

105TH CONGRESS
1ST SESSION

H. CON. RES. 51

Expressing the sense of the Congress that there should be parity among the countries that are parties to the North American Free Trade Agreement (NAFTA) with respect to the personal allowance for duty-free merchandise purchased abroad by returning residents.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 1997

Mr. BONILLA (for himself, Mr. ORTIZ, Mr. SKEEN, Mr. BALDACCI, and Mr. REYES) submitted the following concurrent resolution; which was referred to the Committee on Ways and Means

CONCURRENT RESOLUTION

Expressing the sense of the Congress that there should be parity among the countries that are parties to the North American Free Trade Agreement (NAFTA) with respect to the personal allowance for duty-free merchandise purchased abroad by returning residents.

Whereas the duty-free allowance for returning residents is an important element of trade and tourism;

Whereas the United States provides each United States resident who is returning from Mexico after a stay of any duration a personal exemption from duty on merchandise valued at up to \$400 once every 30 days (or up to \$200 if the individual has claimed an exemption within 30 days before his or her arrival in the United States), including

in both instances one liter of liquor or wine and 200 cigarettes or 100 cigars;

Whereas Mexico has a 2-tiered duty-free allowance for its returning residents, set at the equivalent of \$50 for “frontier” residents of a 25 kilometer strip along Mexico’s northern border and the equivalent of \$300 for residents who live in the interior of Mexico;

Whereas interior residents of Mexico are also permitted up to 3 liters of wine, beer, or liquor and up to 20 individual boxes of cigarettes or 50 cigars or 250 grams of tobacco;

Whereas Canada provides each returning Canadian resident absent for more than 7 days a duty-free allowance on merchandise valued at up to the equivalent of \$350; after an absence of 48 hours, a returning Canadian resident has a duty-free allowance of the equivalent of \$140 and after an absence of 24 hours the Canadian allowance is the equivalent of \$35; and Canadian residents returning after an absence of at least 48 hours are also provided a duty-free allowance for 1.14 liters of liquor or wine or 24 12-ounce bottles of beer or ale, and 50 cigars, 200 cigarettes, 200 grams of manufactured tobacco, or 200 tobacco sticks;

Whereas in 1995 Mexico announced that duty-free stores will be established at multiple locations on the Mexican side of the United States-Mexico border, which will sell their merchandise to United States residents traveling to Mexico and will benefit from the generous United States duty-free allowance afforded to its residents;

Whereas with the advent of duty-free stores on the Mexican side of the border serving United States residents, the in-

equity between the duty-free allowances of the 2 countries is further exacerbated, placing United States retail establishments who service Mexican residents at an unfair competitive advantage;

Whereas the United States entered into the North American Free Trade Agreement (NAFTA) with Mexico and Canada with the intent of phasing out tariff barriers among the 3 countries; and

Whereas it violates the spirit of the NAFTA for the countries to maintain restrictive duty-free allowance policies which are not reciprocal: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring), That—*

3 (1) the United States Trade Representative and
4 the Secretary of the Treasury, in consultation with
5 the Secretary of Commerce, should initiate discus-
6 sions with officials of the Governments of Mexico
7 and Canada to achieve parity in the duty-free allow-
8 ance structure of the United States, Mexico, and
9 Canada; and

10 (2) in the event that parity in the duty-free al-
11 lowances of the 3 countries is not reached within 1
12 year after the date on which this concurrent resolu-
13 tion is adopted, the United States Trade Represent-
14 ative and the Secretary of the Treasury should sub-
15 mit recommendations to the Congress on whether
16 legislative changes are necessary to bring the United

- 1 States duty-free allowance to a lower amount to con-
- 2 form to the allowance levels established in the other
- 3 countries that are parties to the NAFTA.

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