Whereas, the closure is not in the public’s best interest and depends on a degradation of service standards that would result in the virtual elimination of overnight mail delivery throughout the country; and

Whereas, to 39 USC 101(a), federal law stipulates: “The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons to all areas and shall render postal services to all communities.” Now, therefore, be it

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM-365. A resolution adopted by the Senate of the State of Michigan memorializing the Congress of the United States to stop the U.S. Postal Service from closing and consolidating the mail processing and distribution center in Kingsford, Michigan; to the Committee on Homeland Security and Governmental Affairs

SENATE RESOLUTION NO. 192

Whereas, The United States Postal Service plans to close the mail processing center in Kingsford, Michigan, and consolidate services 100 miles away in Green Bay, Wisconsin. The closure is scheduled to take effect on January 5, 2015; and

Whereas, The consolidation will severly delay mail delivery and result in a degradation of postal service standards by virtually eliminating overnight first-class mail delivery in large portions of Michigan’s Upper Peninsula. The Kingsford mail processing center is the only center serving the entire Upper Peninsula. The consolidation will require mail moving 300 miles per day for processing and slow current one-day, first-class mail service to two- or three-day service in the Peninsula; and

Whereas, This consolidation is not in the public’s best interest. For the past four years, the state of Michigan has looked to the Upper Peninsula and its natural resources as a means for sparking economic growth. This degradation of mail service sends a negative message to developers and investors. In addition, current Upper Peninsula business owners rely greatly on the U.S. Postal Service for their mail and shipping needs. Post office delays will negatively impact these local businesses, particularly small businesses, and residents; and

Whereas, The inevitable delays in mail service will negatively affect the Federal Trade Commission’s ability to counter federal postal policy established by the U.S. Congress. Section 101 of the Postal Reorganization Act of 1970 stipulates: “The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons to all areas and shall render postal services to all communities.”

It is difficult to conceive how this closure meets the U.S. Postal Service’s obligation to provide “prompt, reliable, and efficient services to patrons in all areas.” Now, therefore, be it

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, the Postmaster General of the United States, and the Office of the Governor.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. LEVIN:

S. 3018. A bill to amend the Internal Revenue Code of 1986 to reform the rules relating to partnership audits and adjustments; to provide for the use of military force against non-state actors; to the Committee on Foreign Relations.

By Mr. HARKIN:

S. 3020. A bill to establish the composition known as America the Beautiful as the national anthem; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 1469

At the request of Ms. HIRONO, her name was added as a cosponsor of S. 1463, a bill to amend the Lacey Act Amendments of 1981 to prohibit importation, exportation, transportation, receipt, acquisition, and purchase in interstate or foreign commerce, or in a manner substantially affecting interstate or foreign commerce, of any live animal of any prohibited wildlife species.

S. 1505

At the request of Ms. CANTWELL, the name of the Senator from Minnesota (Ms. KLOBuchar) was added as a cosponsor of S. 1505, a bill to designate a portion of the Apostle Islands National Wildlife Refuge as wilderness.

S. 2644

At the request of Mr. PAUL, the name of the Senator from Maine (Mr. KING) was added as a cosponsor of S. 2644, a bill to improve and streamline the audit procedures for large partnerships. This bill would ensure that large for-profit partnerships, like other large profitable businesses, are subject to routine audits by the Internal Revenue Service, IRS, and eliminate audit red tape that currently impedes IRS oversight. This legislation mirrors a provision in the Tax Reform Act of 2014, introduced earlier this year by Congressman DAVID CAMP.

This legislation would fix a problem that has gained only more urgency with time and the explosion in growth of large partnerships, including hedge funds, private equity funds, and publicly traded partnerships. In a September 2014 report, the Government Accountability Office, GAO, determined that the number of large partnerships, defined by H.R. 83, as having at least 100 partners and $100 million in assets, has tripled since 2002, to over 10,000, while the number of so-called C corporations being created, which include our largest public companies,

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN:

S. 3018. A bill to amend the Internal Revenue Code of 1986 to reform the rules relating to partnership audits and adjustments; to the Committee on Finance.

Mr. LEVIN. Mr. President, today, I am introducing the Partnership Audit Improvement Act. It is designed to improve and streamline the audit procedures for large partnerships. This bill would ensure that large for-profit partnerships, like other large profitable businesses, are subject to routine audits by the Internal Revenue Service, IRS, and eliminate audit red tape that currently impedes IRS oversight. This legislation mirrors a provision in the Tax Reform Act of 2014, introduced earlier this year by Congressman DAVID CAMP.
fell by 22 percent. According to the GAO report, some of those partnerships have revenues totaling billions of dollars per year and now collectively hold more than $7.5 trillion in assets, but the IRS is auditing only a tiny fraction of those partnerships. In 2012, IRS audited less than 1 percent of large partnerships compared to 27 percent of C corporations. Put another way, a C corporation is 33 times more likely to face audit than partnership.

