

106TH CONGRESS
1ST SESSION

S. 942

To amend the Internal Revenue Code of 1986 to require the Secretary of the Treasury to develop an Internet site where a taxpayer may generate a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories.

IN THE SENATE OF THE UNITED STATES

MAY 3, 1999

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to require the Secretary of the Treasury to develop an Internet site where a taxpayer may generate a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories.

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. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Right-To-
5 Know Act of 1999”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds the following:

3 (1) Individual incomes taxes amount to one of
4 the greatest annual expenses for many Americans.

5 (2) There is a great deal of uncertainty on the
6 part of taxpayers concerning where and how their
7 income tax dollars are spent.

8 (3) Taxpayers do not receive any explanation
9 from the Internal Revenue Service itemizing how
10 their tax payments are spent.

11 (4) There presently exists no straightforward
12 way for a taxpayer to determine exactly how much
13 he or she paid for specific governmental activities.

14 (5) The failure to provide taxpayers with an
15 itemized listing showing how their tax dollars are
16 spent contributes to a lack of knowledge about the
17 Government and subsequently to a less informed
18 electorate.

19 (6) The Internal Revenue Service must update
20 its technology and treat taxpayer information as a
21 strategic asset to improve customer service.

22 (7) Taxpayer education by the Internal Revenue
23 Service aimed at showing taxpayers how their tax
24 dollars are spent leads to increased compliance.

25 (b) PURPOSES.—The purposes of this Act are as fol-
26 lows:

1 (1) To educate individual income tax filers
 2 about how much they contribute annually, in actual
 3 dollars and cents, to various governmental programs,
 4 projects, and activities.

5 (2) To improve the public’s understanding of
 6 the Federal Government.

7 (3) To enhance the public’s level of satisfaction
 8 with the Internal Revenue Service.

9 **SEC. 3. ITEMIZED INCOME TAX RECEIPT.**

10 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
 11 enue Code of 1986 (relating to miscellaneous provisions)
 12 is amended by adding at the end the following new section:

13 **“SEC. 7525. ITEMIZED INCOME TAX RECEIPT.**

14 “(a) IN GENERAL.—Not later than January 1, 2000,
 15 the Secretary shall establish an interactive program on an
 16 Internet website where any taxpayer may generate an
 17 itemized receipt showing a proportionate allocation (in
 18 money terms) of the taxpayer’s total tax payments among
 19 the major expenditure categories.

20 “(b) INFORMATION NECESSARY TO GENERATE RE-
 21 CEIPT.—For purposes of generating an itemized receipt
 22 under subsection (a), the interactive program—

23 “(1) shall only require the input of the tax-
 24 payer’s total tax payments, and

1 “(2) shall not require any identifying informa-
 2 tion relating to the taxpayer.

3 “(c) TOTAL TAX PAYMENTS.—For purposes of this
 4 section, total tax payments of an individual for any taxable
 5 year are—

6 “(1) the tax imposed by subtitle A for such tax-
 7 able year (as shown on his return), and

8 “(2) the tax imposed by section 3101 on wages
 9 received during such taxable year.

10 “(d) CONTENT OF TAX RECEIPT.—

11 “(1) MAJOR EXPENDITURE CATEGORIES.—For
 12 purposes of subsection (a), the major expenditure
 13 categories are:

14 “(A) National defense.

15 “(B) International affairs.

16 “(C) Medicaid.

17 “(D) Medicare.

18 “(E) Means-tested entitlements.

19 “(F) Domestic discretionary.

20 “(G) Social Security.

21 “(H) Interest payments.

22 “(I) All other.

23 “(2) OTHER ITEMS ON RECEIPT.—

24 “(A) IN GENERAL.—In addition, the tax
 25 receipt shall include selected examples of more

1 specific expenditure items, including the items
2 listed in subparagraph (B), either at the budget
3 function, subfunction, or program, project, or
4 activity levels, along with any other information
5 deemed appropriate by the Secretary and the
6 Director of the Office of Management and
7 Budget to enhance taxpayer understanding of
8 the Federal budget.

9 “(B) LISTED ITEMS.—The expenditure
10 items listed in this subparagraph are as follows:

11 “(i) Public schools funding programs.

12 “(ii) Student loans and college aid.

13 “(iii) Low-income housing programs.

14 “(iv) Food stamp and welfare pro-
15 grams.

16 “(v) Law enforcement and the Fed-
17 eral Bureau of Investigation.

18 “(vi) Infrastructure, including roads,
19 bridges, and mass transit.

20 “(vii) Farm subsidies.

21 “(viii) Congressional Member and
22 staff salaries.

23 “(ix) Health research programs.

24 “(x) Aid to the disabled.

1 “(xi) Veterans health care and pen-
2 sion programs.

3 “(xii) Space programs.

4 “(xiii) Environmental cleanup pro-
5 grams.

6 “(xiv) United States embassies.

7 “(xv) Military salaries.

8 “(xvi) Foreign aid.

9 “(xvii) Contributions to the North At-
10 lantic Treaty Organization.

11 “(xviii) Secret Service.

12 “(xix) Amtrak.

13 “(xx) United States Postal Service.

14 “(e) COST.—No charge shall be imposed to cover any
15 cost associated with the production or distribution of the
16 tax receipt.

17 “(f) REGULATIONS.—The Secretary may prescribe
18 such regulations as may be necessary to carry out this
19 section.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 77 of such Code is amended by adding at the
22 end the following new item:

“Sec. 7525. Itemized income tax receipt.”.

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