

# Calendar No. 213

106TH CONGRESS  
1ST SESSION

# S. 1388

To extend the Generalized System of Preferences.

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IN THE SENATE OF THE UNITED STATES

JULY 16, 1999

Mr. ROTH, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

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## A BILL

To extend the Generalized System of Preferences.

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. EXTENSION OF DUTY-FREE TREATMENT**  
4                   **UNDER GENERALIZED SYSTEM OF PREF-**  
5                   **ERENCES.**

6       (a) IN GENERAL.—Section 505 of the Trade Act of  
7 1974 (19 U.S.C. 2465) is amended by striking “June 30,  
8 1999” and inserting “June 30, 2004”.

9       (b) EFFECTIVE DATE.—

1           (1) IN GENERAL.—The amendment made by  
2 this section applies to articles entered on or after the  
3 date of the enactment of this Act.

4           (2) RETROACTIVE APPLICATION FOR CERTAIN  
5 LIQUIDATIONS AND RELIQUIDATIONS.—

6           (A) GENERAL RULE.—Notwithstanding  
7 section 514 of the Tariff Act of 1930 or any  
8 other provision of law, and subject to paragraph  
9 (3), any entry—

10           (i) of an article to which duty-free  
11 treatment under title V of the Trade Act  
12 of 1974 would have applied if such entry  
13 had been made on June 30, 1999, and

14           (ii) that was made—

15           (I) after June 30, 1999, and

16           (II) before the date of enactment

17           of this Act,

18 shall be liquidated or reliquidated as free of  
19 duty, and the Secretary of the Treasury shall  
20 refund any duty paid with respect to such  
21 entry.

22           (B) ENTRY.—As used in this paragraph,  
23 the term “entry” includes a withdrawal from  
24 warehouse for consumption.

1           (3) REQUESTS.—Liquidation or reliquidation  
2           may be made under paragraph (2) with respect to  
3           an entry only if a request therefor is filed with the  
4           Customs Service, within 180 days after the date of  
5           enactment of this Act, that contains sufficient infor-  
6           mation to enable the Customs Service—

7                       (A) to locate the entry, or

8                       (B) to reconstruct the entry if it cannot be  
9           located.

10 **SEC. 2. ENTRY PROCEDURES FOR FOREIGN TRADE ZONE**  
11 **OPERATIONS.**

12           (a) IN GENERAL.—Section 484 of the Tariff Act of  
13 1930 (19 U.S.C. 1484) is amended by adding at the end  
14 the following new subsection:

15           “(i) SPECIAL RULE FOR FOREIGN TRADE ZONE  
16 OPERATIONS.—

17                       “(1) IN GENERAL.—Notwithstanding any other  
18           provision of law and except as provided in paragraph  
19           (3), all merchandise (including merchandise of dif-  
20           ferent classes, types, and categories), withdrawn  
21           from a foreign trade zone during any 7-day period,  
22           shall, at the option of the operator or user of the  
23           zone, be the subject of a single estimated entry or  
24           release filed on or before the first day of the 7-day  
25           period in which the merchandise is to be withdrawn

1 from the zone. The estimated entry or release shall  
2 be treated as a single entry and a single release of  
3 merchandise for purposes of section 13031(a)(9)(A)  
4 of the Consolidated Omnibus Budget Reconciliation  
5 Act of 1985 (19 U.S.C. 58c(a)(9)(A)) and all fee ex-  
6 clusions and limitations of such section 13031 shall  
7 apply, including the maximum and minimum fee  
8 amounts provided for under subsection (b)(8)(A)(i)  
9 of such section. The entry summary for the esti-  
10 mated entry or release shall cover only the merchan-  
11 dise actually withdrawn from the foreign trade zone  
12 during the 7-day period.

13 “(2) OTHER REQUIREMENTS.— The Secretary  
14 of the Treasury may require that the operator or  
15 user of the zone—

16 “(A) use an electronic data interchange ap-  
17 proved by the Customs Service—

18 “(i) to file the entries described in  
19 paragraph (1); and

20 “(ii) to pay the applicable duties, fees,  
21 and taxes with respect to the entries; and

22 “(B) satisfy the Customs Service that ac-  
23 counting, transportation, and other controls  
24 over the merchandise are adequate to protect

1 the revenue and meet the requirements of other  
2 Federal agencies.

3 “(3) EXCEPTION.—The provisions of paragraph  
4 (1) shall not apply to merchandise the entry of  
5 which is prohibited by law or merchandise for which  
6 the filing of an entry summary is required before the  
7 merchandise is released from customs custody.

8 “(4) FOREIGN TRADE ZONE; ZONE.—In this  
9 subsection, the terms ‘foreign trade zone’ and ‘zone’  
10 mean a zone established pursuant to the Act of June  
11 18, 1934, commonly known as the Foreign Trade  
12 Zones Act (19 U.S.C. 81a et seq.).”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall take effect on the date that is 60 days  
15 after the date of enactment of this Act.

16 **SEC. 3. MODIFICATION OF INSTALLMENT METHOD AND RE-**  
17 **PEAL OF INSTALLMENT METHOD FOR AC-**  
18 **CRUAL METHOD TAXPAYERS.**

19 (a) REPEAL OF INSTALLMENT METHOD FOR AC-  
20 CRUAL BASIS TAXPAYERS.—

21 (1) IN GENERAL.—Subsection (a) of section  
22 453 of the Internal Revenue Code of 1986 (relating  
23 to installment method) is amended to read as fol-  
24 lows:

25 “(a) USE OF INSTALLMENT METHOD.—

1           “(1) IN GENERAL.—Except as otherwise pro-  
2           vided in this section, income from an installment  
3           sale shall be taken into account for purposes of this  
4           title under the installment method.

5           “(2) ACCRUAL METHOD TAXPAYER.—The in-  
6           stallment method shall not apply to income from an  
7           installment sale if such income would be reported  
8           under an accrual method of accounting without re-  
9           gard to this section. The preceding sentence shall  
10          not apply to a disposition described in subparagraph  
11          (A) or (B) of subsection (1)(2).”

12          (2) CONFORMING AMENDMENTS.—Sections  
13          453(d)(1), 453(i)(1), and 453(k) of such Code are  
14          each amended by striking “(a)” each place it ap-  
15          pears and inserting “(a)(1)”.

16          (b) MODIFICATION OF PLEDGE RULES.—Paragraph  
17          (4) of section 453A(d) of the Internal Revenue Code of  
18          1986 (relating to pledges, etc., of installment obligations)  
19          is amended by adding at the end the following: “A pay-  
20          ment shall be treated as directly secured by an interest  
21          in an installment obligation to the extent an arrangement  
22          allows the taxpayer to satisfy all or a portion of the indebt-  
23          edness with the installment obligation.”

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to sales or other dispositions occur-  
3 ring on or after the date of the enactment of this Act.

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