall pay a penalty of $50 for each such failure unless it is shown that such person exercised due diligence in attempting to satisfy the requirement with respect to such statement.

Post, p. 383.

96 Stat. 587; *ante*, p. 370.

"(2) SELF-ASSESSMENT.—Any penalty imposed under paragraph (1) on any person—

"(A) for purposes of this subtitle, shall be treated as an excise tax imposed by subtitle D, and

26 USC 4041.

"(B) shall be due and payable on April 1 of the calendar year following the calendar year for which such statement is required.

"(3) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by paragraph (1)."

26 USC 6211.

SEC. 106. PRESUMPTION THAT NEGLIGENCE PENALTY APPLIES TO UNDERPAYMENTS ATTRIBUTABLE TO FAILURE TO REPORT CERTAIN INTEREST AND DIVIDEND PAYMENTS.

26 USC 6653.

Section 6653 (relating to failure to pay tax) is amended by adding at the end thereof the following new subsection:

"(g) SPECIAL RULE IN THE CASE OF INTEREST OR DIVIDEND PAYMENTS.—

"(1) IN GENERAL.—If—

"(A) any payment is shown on a return made by the payor under section 6042(a), 6044(a), or 6049(a), and

"(B) the payee fails to include any portion of such payment in gross income,

any portion of an underpayment attributable to such failure shall be treated, for purposes of subsection (a), as due to negligence in the absence of clear and convincing evidence to the contrary.

"(2) PENALTY TO APPLY ONLY TO PORTION OF UNDERPAYMENT DUE TO FAILURE TO INCLUDE INTEREST OR DIVIDEND PAYMENT.—If any penalty is imposed under subsection (a) by reason of paragraph (1), the amount of the penalty imposed by paragraph (1) of subsection (a) shall be 5 percent of the portion of the underpayment which is attributable to the failure described in paragraph (1)."

SEC. 107. CIVIL AND CRIMINAL PENALTIES ON FALSE INFORMATION WITH RESPECT TO BACKUP WITHHOLDING ON INTEREST AND DIVIDENDS.

26 USC 6682.

(a) CIVIL PENALTY.—Paragraph (1) of section 6682(a) (relating to civil penalty for false information with respect to withholding) is amended by inserting "or section 3406" after "section 3402".

96 Stat. 588.
26 USC 7205.

(b) CRIMINAL PENALTY.—Section 7205 (relating to fraudulent withholding exemption certificate or failure to supply information) is amended—

(1) by striking out "Any individual" and inserting in lieu thereof "(a) WITHHOLDING ON WAGES.—Any individual", and

(2) by adding at the end thereof the following new subsection:

"(b) BACKUP WITHHOLDING ON INTEREST AND DIVIDENDS.—If any individual willfully makes—

"(1) any false certification or affirmation on any statement required by a payor in order to meet the due diligence requirements of section 6676(b), or *Ante*, p. 380.

"(2) a false certification under paragraph (1) or (2)(C) of section 3406(d), *Ante*, p. 371.

then such individual shall, in lieu of any other penalty provided by law (except the penalty provided by section 6682), upon conviction thereof, be fined not more than $1,000, or imprisoned not more than 1 year, or both."

SEC. 108. SEPARATE MAILING OF 1099.

(a) INTEREST.—Section 6049(c)(2) (relating to time statement must be furnished) is amended to read as follows: *Ante*, p. 371.

"(2) TIME AND FORM OF STATEMENT.—The written statement under paragraph (1)—

"(A) shall be furnished (either in person or in a separate mailing by first-class mail) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and

"(B) shall be in such form as the Secretary may prescribe by regulations."

(b) DIVIDENDS.—The second sentence of section 6042(c) (relating to time statement must be furnished) is amended to read as follows: "The written statement required under the preceding sentence shall be furnished (either in person or in a separate mailing by first-class mail) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and shall be in such form as the Secretary may prescribe by regulations." 96 Stat. 587. 26 USC 6042.

(c) PATRONAGE DIVIDENDS.—The second sentence of section 6044(e) (relating to time statement must be furnished) is amended to read as follows: "The written statement required under the preceding sentence shall be furnished (either in person or in a separate mailing by first-class mail) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and shall be in such form as the Secretary may prescribe by regulations." 96 Stat. 588. 26 USC 6044.

SEC. 109. RETURNS ON MAGNETIC TAPE.

(a) CERTAIN RETURNS MUST BE ON MAGNETIC TAPE.—Subsection (e) of section 6011 (relating to regulations requiring returns on magnetic tape, etc.) is amended to read as follows: 96 Stat. 610. 26 USC 6011.

