

108TH CONGRESS  
2D SESSION

# S. 2881

To clarify that State tax incentives for investment in new machinery and equipment are a reasonable regulation of commerce and not an undue burden on interstate commerce, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 1, 2004

Mr. VOINOVICH (for himself and Mr. DEWINE) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To clarify that State tax incentives for investment in new machinery and equipment are a reasonable regulation of commerce and not an undue burden on interstate commerce, and for other purposes.

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. STATE TAX INCENTIVES FOR INVESTMENT IN**  
4       **NEW MACHINERY AND EQUIPMENT.**

5       (a) IN GENERAL.—A State may provide to any enti-  
6       ty—

7               (1) a credit against any tax or fee owed to the  
8       State under a State law; or

1           (2) any other tax incentive,  
2 determined by the State to be appropriate, in an amount  
3 calculated under a formula determined by the State, for  
4 investment in new machinery or equipment located in the  
5 State by the entity that receives such credit or such incen-  
6 tive.

7           (b) EFFECT ON INTERSTATE COMMERCE.—Any ac-  
8 tion taken by a State in accordance with this section with  
9 respect to a tax or fee payable, or incentive applicable,  
10 for any period beginning after the date of the enactment  
11 of this Act shall—

12           (1) be considered to be a reasonable regulation  
13 of commerce; and

14           (2) not be considered to impose an undue bur-  
15 den on interstate commerce or to otherwise impair,  
16 restrain, or discriminate against interstate com-  
17 merce.

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