

107TH CONGRESS
1ST SESSION

S. 759

To amend title 4 of the United States Code to prohibit a State from imposing a discriminatory tax on income earned within such State by nonresidents of such State.

IN THE SENATE OF THE UNITED STATES

APRIL 24, 2001

Mr. SMITH of New Hampshire introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 4 of the United States Code to prohibit a State from imposing a discriminatory tax on income earned within such State by nonresidents of such State.

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 “Nonresident Income
5 Tax Freedom Act of 2001”.

1 **SEC. 2. PROHIBITION ON IMPOSITION OF INCOME TAXES**2 **BY STATES ON NONRESIDENTS.**

3 (a) IN GENERAL.—Chapter 4 of title 4, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 **“§ 116. Prohibition on imposition of income taxes by**7 **States on nonresidents**

8 “Except to the extent otherwise provided in any vol-
9 untary compact between or among States, a State or polit-
10 ical subdivision thereof may not impose a tax on income
11 earned within such State or political subdivision by non-
12 residents of such State.”.

13 (b) CONFORMING AMENDMENT.—The table of sec-
14 tions for chapter 4 of title 4, United States Code, is
15 amended by adding at the end the following:

“116. Prohibition on imposition of income taxes by States on nonresidents.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years ending after the
18 date of enactment of this Act.

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