"(e) REGULATIONS REQUIRING RETURNS ON MAGNETIC TAPE, ETC.—

"(1) IN GENERAL.—The Secretary shall prescribe regulations providing standards for determining which returns must be filed on magnetic media or in other machine-readable form. The Secretary may not require returns of any tax imposed by subtitle A on individuals, estates, and trusts to be other than on paper forms supplied by the Secretary. In prescribing such regulations, the Secretary shall take into account (among other relevant factors) the ability of the taxpayer to comply at reasonable cost with such a filing requirement. 26 USC 1.

"(2) CERTAIN RETURNS MUST BE FILED ON MAGNETIC MEDIA.—

"(A) IN GENERAL.—In the case of any person who is required to file returns under sections 6042(a), 6044(a), and

Ante, p. 370.

6049(a) with respect to more than 50 payees for any calendar year, all returns under such sections shall be on magnetic media.

"(B) HARDSHIP EXCEPTION.—Subparagraph (A) shall not apply to any person for any period if such person establishes to the satisfaction of the Secretary that its application to such person for such period would result in undue hardship."

26 USC 6011 note.

(b) STUDY OF WAGE RETURNS ON MAGNETIC TAPE.—

(1) STUDY.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, shall conduct a study of the feasibility of requiring persons to file, on magnetic media, returns under section 6011 of the Internal Revenue Code of 1954 containing information described in section 6051(a) of such Code (relating to W-2s).

26 USC 6011.

96 Stat. 1731.
26 USC 6051.

(2) REPORT TO CONGRESS.—Not later than July 1, 1984, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the results of the study conducted under paragraph (1).

26 USC 31 note.

SEC. 110. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this title shall apply with respect to payments made after December 31, 1983.

(b) SECTION 102.—The amendments made by section 102 shall take effect as of the close of June 30, 1983.

(c) SECTIONS 104(b) AND 107.—The amendments made by sections 104(b) and 107 shall take effect on the date of the enactment of this Act.

Caribbean Basin Economic Recovery Act.

TITLE II—CARIBBEAN BASIN INITIATIVE

19 USC 2701 note.

SEC. 201. SHORT TITLE.

This title may be cited as the "Caribbean Basin Economic Recovery Act".

Subtitle A—Duty-Free Treatment

19 USC 2701.

SEC. 211. AUTHORITY TO GRANT DUTY-FREE TREATMENT.

The President may proclaim duty-free treatment for all eligible articles from any beneficiary country in accordance with the provisions of this title.

19 USC 2702.

SEC. 212. BENEFICIARY COUNTRY.

Definitions.

(a)(1) For purposes of this title—

(A) The term "beneficiary country" means any country listed in subsection (b) with respect to which there is in effect a proclamation by the President designating such country as a beneficiary country for purposes of this title. Before the President designates any country as a beneficiary country for purposes of this title, he shall notify the House of Representatives and the Senate of his intention to make such designation, together with the considerations entering into such decision.

Designation, notification of Congress.

(B) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(C) The term "TSUS" means Tariff Schedules of the United States (19 U.S.C. 1202).

(2) If the President has designated any country as a beneficiary country for purposes of this title, he shall not terminate such designation (either by issuing a proclamation for that purpose or by issuing a proclamation which has the effect of terminating such designation) unless, at least sixty days before such termination, he has notified the House of Representatives and the Senate and has notified such country of his intention to terminate such designation, together with the considerations entering into such decision. Termination, notification of Congress.

(b) In designating countries as "beneficiary countries" under this title the President shall consider only the following countries and territories or successor political entities: Eligible countries.

Anguilla
Antigua and Barbuda
Bahamas, The
Barbados
Belize
Costa Rica
Dominica
Dominican Republic
El Salvador
Grenada
Guatemala
Guyana
Haiti
Honduras
Jamaica
Nicaragua
Panama
Saint Lucia
Saint Vincent and the Grenadines
Suriname
Trinidad and Tobago
Cayman Islands
Montserrat
Netherlands Antilles
Saint Christopher-Nevis
Turks and Caicos Islands
Virgin Islands, British

In addition, the President shall not designate any country a beneficiary country under this title— Restrictions.

(1) if such country is a Communist country;

(2) if such country— Seizure of U.S. property.