A recent hearing by the Permanent Subcommittee on Investigations, which I chair, demonstrated the critical need to audit large partnerships for tax compliance and abusive tax schemes. Our July 2014 hearing presented a detailed case study of how two financial institutions developed a structured financial product known as a basket option and sold the product to 13 hedge funds that used the options to avoid billions of dollars in Federal taxes. The trading by those hedge funds was part of daily trading of what is called pass-through entities, many of which lasted only seconds. However, the hedge funds recast their short-term trading profits as long-term option profits, and claimed the profits were subject to the lower long-term capital gains tax rate rather than the ordinary income tax rate that would otherwise apply to hedge fund investors engaged in daily trading. One hedge fund used its basket options to avoid estimates taxes owed. The advantages of abusive tax practices illustrate why large partnerships like hedge funds need to be audited by the IRS just as much as large corporations.

During its review, GAO found that large partnerships are often so complex that the IRS can’t audit them effectively. GAO reported that some partnerships harbor more than 100,000 partners, including in multiple tiers, and some of those partners may not be people or corporate entities but pass-through entities, to avoid audit efforts. That complexity makes it nearly impossible for the IRS to audit all of these partnerships, which means that those partnerships can change on a daily basis. One IRS official told GAO that there were more than 1,000 partnerships with more than a million partners in 2012.

GAO also found obstacles in the law. The Tax Equity and Fiscal Responsibility Act, TEFRA, now 3-decades-old, was enacted at a time when many partnerships were comprised of C corporations. That law no longer adequately deal with current realities. That is why I am introducing legislation to repeal some of its provisions and streamline the audit and adjustment procedures used for large partnerships so that the IRS can exercise effective oversight over the tax activities of such partnerships. The first requirement is for the IRS to identify a “tax matters partner” to represent the partnership on tax issues, but many partnerships do not designate such a partner, and simply identifying one in a complex partnership can take months. Second, notifying individual partners prior to commencing an audit costs time and money, yet produces few if any benefits. Third, TEFRA requires that any tax adjustments called for by an audit be passed through to the partnership’s taxable partners, but the IRS’s process for identifying, assessing, and collecting from those partners is a manual, time-consuming, and costly process, which makes it laborious, time-consuming, costly, and subject to error. For example, if a partnership with 100,000 partners under-reported the tax liability of its partners by $1 million, the IRS would have to manually link each of the partners’ returns to the partnership return. Then, assuming each partner had an equal interest in the partnership, the IRS would have to find, assess, and collect $10 from each partner. That collection effort is not streamlined. In addition, under TEFRA, any tax adjustments have to be applied to past tax years, using complicated and expensive filing requirements, instead of to the year in which the audit was performed and the adjustments were made.

Fixing the technical flaws in TEFRA is critical to ensuring that the audit playing field is level for all taxpayers. An essential element of any system of taxation is that it be fair—that is, that the system itself fail to collect taxes owed, arouses resentment and complaints, and can even spark widespread noncompliance. The current situation in which large corporations are audited 33 times more than large partnerships is neither fair nor sustainable.

The Partnership Auditing Fairness Act would eliminate the existing audit disparity by streamlining the audit process for large partnerships. It would simplify audit notification and administrative procedures. It would no longer require the IRS to waste audit time trying to find a tax matters partner. It would allow the IRS to audit, assess, and collect tax from the partnership, rather than passing the adjustments through to and collecting from each taxable partner. It also abolishes the requirement that tax adjustments to the tax year in which the adjustments were finalized, rather than past tax years under audit.

The enormous discrepancy in audit rates between partnerships and other businesses forms raises a fundamental question of fairness. If one type of entity can be nearly free of IRS audits, businesses that do pay their taxes and are subject to the audit process rightly feel disadvantaged. That lack of fairness is something we simply can’t tolerate.

For these reasons, in the next Congress, I urge my colleagues to consider supporting this legislation to fix the large partnership audit problem. Mr. President, I ask unanimous consent that a bill summary be printed in the RECORD.

