(The following material is submitted by Senator Javits:)

[From the Congressional Record, Jan. 18, 1967]

FEDERAL REVENUE SHARING BILL ESSENTIAL FOR FEDERAL-STATE PARTNERSHIP

Mr. JAVITS. Mr. President, I understand that it is agreeable to the leadership to allow a little extra time to Senators at this moment, and I therefore ask unanimous consent that I may proceed for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I send to the desk for appropriate reference, on behalf of myself, and Senators Baker, Carlson, Cooper, Dominick, Scott, and Young of North Dakota, a Federal revenue-sharing bill, designed to return to the States, and through them to local governments, a portion of Federal tax revenues with a minimum of strings attached.

A companion measure is being introduced in the other body by Representative Reid of New York.

Mr. President, I ask that the bill be printed as part of my remarks, together with specific tables as to the distributions to States and other data which implement the concept of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and explanatory material will be printed in the Record.

The bill (S. 482) to establish a system for the sharing of certain Federal revenues with the States, introduced by Mr. Javits (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance and ordered to be printed in the Record, as follows:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Federal Revenue-Sharing Act".

"SEC. 2. (a) There is hereby established in the Treasury of the United States a fund to be known as the revenue-sharing fund. The revenue-sharing fund shall consist of such amounts as may be appropriated to such fund as provided in this section.

"(b) (1) There is hereby appropriated to the revenue-sharing fund, out of any money in the Treasury not otherwise appropriated, for the fiscal year beginning July 1, 1968, an amount equal to 1 per centum of the aggregate taxable income reported on individual income tax returns during the preceding calendar year; for the fiscal year beginning July 1, 1969, an amount equal to 1½ per centum of the aggregate taxable income reported on individual income tax returns during the preceding calendar year; and for the fiscal year beginning July 1, 1970, and for each fiscal year thereafter, an amount equal to 2 per centum of the aggregate taxable income reported on individual income tax returns during the preceding calendar year.

"(2) For purposes of this subsection—

"(A) The term 'taxable income' shall have the same meaning as specified in section 63 of the Internal Revenue Code of 1954.

"(B) The term 'individual income tax returns' means returns of the tax on the income of individuals imposed by chapter 1 of the Internal Revenue Code of 1954.

"(c) The Secretary of the Treasury (hereinafter referred to as the 'Secretary') shall, from time to time, but not less often than quarterly, determine the amounts appropriated by subsection (b) and transfer from the general fund of the Treasury to the revenue-sharing fund the amounts so appropriated. Such transfers shall, to the extent necessary, be made on the basis of estimates by the Secretary of the amounts so appropriated by subsection (b). Proper adjustments shall be made in the amounts subsequently transferred to the extent that prior estimates were in excess of or less than the amounts required to be transferred.

"SEC. 3. (a) Subject to the provisions of subsection (d) and sections 4(c) and 5(b), the Secretary shall, during the fiscal year beginning July 1, 1968, and during each fiscal year thereafter, pay to each State, from amounts appropriated to the revenue-sharing fund for the fiscal year in which payments are to be made, a total amount equal to the allotment or allotments of such State in such fiscal year under this section. Such payments shall be made in installments periodically during any fiscal year, but not less often than quarterly.

"(b) From 85 per centum of the amount appropriated to the revenue-sharing fund pursuant to section 2 for any fiscal year, the Secretary shall allot to each