(A) has nationalized, expropriated or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens,

(B) has taken steps to repudiate or nullify—

(i) any existing contract or agreement with, or

(ii) any patent, trademark, or other intellectual property of,

a United States citizen or a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property, unless the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

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(ii) good-faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or

(iii) a dispute involving such citizen, corporation, partnership, or association, over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, and

Determination submittal to Congress.

promptly furnishes a copy of such determination to the Senate and House of Representatives;

(3) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 per centum or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute;

(4) if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated or that action will be taken to assure that there will be no such significant adverse effect, and he reports those assurances to the Congress;

(5) if a government-owned entity in such country engages in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent;

(6) if such country does not take adequate steps to cooperate with the United States to prevent narcotic drugs and other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812)) produced, processed, or transported in such country from entering the United States unlawfully; and

(7) unless such country is a signatory to a treaty, convention, protocol, or other agreement regarding the extradition of United States citizens.

Determinations based on U.S. national interest, report to Congress.

Paragraphs (1), (2), (3), and (5) shall not prevent the designation of any country as a beneficiary country under this Act if the President determines that such designation will be in the national economic or security interest of the United States and reports such determination to the Congress with his reasons therefor.

Designation criteria.

(c) In determining whether to designate any country a beneficiary country under this title, the President shall take into account—

(1) an expression by such country of its desire to be so designated;

(2) the economic conditions in such country, the living standards of its inhabitants, and any other economic factors which he deems appropriate;

(3) the extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country;

(4) the degree to which such country follows the accepted rules of international trade provided for under the General Agreement on Tariffs and Trade, as well as applicable trade agreements approved under section 2(a) of the Trade Agreements Act of 1979; 19 USC 2503.

(5) the degree to which such country uses export subsidies or imposes export performance requirements or local content requirements which distort international trade;

(6) the degree to which the trade policies of such country as they relate to other beneficiary countries are contributing to the revitalization of the region;

(7) the degree to which such country is undertaking self-help measures to promote its own economic development;

(8) the degree to which workers in such country are afforded reasonable workplace conditions and enjoy the right to organize and bargain collectively;

(9) the extent to which such country provides under its law adequate and effective means for foreign nationals to secure, exercise, and enforce exclusive rights in intellectual property, including patent, trademark, and copyright rights;

(10) the extent to which such country prohibits its nationals from engaging in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent; and

(11) the extent to which such country is prepared to cooperate with the United States in the administration of the provisions of this title.

(d) General headnote 3(a) of the TSUS (relating to products of the insular possessions) is amended by adding at the end thereof the following paragraph: U.S. insular possessions. 19 USC 1202.

"(iv) Subject to the provisions in section 213 of the Caribbean Basin Economic Recovery Act, articles which are imported from insular possessions of the United States shall receive duty treatment no less favorable than the treatment afforded such articles when they are imported from a beneficiary country under such Act.". *Infra.*

(e) The President shall, after complying with the requirements of subsection (a)(2), withdraw or suspend the designation of any country as a beneficiary country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary country under subsection (b). Withdrawal or suspension. 19 USC 2702.

SEC. 213. ELIGIBLE ARTICLES. 19 USC 2703.

(a)(1) Unless otherwise excluded from eligibility by this title, the duty-free treatment provided under this title shall apply to any article which is the growth, product, or manufacture of a beneficiary country if—

(A) that article is imported directly from a beneficiary country into the customs territory of the United States; and

(B) the sum of (i) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries, plus (ii) the direct costs of processing operations performed in a beneficiary country or countries is not less than 35 per centum of the appraised value of such article at the time it is entered. Appraised value.

For purposes of determining the percentage referred to in subparagraph (B), the term "beneficiary country" includes the Common-

wealth of Puerto Rico and the United States Virgin Islands. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed 15 per centum of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (B).

Regulations.

(2) The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under this title, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country; but no article or material of a beneficiary country shall be eligible for such treatment by virtue of having merely undergone—

(A) simple combining or packaging operations, or

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

"Direct costs of processing operations."

(3) As used in this subsection, the phrase "direct costs of processing operations" includes, but is not limited to—

(A) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (i) profit, and (ii) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions or expenses.

Exceptions.

(b) The duty-free treatment provided under this title shall not apply to—

(1) textile and apparel articles which are subject to textile agreements;

(2) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

19 USC 2461.

(3) tuna, prepared or preserved in any manner, in airtight containers;

(4) petroleum, or any product derived from petroleum, provided for in part 10 of schedule 4 of the TSUS; or

19 USC 1202.

(5) watches and watch parts (including cases, bracelets and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which TSUS column 2 rates of duty apply.

(c)(1) As used in this subsection—

"Sugar and beef products."

