

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous material, on H.R. 1568, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROHIBITING STATES FROM IMPOSING DISCRIMINATORY COMMUTER TAXES

Mr. GEKAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2014) to prohibit a State from imposing a discriminatory commuter tax on nonresidents.

The Clerk read as follows:

H.R. 2014

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION ON IMPOSING DISCRIMINATORY COMMUTER TAX ON NONRESIDENTS.

(a) PROHIBITION.—A State may not impose a tax on the income earned in the State by nonresidents unless the tax is of substantial equality of treatment for the citizens of the State and the nonresidents so commuting.

(b) STATE.—For purposes of subsection (a), the term “State” includes the District of Columbia and any political subdivision of a State.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. GEKAS) and the gentleman from New York (Mr. NADLER) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GEKAS).

GENERAL LEAVE

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous materials, on H.R. 2014, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this piece of legislation is to mend a very peculiar and unique situation that has arisen between the States of New Jersey and New York. By virtue of a tax that was imposed by New York City, it appears and does still appear that a commuter tax for people who live in New Jersey but work in New York City was asserted against those commuters in a situation different from New York State residents outside New York City who worked in New York City, thereby setting up a discriminatory set of taxes for these commuters.

The Supreme Court acted in a similar case in what is called the Austin case,

finding this kind of discriminatory commuter tax unconstitutional and recently, just a couple of days ago, the New York statute itself that we are trying to amend or trying to work through that, too, was found to be unconstitutional. But we have it on good report that this might be appealed. Therefore, the question occurs for the Congress to do something about making sure that this does not continue.

In that regard, this piece of legislation was approved by the subcommittee, and we will have Members from New Jersey fully explain the contents and the aims of the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to this legislation. Perhaps some of my colleagues are wondering why we are wasting taxpayers' time and money today debating a bill directed at a tax that was declared unconstitutional last Friday. In fact, as of Friday's ruling, no person on the face of the earth, not from New Jersey, Connecticut or anywhere else, is faced with this tax. It does not exist.

I realize that this is a hot political issue in some other States and so we are going to waste time talking about it, but the fact of the matter is we are talking about nothing. The bill passed in New York was atrocious. I say it about my own State legislature. It was atrocious and flatly unconstitutional, flatly against the Supreme Court's prior rulings, and the State Supreme Court in New York last Friday said it was facially unconstitutional.

Now, the gentleman from Pennsylvania (Mr. GEKAS) says it may be appealed. Yes, it will be appealed but by the City of New York, not by the State of New York, and the grounds for the appeal of the city is that the State had no right to pass the law in the first place under State law because it violated the State's home rule provision with respect to cities.

If the city wins its lawsuit, the law will be reinstated, but it will be equal. That is, it will apply to commuters from within the State and from other States equally, as was the case for the last 30 years prior to the State legislature's atrocious actions a few weeks ago. If the city loses its appeal, the tax will not exist. In either event, this bill has no impact and can have no impact on the situation with respect to New York, New Jersey and Connecticut.

The situation the bill's authors mean to address is the fact that the bill by its terms, the bill the legislature passed by its terms, said that New York City cannot levy a commuter tax on commuters from elsewhere in the State but can on commuters from other States.

The Supreme Court knocked that down, and it is out. So why are we deal-

ing with this bill? For political reasons. Now that I understand. We do a lot of things here for political reasons. That is not so terrible, but the fact is this bill would affect the tax laws in every State.

The bill has not been properly considered. There have been no hearings on this bill. The bill was not considered or voted on by the subcommittee. It went straight to the committee without any hearings. And we do not understand, in the rush to get this bill to the floor, the Republican majority which cites that the committee process would have given us a chance to look the bill over more carefully.

It deals with a very complex area of interstate taxation. While it was written specifically to address the New York-New Jersey-Connecticut situation, it applies to every jurisdiction in the United States. I think it is a mistake to consider it before the subcommittee has had a chance to have hearings and to really understand the implications of the bill the way it is drafted.

To the extent the bill reflects the current state of constitutional jurisprudence, I have no objections, but we should take the time to understand what other unforeseen effects it may have nationally on various State tax laws across the country. We have not done this, and it is a mistake.

Congress needs to consider that this legislation would apply to every State which taxes income earned within its borders by nonresidents. The normal process served by the Committee on the Judiciary would be able to assess the impact this legislation would have on the myriad State tax laws nationally rather than focusing on one cross-border tax dispute which is no longer at issue since the State courts have thrown out the law as unconstitutional.

I understand this is a political hot potato in New Jersey and Connecticut, but that is no reason to rush the legislation through the process without any review, especially now that the tax that has the residents of those States upset no longer exists.

Mr. Speaker, I submit that this is an unnecessary bill at this time; and we should send it back, not pass it. Let the committee consider it properly and see how it impacts on the States other than New York, Connecticut and New Jersey, on which States it will have no impact at all.

Mr. Speaker, I reserve the balance of my time.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would first like to respond to what the gentleman from New York (Mr. NADLER) has just said. It was not acted upon by our subcommittee but, rather, by the full committee.

Number two, however, I want to put the record straight on another assertion that the gentleman has made, that