There being being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE PARTNERSHIP AUDITING FAIRNESS ACT

The Partnership Auditing Fairness Act would ensure that large-for-profit partnerships, like other large profitable businesses, are subject to routine audits by the IRS and eliminate audit red tape that currently imperils oversight. Specifically, the bill would reform audit procedures imposed by the 1982 Tax Equity and Fiscal Responsibility Act, TEFRA, which are now outdated and contribute to the low audit rate for large partnerships. The bill mirrors the same provision addressing this issue in the larger tax reform bill developed by Congressman David Camp.

Key provisions of the bill would:

- Apply streamlined audit rules to all partnerships, but allow partnerships with 100 or fewer partners, other than partners that are C corporations, to opt out of the bill’s audit procedures and elect instead to be audited under the rules for individual taxpayers.
- Simplify partnership audit participation by having partnerships act through a designated partnership representative.
- Simplify audit notification and administrative procedures by repealing the TEFRA and Electing Large Partnership requirement that the IRS notify all partners prior to initiating an audit.
- Streamline audit adjustments by authorizing the IRS to make adjustments at the partnership level and apply the adjustments to the year in which the adjustments are finalized, rather than to the tax years under audit.
- Streamline tax return filing by enabling partnerships to include audit adjustments on their current tax returns for the year in which the adjustments are finalized, instead of having to amend prior-year returns.
- Eliminate the TEFRA problem of having to find and separately collect any tax due from each affected partner by instead collecting the tax at the partnership level.

This bipartisan bill would use administrative procedures to request reconsideration of a proposed under payment of tax by submitting tax returns for individual partners and paying any tax due, while retaining the ability to contest all audit results in court.

By Mr. LEVIN:

S. 3019. A bill to amend the War Powers Resolution to provide for the use of military force against non-state actors; to the Committee on Foreign Relations.

Mr. LEVIN. Mr. President, when the War Powers Resolution was passed over a Presidential veto in 1973, its supporters expected that the War Powers Resolution would ensure that a national dialogue takes place before the employment of the U.S. Armed Forces in hostilities. The President—then President Nixon—was concerned that the War Powers Resolution’s termination of certain authorities after 60 days unless extended by Congress would create unpredictably in U.S. foreign policy.

The War Powers Resolution, as a practical matter, has not been effective. Every subsequent President since
President Nixon has viewed the War Powers Resolution as an unconstitutional impingement on the President’s powers as Commander in Chief. So the 60-day trigger in the act has never been used to terminate hostilities, and the national dialogue envisioned by the authors of the resolution has failed to come about.

I have a proposal to amend the War Powers Act in those instances where nonstate actors are the target. We are the target of them. They must become and should become the target for us to try to deter and respond to them when they attack us and try to terrorize us.

I have introduced a bill today with a suggested amendment to the War Powers Act. When the War Powers Resolution was passed over a Presidential veto in 1973, its supporters expected that the War Powers Resolution would ensure that a national dialogue takes place before the employment of the U.S. Armed Forces in hostilities.

The President, on the other hand, argued that the enactment of the legislation “would seriously undermine this Nation’s ability to act decisively and convincingly in times of international crisis.” In his veto message, President Nixon said: “As a result, the confidence of our allies in our ability to assist them could be diminished and the respect of our adversaries for our deterrent posture could decline. A permanent and substantial element of unpredictability would be injected into the world’s assessment of American behavior, further increasing the likelihood of miscalculation and war.”

The President was particularly concerned that the War Powers Resolution’s termination of certain authorities after 60 days unless extended by Congress would create unpredictability in U.S. foreign policy. The War Powers Resolution requires the President to consult in every possible instance prior to initiating U.S. Armed Forces into hostilities and to report to Congress within 48 hours when, absent a declaration of war, U.S. Armed Forces are introduced into “hostilities or... situations where imminent involvement in hostilities is clearly indicated by the circumstances.” After this report is submitted, the resolution requires that U.S. troops be withdrawn at the end of 60 days unless extended by Congress authorizes continued involvement by passing a declaration of war or some other specific authorization for continued U.S. involvement in such hostilities.

Every subsequent President has viewed the War Powers Resolution as an unconstitutional impingement on the President’s powers as Commander in Chief. As a result, the 60-day trigger in the Act has never been used to terminate hostilities, and the national dialogue envisioned by the authors of the Resolution has failed to come about.

At this very moment, our troops have been engaged in hostilities in Iraq and Syria for more than 60 days, with the enactment of an authorizing resolution by Congress. Some believe that the continuing hostilities are a violation of the War Powers Resolution. Others argue that the War Powers Resolution has not been triggered, because the 60-day trigger can be justified under earlier authorizations.