(A) The term "sugar and beef products" means—

(i) sugars, sirups, and molasses provided for in items 155.20 and 155.30 of the TSUS, and

19 USC 1202.

(ii) articles of beef or veal, however provided for in subpart B of part 2 of schedule 1 of the TSUS.

"Plan."

(B) The term "Plan" means a stable food production plan that consists of measures and proposals designed to ensure that the present level of food production in, and the nutritional level of the population of, a beneficiary country will not be adversely affected by changes in land use and land ownership that will result if increased production of sugar and beef products is undertaken in response to the duty-free treatment extended under this title to such products. A Plan must specify such facts regarding, and such proposed actions by, a beneficiary country as the President deems necessary for purposes of carrying out this subsection, including but not limited to—

(i) the current levels of food production and nutritional health of the population;

(ii) current level of production and export of sugar and beef products;

(iii) expected increases in production and export of sugar and beef products as a result of the duty-free access to the United States market provided under this title;

(iv) measures to be taken to ensure that the expanded production of those products because of such duty-free access will not occur at the expense of stable food production; and

(v) proposals for a system to monitor the impact of such duty-free access on stable food production and land use and land ownership patterns.

Suspension.

(2) Duty-free treatment extended under this title to sugar and beef products that are the product of a beneficiary country shall be suspended by the President under this subsection if—

(A) the beneficiary country, within the ninety-day period beginning on the date of its designation as such a country under section 212, does not submit a Plan to the President for evaluation;

Ante, p. 384.

(B) on the basis of his evaluation, the President determines that the Plan of a beneficiary country does not meet the criteria set forth in paragraph (1)(B); or

(C) as a result of the monitoring of the operation of the Plan under paragraph (5), the President determines that a beneficiary country is not making a good faith effort to implement its Plan, or that the measures and proposals in the Plan, although being implemented, are not achieving their purposes.

Consultation with beneficiary country.

(3) Before the President suspends duty-free treatment by reason of paragraph (2) (A), (B), or (C) to the sugar and beef products of a beneficiary country, he must offer to enter into consultation with the beneficiary country for purposes of formulating appropriate remedial action which may be taken by that country to avoid such suspension. If the beneficiary country thereafter enters into consultation within a reasonable time and undertakes to formulate remedial action in good faith, the President shall withhold the suspension of duty-free treatment on the condition that the remedial action agreed upon be appropriately implemented by that country.

Plan monitoring, report to Congress.

(4) The President shall monitor on a biennial basis the operation of the Plans implemented by beneficiary countries, and shall submit a written report to Congress by March 15 following the close of each biennium, that—

(A) specifies the extent to which each Plan, and remedial actions, if any, agreed upon under paragraph (4), have been implemented; and

(B) evaluates the results of such implementation.

(5) The President shall terminate any suspension of duty-free treatment imposed under this subsection if he determines that the beneficiary country has taken appropriate action to remedy the factors on which the suspension was based.

Sugars, sirups, and molasses.

(d) For such period as there is in effect a proclamation issued by the President pursuant to the authority vested in him by section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to protect a price-support program for sugar beets and sugar cane, the importation and duty-free treatment of sugars, sirups, and molasses classified under items 155.20 and 155.30 of the TSUS shall be governed in the following manner:

19 USC 1202.

(1)(A) For all beneficiary countries, except those subject to subparagraph (B) and paragraph (2), duty-free treatment shall be provided in the same manner as it is provided pursuant to title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.), at the time of the effective date of this title; except that the President upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the value limitation provided for in section 504(c)(1) of the Trade Act of 1974 on the duty-free treatment afforded to beneficiary countries under this section if he finds that such adjustment will not interfere with the price support program for sugar beets and sugar cane and is appropriate in light of market conditions.

19 USC 2464.

(B) As an alternative to subparagraph (A), the President may at the request of a beneficiary country not subject to paragraph (2) and upon the recommendation of the Secretary of Agriculture, elect to permit sugar, sirups, and molasses from that country to enter duty-free during a calendar year subject to quantitative limitations to be established by the President on the quantity of sugar, sirups, and molasses entered from that country.

(2) For the following countries whose exports of sugar, sirups, and molasses in 1981 were not eligible for duty-free treatment because of the operation of section 504(c) of the Trade Act of 1974, the quantity of sugar, sirups, and molasses which may be entered in any calendar year shall be limited to no more than the quantity specified below:

Metric tons:	
Dominican Republic	780,000
Guatemala	210,000
Panama	160,000

Such sugar, sirups, and molasses shall be admitted free of duty, except as provided for in paragraph (3).

