

**DESCRIPTION OF THE  
REVENUE RAISING PROVISIONS OF PROPOSED LEGISLATION  
IMPLEMENTING THE UNITED STATES - PERU  
TRADE PROMOTION AGREEMENT**

Scheduled for Markup  
by the  
SENATE COMMITTEE ON FINANCE  
on October 4, 2007

Prepared by the Staff  
of the  
JOINT COMMITTEE ON TAXATION



October 2, 2007  
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## INTRODUCTION

The Senate Committee on Finance has scheduled a markup on October 4, 2007. This document,<sup>1</sup> prepared by the staff of the Joint Committee on Taxation, provides a description of the revenue raising provisions of proposed legislation implementing the United States - Peru trade promotion agreement.

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<sup>1</sup> This document may be cited as follows: Joint Committee on Taxation, *Description of the Revenue Raising Provisions of Proposed Legislation Implementing the United States - Peru Trade Promotion Agreement*, (JCX-92-07), October 2, 2007. This document can also be found on the web at [www.house.gov/jct](http://www.house.gov/jct).

## **A. Extension of Customs User Fees**

### **Present Law**

Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”)<sup>2</sup> authorized the Secretary of the Treasury to collect certain service fees. Section 412 of the Homeland Security Act of 2002<sup>3</sup> 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 October 7, 2014. The current authorization for the collection of the merchandise processing fees is through October 21, 2014.<sup>4</sup>

### **Description of Proposal**

The proposal extends the passenger and conveyance processing fees and the merchandise processing fees authorized under COBRA through December 13, 2014.

### **Effective Date**

The proposal is effective on the date of enactment.

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<sup>2</sup> Pub. L. No. 99-272.

<sup>3</sup> Pub. L. No. 107-296.

<sup>4</sup> 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. Modifications to Corporate Estimated Tax Payments**

### **Present Law**

In general, corporations are required to make quarterly estimated tax payments of their income tax liability. 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.

Under present law, in the case of a corporation with assets of at least \$1 billion, the payments due in July, August, and September, 2012, shall be increased to 115.0 percent of the payment otherwise due and the next required payment shall be reduced accordingly.

### **Description of Proposal**

The proposal increases the otherwise applicable percentage (115.00 percent) by 0.75 percentage points.

### **Effective Date**

The proposal is effective on the date of enactment.