DESCRIPTION OF THE CHAIRMAN'S MODIFICATION TO THE "U.S. – PANAMA TRADE PROMOTION AGREEMENT IMPLEMENTATION ACT"

Scheduled for Markup
by the
Senate Committee on Finance
on June 30, 2011

A. Extension of Customs User Fees

Present Law

Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA")[1] authorized the Secretary of the Treasury to collect certain service fees. Section 412 of the Homeland Security Act of 2002[2] authorized the Secretary of the Treasury to delegate such authority to the Secretary of Homeland Security. Provided for under 19 U.S.C. 58c, 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. COBRA was amended on several occasions. The current authorization for the collection of the passenger and conveyance processing fees is through January 7, 2020. The current authorization for the collection of the merchandise processing fees is through January 14, 2020.[3]

Description of Proposal

The proposal extends the passenger and conveyance processing fees authorized under section 13031(j)(3)(B)(i) of COBRA from September 1, 2021, through September 30, 2021.

Effective Date

The proposal is effective on the date of enactment.

1 Pub. L. No. 99-272.

2 Pub. L. No. 107-296.

3 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. Time for Payment of Corporate Estimated Taxes[4]

Present Law

In general, corporations are required to make quarterly estimated tax payments of their income tax liability.[5] 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. In the case of a corporation with assets of at least $1 billion (determined as of the end of the preceding taxable year):

(i) payments due in July, August, or September, 2014, are increased to 174.25 percent of the payment otherwise due;[6]

(ii) payments due in July, August or September, 2015, are increased to 163.75 percent of the payment otherwise due;[7] and

(iii) payments due in July, August or September, 2019, are increased to 106.50 percent of the payment otherwise due.[8]

For each of the periods impacted, the next required payment is reduced accordingly.

[4] This section was prepared by the staff of the Joint Committee on Taxation.

[5] Sec. 6655 of the Internal Revenue Code.

[6] Haiti Economic Lift Program of 2010, Pub. L. No. 111-171, sec. 12(a); Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, sec. 1410; Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, sec. 561, (1); Act to extend the Generalized System of Preferences and the Andean Trade Preference Act, and for other purposes, Pub. L. No. 111-124, sec. 4; Worker, Homeownership, and Business Assistance Act of 2009, Pub. L. No. 111-92, sec. 18; Joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes, Pub. L. No. 111-42, sec. 202(b)(1).

[7] Omnibus Trade Act of 2010, Pub. L. No. 111-344, sec. 10002; Small Business Jobs Act of 2010, Pub. L. No. 111-240, sec. 2131; Firearms Excise Tax Improvements Act of 2010, Pub. L. No. 111-237, sec. 4(a); United States Manufacturing Enhancement Act of 2010, Pub. L. No. 111-227, sec. 4002; Joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes, No. 111-210, sec. 3; Haiti Economic Lift Program of 2010, Pub. L. No. 111-171, sec. 12(b); Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, sec. 561, (2).

[8] Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, sec. 561, (3).

Description of Proposal

The proposal increases the amount of the required installment of estimated tax otherwise due in July, August, or September, 2016, by .25 percent of such amount (determined without regard to any increase in such amount not contained in the Internal Revenue Code) as well as the amount of the required installment of estimated tax otherwise due in July, August, or September, 2019, by .25 percent of such amount (determined without regard to any increase in such amount not contained in the Internal Revenue Code). For each of the periods impacted, the next required installment is reduced accordingly.

Effective Date

The proposal is effective on the date of enactment of the bill.