(3) The President, upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the quantitative limitations imposed under paragraph (1)(B) or (2) if he determines such action will not interfere with the price support program for sugar beets and sugar cane and is appropriate in

light of market conditions. The President, upon the recommendation of the Secretary of Agriculture, may suspend the duty-free treatment for all or part of the quantity of sugar, sirups, and molasses permitted to be entered by paragraphs (1)(B) and (2) if such action is necessary to protect the price-support program for sugar beets and sugar cane.

(4) Any quantitative limitation imposed on a beneficiary country under paragraphs (1)(B) and (2) shall apply only to the extent that such limitation permits a lesser quantity of sugar, sirups, and molasses to be entered from that country than the quantity that would be permitted to be entered under any other provision of law.

Suspension.

(e)(1) The President may by proclamation suspend the duty-free treatment provided by this title with respect to any eligible article and may proclaim a duty rate for such article if such action is proclaimed pursuant to section 203 of the Trade Act of 1974 or section 232 of the Trade Expansion Act of 1962.

19 USC 2253.
19 USC 1862.

(2) In any report by the International Trade Commission to the President under section 201(d)(1) of the Trade Act of 1974 regarding any article for which duty-free treatment has been proclaimed by the President pursuant to this title, the Commission shall state whether and to what extent its findings and recommendations apply to such article when imported from beneficiary countries.

19 USC 2251.

(3) For purposes of subsections (a) and (c) of section 203 of the Trade Act of 1974, the suspension of the duty-free treatment provided by this title shall be treated as an increase in duty.

19 USC 2253.

(4) No proclamation which provides solely for a suspension referred to in paragraph (3) of this subsection with respect to any article shall be made under subsections (a) and (c) of section 203 of the Trade Act of 1974 unless the United States International Trade Commission, in addition to making an affirmative determination with respect to such article under section 201(b) of the Trade Act of 1974, determines in the course of its investigation under section 201(b) of such Act that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the duty-free treatment provided by this title.

19 USC 2251.

(5)(A) Any proclamation issued pursuant to section 203 of the Trade Act of 1974 that is in effect when duty-free treatment pursuant to section 101 of this title is proclaimed shall remain in effect until modified or terminated.

19 USC 2253.

(B) If any article is subject to import relief at the time duty-free treatment is proclaimed pursuant to section 211, the President may reduce or terminate the application of such import relief to the importation of such article from beneficiary countries prior to the otherwise scheduled date on which such reduction or termination would occur pursuant to the criteria and procedures of subsections (h) and (i) of section 203 of the Trade Act of 1974.

Ante, p. 384.
19 USC 2253.

Emergency relief, petition filing.

(f)(1) If a petition is filed with the International Trade Commission pursuant to the provisions of section 201 of the Trade Act of 1974 regarding a perishable product and alleging injury from imports from beneficiary countries, then the petition may also be filed with the Secretary of Agriculture with a request that emergency relief be granted pursuant to paragraph (3) of this subsection with respect to such article.

19 USC 2251.

(2) Within fourteen days after the filing of a petition under paragraph (1) of this subsection—

Recommendation to the President.

(A) if the Secretary of Agriculture has reason to believe that a perishable product from a beneficiary country is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product and that emergency action is warranted, he shall advise the President and recommend that the President take emergency action; or

Notice.

(B) the Secretary of Agriculture shall publish a notice of his determination not to recommend the imposition of emergency action and so advise the petitioner.

Proclamation.

(3) Within seven days after the President receives a recommendation from the Secretary of Agriculture to take emergency action pursuant to paragraph (2) of this subsection, he shall issue a proclamation withdrawing the duty-free treatment provided by this title or publish a notice of his determination not to take emergency action.

(4) The emergency action provided by paragraph (3) of this subsection shall cease to apply—

(A) upon the proclamation of import relief pursuant to section 202(a)(1) of the Trade Act of 1974,

19 USC 2252.

(B) on the day the President makes a determination pursuant to section 203(b)(2) of such Act not to impose import relief,

19 USC 2253.

(C) in the event of a report of the United States International Trade Commission containing a negative finding, on the day the Commission's report is submitted to the President, or

(D) whenever the President determines that because of changed circumstances such relief is no longer warranted.

"Perishable product."

