

and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH:

S. 1408. A bill to amend the Internal Revenue Code of 1986 to provide that the amount of an overpayment otherwise payable to any person shall be reduced by the amount of past-due, legally enforceable State tax obligations of such person; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HATCH (for himself, Mr. LAUTENBERG, Mr. D'AMATO, Mr. MURKOWSKI, Mr. MCCONNELL, Mr. SPENCER, Mr. PELL, Mr. SIMON, Mr. KOHL, Mr. ABRAHAM, and Mr. MOYNIHAN):

S. Res. 193. A resolution deploring individuals who deny the historical reality of the Holocaust and commending the vital, ongoing work of the United States Holocaust Memorial Museum; considered and agreed to.

By Mr. DOLE:

S. Res. 194. A resolution to authorize representation by the Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN:

S. 1407. A bill to amend the Food Security Act of 1985 and the Agricultural Act of 1949 to permit the harvesting of energy crops on conservation reserve land and conservation use acreage for the purpose of generating electric power and other energy products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE ENERGY CROP PRODUCTION ACT OF 1995

• Mr. HARKIN. Mr. President, I introduce a bill which will provide a broad range of natural resource and energy related benefits to our country. This bill provides support for the development of processes which utilize renewable resources for generation of electricity and other energy products. It lessens our country's dependence on imported oil, supports development of new markets for farmers producing energy crops utilized in this process, and provides positive environmental benefits to the soil, water, and air components of our Nation's natural resources. This bill provides the Secretary of Agriculture authority to permit the production and harvesting of energy crops for the purpose of generating electricity and other energy products on land enrolled in the various acreage reduction programs as well as specifically designated demonstration project areas containing land enrolled in the Conservation Reserve Program.

The future of utilizing renewable resources such as energy crops as a fuel for producing electric power and other energy products is bright. However, as in any emerging technology, support is often needed to develop its full potential. The 1992 Energy Policy Act au-

thorized a Renewable Energy Production Program in support of this concept. The bill I am introducing today complements this effort by not only permitting the production of energy crops on land enrolled in various government programs, but also providing a cost-share incentive to establish these energy crops.

One relatively new scientific finding is the benefit of energy crops with regard to carbon sequestration. Colorado State and Washington State Universities have developed protocols to assess the impact of land enrolled in the Conservation Reserve Program specifically on carbon sequestration. Their initial findings indicate that America's grazed land and Conservation Reserve Program lands offer an extremely important environmental benefit of extracting carbon from the air in an amount equivalent to America's forests. Encouraging the production of energy crops as I am suggesting in this bill will help sustain and expand this natural process enhancing air quality.

With regard to land enrolled in the various acreage reduction programs, this legislation would: (1) authorize the Secretary to permit production and harvesting of energy crops in accordance with a conservation plan, and (2) provide a cost share component for the establishment of these crops.

With regard to land enrolled in the Conservation Reserve Program, this bill would: (1) provide the Secretary of Agriculture authority to permit production and harvesting of energy crops in designated demonstration project areas not exceeding an aggregate of one million acres based on competitive joint industry/landowner proposals, (2) provide a cost share component for the establishment of energy crops, (3) provide for a process by which landowners could identify the level of reduction in their annual CRP rental payments in exchange for the opportunity to participate in this program, and (4) an opportunity for Conservation Reserve Program participants, utilizing these provisions, to extend their contracts.

I am proud to be introducing this bill today and welcome other Senators to cosponsor this beneficial environmental and energy legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1407

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Crop Production Act of 1995".

SEC. 2. FINDINGS.

Congress finds that energy crops—

(1) provide many of the soil and water conservation and wildlife habitat benefits associated with cover already planted on land enrolled in the conservation reserve program;

(2) can be harvested using best management practices without compromising the

conservation benefits being achieved by the conservation reserve program;

(3) can maintain and enhance farm income while allowing land to remain in the conservation reserve program at a reduced cost to the Federal government;

(4) can supply a significant proportion of the energy needs of the United States using domestic resources that are renewable, sustainable, and environmentally beneficial; and

(5) can effectively trap carbon from the atmosphere and provide air quality benefits.