The bottom line is that the Star Spangled Banner is celebrated not just for the many historic battles and wars that we have fought to create and protect our great country. I think to me the thing that best captures my concern with the Star Spangled Banner is in addition to the fact that it is hard as heck for a layperson to sing, is that it doesn’t actually mention the word “America.”

In contrast, America the Beautiful celebrates not just the amazing geology and beauty of our country—from amber waves of grain to purple mountains—from sea to shining sea, but also captures something of our national spirit when we sing “A thoroughfare of liberty—and give serious thought to our current anthem.

Now some might say but the Star Spangled Banner has always been our national anthem, but that’s not true. In fact its only been the anthem since 1931. I’m introducing our last bill as a United States Senator. It is on an issue I have long wanted to tackle, changing our national anthem to one I believe is more representative of the amazing country and people of the United States of America. I believe that from its very first line, “Oh beautiful for spacious skies” America the Beautiful captures the spirit of our democracy and our shared commitment to liberty and freedom far better than our current anthem.

By Mr. HARKIN: S. 3020. A bill to establish the composition known as America the Beautiful as the national anthem; to the Committee on the Judiciary.
AMENDMENTS SUBMITTED AND PROPOSED

SA 4121. Mr. Flake (for himself, Mr. Alexander, Mr. McCain, and Mr. Toomey) submitted an amendment intended to be proposed by him to the bill S. 5771, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions and make technical corrections, to amend the Internal Revenue Code of 1986 to provide for the tax treatment ofABLE accounts established under State programs for the care of family members with disabilities, and for other purposes; which was ordered to lie on the table.

SA 4123. Mr. Pryor (for Mr. Barrasso) proposed an amendment to the bill S. 684, to amend the Mni Wiconi Project Act of 1988 to facilitate completion of the Mni Wiconi Rural Water Supply System, and for other purposes.

SA 4123. Mr. Pryor (for Mr. Barasso) proposed an amendment to the bill S. 1800, to require the Secretary of the Interior to submit to Congress a report on the efforts of the Bureau of Reclamation to manage its infrastructure assets; as follows:

At the end of the bill, add the following:

SEC. 4. Offset.

Notwithstanding any other provision of law, in the case of the project authorized by section 1617 of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h–12c), the maximum amount of the Federal share of the cost of the project under section 1631(d)(1) of that Act (43 U.S.C. 390h–13d(1)) otherwise available as of the date of enactment of this Act shall be reduced by $2,000,000.

SA 4124. Mr. Pryor (for Mr. Brown (for himself and Mr. Portman)) proposed an amendment to the resolution S. Res. 564, honoring conservation on the centennial of the passenger pigeon extinction; as follows:

In the resolving clause, insert "balanced and responsible" before "conservation".

SA 4125. Mr. Pryor (for Mr. Brown (for himself and Mr. Portman)) proposed an amendment to the resolution S. Res. 564, honoring conservation on the centennial of the passenger pigeon extinction; as follows:

Strike the first whereas clause of the preamble.

In the third whereas clause of the preamble, strike "as a cautionary tale and raise awareness of current issues related to human-caused extinction," and insert "to encourage communities to".

SA 4126. Mr. Pryor (for Mr. Brown) proposed an amendment to the resolution S. Res. 226, celebrating the 100th anniversary of the birth of James Cleveland "Jesse" Owens and honoring him for his accomplishments and steadfast commitment to promoting the civil rights of all people; as follows:

At the end of the bill, add the following:

SEC. 3. Offset.

Notwithstanding any other provision of law, in the case of the project authorized by the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h–12c), the maximum amount of the Federal share of the cost of the project under section 1631(d)(1) of that Act (43 U.S.C. 390h–13d(1)) otherwise available as of the date of enactment of this Act shall be reduced by $15,000,000.

SA 4126. Mr. Pryor (for Mr. Johnson of South Dakota) proposed an amendment to the bill S. 684, to amend the Mni Wiconi Project Act of 1988 to facilitate completion of the Mni Wiconi Rural Water Supply System, and for other purposes; as follows:

At the end of the bill, add the following:

SEC. 4. Offset.

Notwithstanding any other provision of law, in the case of the project authorized by section 1617 of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h–12c), the maximum amount of the Federal share of the cost of the project under section 1631(d)(1) of that Act (43 U.S.C. 390h–13d(1)) otherwise available as of the date of enactment of this Act shall be reduced by $15,000,000.

SA 4123. Mr. Pryor (for Mr. Barrasso) proposed an amendment to the