(5) For purposes of this subsection, the term "perishable product" means—

(A) live plants provided for in subpart A of part 6 of schedule 1 of the TSUS;

19 USC 1202.

(B) fresh or chilled vegetables provided for in items 135.10 through 138.42 of the TSUS;

(C) fresh mushrooms provided for in item 144.10 of the TSUS;

(D) fresh fruit provided for in items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21 and 149.50 of the TSUS;

(E) fresh cut flowers provided for in items 192.17, 192.18, and 192.21 of the TSUS; and

(F) concentrated citrus fruit juice provided for in items 165.25 and 165.35 of the TSUS.

(g) No proclamation issued pursuant to this title shall affect fees imposed pursuant to section 22 of the Agricultural Adjustment Act (7 U.S.C. 624).

SEC. 214. MEASURES FOR PUERTO RICO AND UNITED STATES INSULAR POSSESSIONS.

19 USC 1202.

(a) Effective with respect to articles entered on or after the effective date of this Act, general headnote 3(a) of the TSUS is amended—

(1) by amending clause (i)—

(A) by striking out "50 percent" and inserting in lieu thereof "70 percent", and

(B) by inserting after "total value", "(or more than 50 percent of their total value with respect to articles de-

scribed in section 213(b) of the Caribbean Basin Economic Recovery Act)"; and

Ante, p. 387.

(2) by amending clause (ii) by striking out "50 percent" and inserting in lieu thereof "70 percent".

(b) Item 813.31 of the TSUS is amended by striking out "4 liters" and inserting in lieu thereof "5 liters", and by inserting after "United States,", "and not more than 4 liters of which shall have been produced elsewhere than in such insular possessions,".

19 USC 1202.

(c) If the sum of the amounts of taxes covered into the treasuries of Puerto Rico or the United States Virgin Islands pursuant to section 7652(c) of the Internal Revenue Code of 1954 is reduced below the amount that would have been covered over if the imported rum had been produced in Puerto Rico or the United States Virgin Islands, then the President shall consider compensation measures and, in this regard, may withdraw the duty-free treatment on rum provided by this title. The President shall submit a report to the Congress on the measures he takes.

19 USC 2703 note.

Post, p. 395.

Report to Congress.

(d) Section 1112 of the Trade Agreements Act of 1979 (19 U.S.C. 2582) is repealed.

Repeal.

(e) No action pursuant to this title may affect any tariff duty imposed by the Legislature of Puerto Rico pursuant to section 319 of the Tariff Act of 1930 (19 U.S.C. 1319) on coffee imported into Puerto Rico.

Coffee tariff. 19 USC 1319 note.

(f) For purposes of chapter 1 of title II of the Trade Act of 1974, the term "industry" shall include producers located in the United States insular possessions.

"Industry." 19 USC 2251 note.

(g) Any discharge from a point source in the United States Virgin Islands in existence on the date of the enactment of this subsection which discharge is attributable to the manufacture of rum (as defined in paragraphs (3) of section 7652(c) of the Internal Revenue Code of 1954) shall not be subject to the requirements of section 301 (other than toxic pollutant discharges), section 306 or section 403 of the Federal Water Pollution Control Act if—

33 USC 1311 note.

Post, p. 395.

33 USC 1311, 1316, 1343.

(1) such discharge occurs at least one thousand five hundred feet into the territorial sea from the line of ordinary low water from that portion of the coast which is in direct contact with the sea, and

(2) the Governor of the United States Virgin Islands determines that such discharge will not interfere with the attainment or maintenance of that water quality which shall assure protection of public water supplies, and the protection and propagation of a balanced population of shellfish, fish, and wildlife, and allow recreational activities, in and on the water and will not result in the discharge of pollutants in quantities which may reasonably be anticipated to pose an unacceptable risk to human health or the environment because of bioaccumulation, persistency in the environment, acute toxicity, chronic toxicity (including carcinogenicity, mutagenicity, or teratogenicity), or synergistic propensities.

SEC. 215. INTERNATIONAL TRADE COMMISSION REPORTS ON IMPACT OF THIS ACT.

19 USC 2704.

(a) The United States International Trade Commission (hereinafter in this section referred to as the "Commission") shall prepare, and submit to the Congress and to the President, a report regarding the economic impact of this Act on United States industries and consumers during—

Submittal to Congress and President.

(1) the twenty-four-month period beginning with the date of enactment of this Act; and

(2) each calendar year occurring thereafter until duty-free treatment under this title is terminated under section 216(b). For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States shall be considered to be United States industries.

Infra.

Assessment.