SEC. 3. HARVESTING OF ENERGY CROPS ON CONSERVATION RESERVE LAND.

Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by adding at the end the following:

“(f) ENERGY CROPS.—

“(1) DEFINITION OF ENERGY CROP.—In this subsection, the term ‘energy crop’ means a herbaceous perennial grass, a short rotation woody coppice species of tree, or other crop, that may be used to generate electric power or other energy product, as determined by the Secretary in consultation with the State technical committee for a State established under section 1261.

“(2) HARVESTING OF ENERGY CROPS IN DESIGNATED DEMONSTRATION AREAS.—In not more than 10 demonstration project areas not exceeding a total of 1,000,000 acres (based on an evaluation by the Secretary of joint industry and landowner proposals to designate areas as demonstration project areas), the Secretary shall permit an owner or operator of land, located within a demonstration project area, that is subject to a contract entered into under this subtitle to harvest an energy crop on the land if the owner or operator—

“(A) carries out appropriate conservation measures and practices on the land;

“(B) harvests energy crops in accordance with this subsection on not more than 75 percent of the land that is subject to the contract, in accordance with a conservation plan and in a manner and at times of the year that ensure that soil, water, and wildlife habitat subject to the conservation reserve program as a whole are not compromised;

“(C) if harvesting of energy crops on the land is discontinued, maintains grasses or trees on the land for the duration of the contract; and

“(D) submits a bid under paragraph (3) that is accepted by the Secretary.

“(3) BIDS.—To carry out this subsection, the Secretary shall establish a bid system under which an owner or operator of land that is subject to a contract entered into under this subtitle may offer to reduce the rental payments that would otherwise be payable under the contract in exchange for permission to harvest an energy crop on the land.

“(4) COST-SHARING.—The Secretary shall pay an owner or operator of land described in paragraph (2) 50 percent of the cost of converting land under the contract that is planted to grasses not identified as an energy crop to the production of an energy crop.

“(5) DURATION.—The Secretary shall permit an owner or operator described in paragraph (2)—

“(A) to extend a contract entered into under this subtitle for not to exceed 5 years; and

“(B) on expiration of a contract entered into under this subtitle, obtain a priority, at an appropriate rental rate, for reenrollment of the land subject to the contract.”

SEC. 4. HARVESTING OF ENERGY CROPS ON CONSERVATION USE ACREAGE.

Section 503 of the Agricultural Act of 1949 (7 U.S.C. 1463) is amended—

(1) in subsection (c)—

(A) in paragraph (7), by striking “and” at the end;

(B) in paragraph (8), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(9) any acreage on the farm that is planted to an energy crop in accordance with subsection (i).”; and

(2) by adding at the end the following:

“(i) ENERGY CROPS.—

“(1) DEFINITION OF ENERGY CROP.—In this subsection, the term ‘energy crop’ means a herbaceous perennial grass, a short rotation woody coppice species of tree, or other crop, that may be used to generate electric power or other energy product, as determined by the Secretary in consultation with the State technical committee for a State established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861).

“(2) PLANTING OF ENERGY CROPS.—For purposes of this Act, acreage on a farm that is planted to an energy crop shall be considered devoted to conservation uses if the producers on the farm carry out appropriate conservation measures and practices on the acreage, in accordance with a conservation plan that is approved by the Secretary.

“(3) COST SHARING.—The Secretary shall pay the producers on a farm 50 percent of the cost of establishing an energy crop if the producers agree to maintain the crop for at least 3 crop years.”•

By Mr. HATCH:

S. 1408. A bill to amend the Internal Revenue Code of 1986 to provide that the amount of an overpayment otherwise payable to any person shall be reduced by the amount of past-due, legally enforceable State tax obligations of such person; to the Committee on Finance.

STATE TAX REFUND OFFSET LEGISLATION

Mr. HATCH. Mr. President, I rise to today to introduce legislation to enhance the tax administration cooperation between the Federal Government and the States. In particular, this bill would provide for more efficient cooperation between the U.S. Treasury and the various State tax agencies in the collection of unpaid taxes. Representative ANDREW JACOBS has introduced similar legislation in the House as H.R. 757.

