

105TH CONGRESS
1ST SESSION

S. RES. 73

To declare the need for tax relief for the American people and condemn the abuses of power and authority committed by the Internal Revenue Service.

IN THE SENATE OF THE UNITED STATES

APRIL 15, 1997

Mr. LOTT submitted the following resolution; which was referred to the Committee on Finance

RESOLUTION

To declare the need for tax relief for the American people and condemn the abuses of power and authority committed by the Internal Revenue Service.

1 **SECTION 1. FINDINGS.**

2 The Senate finds that:

3 (1) The total tax burden on the American fam-
4 ily in 1996 was 30.4 percent, the highest level in
5 history;

6 (2) In 1996, one in every three dollars earned
7 in America was paid over in taxes to the Federal
8 Government;

1 (3) The Congressional Budget Office estimates
2 that in 1997 the Federal Government will take \$1.5
3 trillion from taxpayers, the highest amount ever;

4 (4) The President's Office of Management and
5 Budget estimates that in 1997, the Federal Govern-
6 ment will take \$673 billion from working families,
7 the highest level in history;

8 (5) President Clinton proposed, and the then-
9 Democrat-controlled Congress enacted, a \$241 bil-
10 lion tax increase on the American people in 1993—
11 the largest in history.

12 (6) The American family today pays 38.4 per-
13 cent of its income in Federal, State, and local taxes,
14 the highest burden in history.

15 (7) The date on which the American family is
16 free from taxes and begins to keep what it earns is
17 the latest ever—May 7.

18 (8) Fifty-six percent of all tax returns reporting
19 capital gains came from taxpayers with total in-
20 comes below \$50,000;

21 (9) Since 1993, the economy has had below av-
22 erage growth—2.5 percent versus 3.2 percent in the
23 previous 10 years—and productivity has increased at
24 below-average rates—0.3 percent versus 1.5 percent
25 in the previous ten years.

1 (10) The estate tax can be as high as 55 per-
2 cent, which is an unjustifiable and confiscatory level
3 of taxation that penalizes work, thrift and entrepre-
4 neurship.

5 (11) For three decades, despite spending over
6 \$3 billion of taxpayer money, the IRS has failed to
7 create a successfully functioning computer system.

8 (12) The IRS investigated 1,515 employees for
9 unauthorized snooping in taxpayer files, yet of those
10 employees only 23 were fired;

11 (13) The IRS has serious security problems
12 which jeopardize its ability to process taxes, and
13 puts taxpayer information at risk of being misused,
14 changed or destroyed;

15 (14) It is estimated that \$200 billion each year
16 is lost to fraud and nonpayment of taxes, which the
17 IRS is incapable of finding and collecting.

18 **SEC. 2. SENSE OF THE SENATE.**

19 It is the Sense of the Senate that:

20 (1) In 1997, Congress should provide tax relief
21 for the American people, particularly for families
22 with children, and should cut the capital gains tax,
23 reduce the estate tax burden, and begin moving to-
24 ward a fairer, simpler tax system.

1 (2) The President should send a detailed plan
2 to Congress by August 1, 1997, addressing the prob-
3 lems with the IRS and proposing an action plan to
4 resolve these problems.

5 (3) In 1997, Congress should pass legislation
6 that imposes criminal penalties for unauthorized
7 snooping in taxpayer files by IRS employees.

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