(b)(1) Each report required under subsection (a) shall include, but not be limited to, an assessment by the Commission regarding—

(A) the actual effect, during the period covered by the report, of this Act on the United States economy generally as well as on those specific domestic industries which produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries; and

(B) the probable future effect which this Act will have on the United States economy generally, as well as on such domestic industries, before the provisions of this Act terminate.

(2) In preparing the assessments required under paragraph (1), the Commission shall, to the extent practicable—

(A) analyze the production, trade and consumption of United States products affected by this Act, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production; and

(B) describe the nature and extent of any significant change in employment, profit levels, and use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned, which it believes are attributable to this Act.

Submittal period.

(c)(1) Each report required under subsection (a) shall be submitted to the Congress and to the President before the close of the nine-month period beginning on the day after the last day of the period covered by the report.

Public comment.

(2) The Commission shall provide opportunity for the submission by the public, either orally or in writing, or both, of information relating to matters that will be addressed in the reports.

Report to Congress.
19 USC 2705.

SEC. 216. IMPACT STUDY BY SECRETARY OF LABOR.

The Secretary of Labor, in consulation with other appropriate Federal agencies, shall undertake a continuing review and analysis of the impact which the implementation of the provisions of this title have with respect to United States labor; and shall make an annual written report to Congress on the results of such review and analysis.

SEC. 217. FEASIBILITY STUDY REGARDING A CARIBBEAN TRADE INSTITUTE.

(a) The Secretary of State shall prepare a study regarding the feasibility of establishing a Caribbean Trade Institute in Harlem, New York City, supported by a combination of Federal and private funds.

(b) The study shall include, but not be limited to, an assessment of the extent to which, and the means by which, a Caribbean Trade Institute could—

(1) facilitate cooperation between public and private entities interested in engaging in or furthering Caribbean trade;

(2) serve as a catalyst for greater cultural exchange between the United States and Caribbean nations; and

(3) facilitate expansion of job opportunities both in the United States and the Caribbean Basin.

The study shall also include suggestions regarding the organization and staffing of such an institute.

(c) The study required by this section shall be submitted to the Congress within six months after the date of the enactment of this Act. Submittal to Congress.

SEC. 218. EFFECTIVE DATE OF SUBTITLE AND TERMINATION OF DUTY-FREE TREATMENT. 19 USC 2706.

(a) EFFECTIVE DATE.—This subtitle shall take effect on the date of the enactment of this Act.

(b) TERMINATION OF DUTY-FREE TREATMENT.—No duty-free treatment extended to beneficiary countries under this subtitle shall remain in effect after September 30, 1995.

Subtitle B—Tax Provisions

SEC. 221. PAYMENT OF EXCISE TAXES COLLECTED ON RUM TO PUERTO RICO AND THE UNITED STATES VIRGIN ISLANDS.

(a) IN GENERAL.—Section 7652 of the Internal Revenue Code of 1954 (relating to shipments to the United States) is amended by inserting after subsection (b) the following new subsection: 26 USC 7652.

"(c) SHIPMENTS OF RUM TO THE UNITED STATES.—

"(1) EXCISE TAXES ON RUM COVERED INTO TREASURIES OF PUERTO RICO AND VIRGIN ISLANDS.—All taxes collected under section 5001(a)(1) on rum imported into the United States (less the estimated amount necessary for payment of refunds and drawbacks) shall be covered into the treasuries of Puerto Rico and the Virgin Islands. 26 USC 5001.

"(2) SECRETARY PRESCRIBES FORMULA.—The Secretary shall, from time to time, prescribe by regulation a formula for the division of such tax collections between Puerto Rico and the Virgin Islands and the timing and methods for transferring such tax collections.

"(3) RUM DEFINED.—For purposes of this subsection, the term 'rum' means any article classified under item 169.13 or 169.14 of the Tariff Schedules of the United States (19 U.S.C. 1202).

"(4) COORDINATION WITH SUBSECTIONS (a) AND (b).—Paragraph (1) shall not apply with respect to any rum subject to tax under subsection (a) or (b).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles imported into the United States after June 30, 1983. 26 USC 7652 note.

SEC. 222. TREATMENT OF CARIBBEAN CONVENTIONS, ETC.

(a) GENERAL RULE.—Subsection (h) of section 274 of the Internal Revenue Code of 1954 (relating to attendance at conventions, etc.) is amended by adding at the end thereof the following new paragraph: 26 USC 274.

"(6) TREATMENT OF CONVENTIONS IN CERTAIN CARIBBEAN COUNTRIES.—

"North American area."