Mr. President let me explain how the law currently stands on this issue, why the bill is needed, and what this bill do.

Currently, the Federal Government maintains a program that allows for a Federal tax refund to be withheld from a taxpayer if he or she has a past due Federal debt. Debts that are eligible for offset under this program include prior year tax debts, child support, student loans, VA housing payments, and others. The refund is used to offset the past due debt. Many States have similar programs to apply State tax refunds against other States debts of a taxpayer.

Under current law, the Internal Revenue Service [IRS] has the authority to levy or to seize State income tax refunds to satisfy Federal tax debts of taxpayers in the 41 States that have a broad-based individual income tax. Further, the IRS has the authority to enter into reciprocal agreements with

State taxing authorities to more efficiently collect tax revenues. One are of cooperative agreement between the IRS and the States in the authority under current law to offset taxpayers' Federal tax debts with a State tax refund. In other words, pursuant to these agreements, if a taxpayer owes a tax liability to the Federal Government and, at the same time, is due a refund from the State taxing authority, that State can withhold the refund allow it to be offset against the past due Federal debt. Currently, there are 31 States and the District of Columbia that have voluntarily agreed to sign cooperative agreements to allow the IRS to satisfy Federal liabilities with State refunds. In 1993, the States offset about \$61 million in debts on behalf of the IRS under these agreements.

Curiously, there is no authority under current law that allows the IRS to enter into additional agreements that would provide for a program to offset State tax debts with Federal tax refunds. Yet, allowing such agreements would save both the Federal Government and the States millions of dollars in lost tax revenue each year.

Mr. President, under this bill the Treasury would be granted the authority to enter into agreements with State tax agencies to offset State tax debts with Federal tax refunds. The effect of this legislation would be better tax compliance and the payment of delinquent tax debts. The bill provides that taxpayers who are due a Federal tax refund and also have a past due legally enforceable debt to a State taxing authority would have 60 days notice to satisfy the past due State debt before the IRS is authorized to release the Federal refund to satisfy the State tax debt.

Mr. President, I am aware that there have been no formal hearings in the Senate on this issue. I also understand that the chairman of the Committee on Finance may have some technical concerns with the administration of this legislation. This is understandable. Technical agreements between the Federal Government and the various States can be complex. I am open to comments and suggestions on the implementation of this new authority. I look forward to working with the Senate Finance Committee on this issue. However, I want to get a bill introduced in the Senate to begin the formal discussions on how we can best satisfy the problems that arise when a taxpayer is due a Federal tax refund while at the same time owing a State taxing authority delinquent taxes.

I want to inform my colleagues that I am aware that the opportunity may arise for States to offset so-called source taxes under the provisions of this bill. I am supportive of legislation to eliminate source taxes. It is not my intention to allow the proposed refund offset program to be used for the purposes of collecting these source taxes. To my understanding, the State of California has conceded on this issue

and is also a strong supporter of this bill. If the source tax language is dropped from the budget reconciliation bill not pending before the Congress, then I am willing to modify the bill to prevent States from this offset program for the collection of sources taxes.

Mr. President, we are entering a more advanced era of computer technology. We should help facilitate the most efficient methods of collecting and administering Federal and State tax revenues. Allowing the Treasury to enter into reciprocal agreements with State moves us closer to this goal. The Nation's Governors have asked for this and I think we should help them in this area. The Federation of Tax Administrators estimates that this program would allow the States to recover between \$150 and \$200 million in tax debts. In addition, the Joint Committee has scored H.R. 757 to raise \$8 million in additional tax revenues over 5 years.

ADDITIONAL COSPONSORS

S. 939

At the request of Mr. SMITH, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 939, a bill to amend title 18, United States Code, to ban partial-birth abortions.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1166

At the request of Mr. LUGAR, the names of the Senator from Louisiana [Mr. JOHNSTON] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes.

S. 1228

At the request of Mr. D'AMATO, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1228, a bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran.

S. 1340

At the request of Mr. DASCHLE, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1340, a bill to require the President to appoint a Commission on Concentration in the Livestock Industry.