"(A) IN GENERAL.—For purposes of this subsection, the term 'North American area' includes, with respect to any convention, seminar, or similar meeting, any beneficiary country if (as of the time such meeting begins)—

"(i) there is in effect a bilateral or multilateral agreement described in subparagraph (C) between such country and the United States providing for the exchange of information between the United States and such country, and

"(ii) there is not in effect a finding by the Secretary that the tax laws of such country discriminate against conventions held in the United States.

"(B) BENEFICIARY COUNTRY.—For purposes of this paragraph, the term 'beneficiary country' has the meaning given to such term by section 212(a)(1)(A) of the Caribbean Basin Economic Recovery Act; except that such term shall include Bermuda.

Ante, p. 384.

"(C) AUTHORITY TO CONCLUDE EXCHANGE OF INFORMATION AGREEMENTS.—

"(i) IN GENERAL.—The Secretary is authorized to negotiate and conclude an agreement for the exchange of information with any beneficiary country. Except as provided in clause (ii), an exchange of information agreement shall provide for the exchange of such information (not limited to information concerning nationals or residents of the United States or the beneficiary country) as may be necessary or appropriate to carry out and enforce the tax laws of the United States and the beneficiary country (whether criminal or civil proceedings), including information which may otherwise be subject to nondisclosure provisions of the local law of the beneficiary country such as provisions respecting bank secrecy and bearer shares. The exchange of information agreement shall be terminable by either country on reasonable notice and shall provide that information received by either country will be disclosed only to persons or authorities (including courts and administrative bodies) involved in the administration or oversight of, or in the determination of appeals in respect of, taxes of the United States or the beneficiary country and will be used by such persons or authorities only for such purposes.

"(ii) NONDISCLOSURE OF QUALIFIED CONFIDENTIAL INFORMATION SOUGHT FOR CIVIL TAX PURPOSES.—An exchange of information agreement need not provide for the exchange of qualified confidential information which is sought only for civil tax purposes if—

"(I) the Secretary of the Treasury, after making all reasonable efforts to negotiate an agreement which includes the exchange of such information, determines that such an agreement cannot be negotiated but that the agreement which was negotiated will significantly assist in the administration and enforcement of the tax laws of the United States, and

"(II) the President determines that the agreement as negotiated is in the national security interest of the United States.

"(iii) QUALIFIED CONFIDENTIAL INFORMATION DEFINED.—For purposes of this subparagraph, the term 'qualified confidential information' means information which is subject to the nondisclosure provisions of any local law of the beneficiary country regarding bank secrecy or ownership of bearer shares.

"(iv) CIVIL TAX PURPOSES.—For purposes of this subparagraph, the determination of whether information is sought only for civil tax purposes shall be made by the requesting party.

"(D) COORDINATION WITH SECTION 6103.—Any exchange of information agreement negotiated under subparagraph (C) shall be treated as an income tax convention for purposes of section 6103(k)(4). 26 USC 6103.

"(E) DETERMINATIONS PUBLISHED IN THE FEDERAL REGISTER.—The following shall be published in the Federal Register—

"(i) any determination by the President under subparagraph (C)(ii) (including the reasons for such determination),

"(ii) any determination by the Secretary under subparagraph (C)(ii) (including the reasons for such determination), and

"(iii) any finding by the Secretary under subparagraph (A)(ii) (and any termination thereof)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to conventions, seminars, or other meetings which begin after June 30, 1983. 26 USC 274 note.

SEC. 223. REPORT WITH RESPECT TO USE OF CARIBBEAN BASIN TAX HAVENS.

The Secretary of the Treasury shall, not later than ninety days after the date of the enactment of this Act, report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on— Submittal to congressional committees.

(1) the level at which Caribbean Basin tax havens are being used to evade or avoid Federal taxes, and the effect on Federal revenues of such use,

(2) any information he may have on the relationship of such use to drug trafficking and other criminal activities, and

(3) current antitax haven enforcement activities of the Department of the Treasury.

Subtitle C—Sense of the Congress Regarding Sugar Imports

SEC. 231. SUGAR IMPORTS.

It is the sense of the Congress that sugar from any Communist country in the Caribbean Basin or in Central America should not be imported into the United States.

Approved August 5, 1983.

LEGISLATIVE HISTORY—H.R. 2973 (H.R. 500):

HOUSE REPORTS: No. 98-120 (Comm. on Ways and Means) and No. 98-325 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 129 (1983):

May 17, considered and passed House.
June 16, considered and passed Senate, amended.
July 14, House concurred in Senate amendment with an amendment.
July 28, House and Senate agreed to conference report.