S. 452

At the request of Mr. MURKOWSKI, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 472

At the request of Mr. DOMENICI, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of S. 472, a bill to ensure that nuclear energy continues to contribute to the supply of electricity in the United States.

S. 500

At the request of Mr. BURNS, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 500, a bill to amend the Communications Act of 1934 in order to require the Federal Communications Commission to fulfill the sufficient universal service support requirements for high cost areas, and for other purposes.

S. 543

At the request of Mr. DOMENICI, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 543, a bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 592

At the request of Mr. SANTORUM, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 592, a bill to amend the Internal Revenue Code of 1986 to create Individual Development Accounts, and for other purposes.

S. 627

At the request of Mr. GRASSLEY, the names of the Senator from Maine (Ms. COLLINS) and the Senator from Arkansas (Mrs. LINCOLN) were added as a cosponsors of S. 627, a bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs.

S. 706

At the request of Mr. KERRY, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 706, a bill to amend the Social Security Act to establish programs to alleviate the nursing profession shortage, and for other purposes.

S. 755

At the request of Mrs. MURRAY, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 755, a bill to continue State management of the West Coast Dungeness Crab fishery.

S.J. RES. 13

At the request of Mr. WARNER, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S.J. Res. 13, a joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

S. RES. 63

At the request of Mr. CAMPBELL, the names of the Senator from Oregon (Mr. SMITH, of Oregon), the Senator from Alabama (Mr. SESSIONS), the Senator from North Dakota (Mr. CONRAD), the Senator from Virginia (Mr. ALLEN), the Senator from Alabama (Mr. SHELBY), and the Senator from Wisconsin (Mr. KOHL) were added as a cosponsors of S. Res. 63, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

S. RES. 71

At the request of Mr. HARKIN, the names of the Senator from North Dakota (Mr. DORGAN) and the Senator from Nebraska (Mr. NELSON, of Nebraska) were added as a cosponsors of S. Res. 71, a resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery.

S. CON. RES. 28

At the request of Ms. SNOWE, the names of the Senator from Rhode Island (Mr. REED) and the Senator from Michigan (Mr. LEVIN) were added as a cosponsors of S. Con. Res. 28, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

S. CON. RES. 33

At the request of Mr. GREGG, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. Con. Res. 33, a concurrent resolution supporting a National Charter Schools Week.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LIEBERMAN:

S. 798. A bill to amend the Internal Revenue Code of 1986 to allow small business employers certain credits against income tax, and for other purposes; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, I rise today to introduce legislation, the Productivity, Opportunity, and Prosperity Act of 2001, that I believe will add some needed POP to our economy and that must be an integral component of any strategy to extend our historic economic growth.

The primary goal of the Productivity, Opportunity, and Prosperity Act is to protect, stimulate and expand economic growth. Government's role is not to create jobs but to help create the environment in which the private sector will create jobs. This legislation helps to create the right context for private sector growth by providing incentives for investment in training, technology, and small entrepreneurial firms. These investments are critical to economic growth and the creation of jobs and wealth.

The Productivity, Opportunity, and Prosperity Act of 2001 is a tax package with a purpose. And that purpose is, above all else, to stimulate private sector economic growth, to raise the tide that lifts the lot of all Americans. In the spirit of the ''New Economy,'' where the fundamentals of our economy have changed through entrepreneurship and innovation, this package includes business tax incentives that will spur the real drivers of growth: innovation, investment, a skilled workforce, and productivity.

The first component of this bill is a 30 percent tax credit for companies that invest in remedial education for their employees. Many companies today recognize that a skilled workforce is critical to success and they are eager to invest continuously in their employees. However, too often those companies seeking to upgrade worker skills are having to first make sizeable investments to simply make up for the skill deficits produced by the K–12 education system. For example, in my home state of Connecticut, I am aware of one small manufacturer with 25 employees that will train 20 of them in English as a Second Language at a cost of up to $15,000. That is a significant investment and commitment by that company. Because too many workers did not learn the basic math, reading, and language skills in school, companies have to fix these deficiencies first, before they can train their workers on more advanced skills. This credit will help to offset those investments.

The bill's second component is a Small Business Digital Divide Tax Credit. It would create a 10 percent tax credit for small businesses, those with fewer than 100 employees, to encourage investment in information technology, for example servers, network hardware, initial broadband hookup, PCs, and e-Business software. This credit is critical for two reasons. First, because there is truly a small business digital divide in this country. Small firms are lagging in the productivity growth that has driven the economic boom of the late 90s. While small businesses account for 40 percent of our economy and 60 percent of the new jobs, less than one-third of them are wired to the Internet today. Those that are wired have grown 46 percent faster than their counterparts who are unplugged. A recent study by the National Association of Manufacturers, NAM, shows that those small manufacturers surveyed averaged only about 2 percent of their sales over internet and less than 1 percent were in the advanced stages of e-commerce. Without expanding productivity improvements to small businesses, we cannot hope to sustain the

economic growth of the last several years.

The second reason this credit is so important, is that it provides an immediate stimulus to our slowing economy. We know today that there has been a sharp downturn in technology-related capital spending that has helped power our economic growth. For example, Cisco Systems, whose products provide the foundation for our digital environment, estimates that its sales for the current quarter would be about 30 percent lower than the previous quarter and that they would fall again next quarter. By some projections, PC sales in this country this year will slow dramatically to virtually zero growth. In order to spur near term investment and provide an economic stimulus, this credit would be available immediately after enactment and through the end of 2002.

This bill's third component recognizes that entrepreneurship drives growth and that small, emerging companies need capital investment to innovate, create jobs, and create wealth. According to the National Commission on Entrepreneurship, a small subset of entrepreneurial firms that comprise only 5–15 percent of all U.S. businesses created about two-thirds of new jobs between 1993–96. Although venture capital is critical to the transition from a fledgling company to a growth company, only a small share of it is associated with small and new firms. In addition, we are currently experiencing a venture capital slow down that makes it even more difficult for small and new firms to attract capital. According to the National Venture Capital Association (NCVA), investment in the fourth quarter of last year slowed by more than 30 percent from the previous quarter.

For these reasons, the bill creates a zero capital gains rate for new, direct, long term investments by individuals and corporations in the stock of small businesses, those emerging, entrepreneurial companies that are core to our economic growth. Specifically, this legislation excludes from capital gains taxes 100 percent of new, long-term investments in these capital-intensive small businesses. It also changes the eligibility definition of a small business from $50 million in capitalization to $300 million while reducing the holding period for investments from 5 to 3 years. In addition, it also eliminates incentive stock options from the calculation of the Alternative Minimum Tax to help high tech employers recruit and retain the skilled professionals that are critical to competitiveness in a knowledge economy.

Finally, the bill's fourth component reduces the tax depreciation period for semiconductor manufacturing equipment from five years to three years, which more closely reflects the actual life of the equipment. I believe this component is essential because we know that advances in semiconductor technology improve productivity throughout the economy. The pace of innovation in the semiconductor industry is among the fastest of any U.S. or global industry. Following Moore's Law, the semiconductor industry has been quadrupling the number of transistors on a chip every three years and studies show that chip manufacturing equipment quickly becomes obsolete as these new generations of chips are introduced. Semiconductor companies spend a greater percentage of their sales on R&D and capital equipment than any other industry. Last year, the U.S. semiconductor industry spent 18 percent of its sales on capital investment and 14 percent on R&D. More than 30 percent of this sector's revenue are invested in the future and building the New Economy. To promote economic strength, we can no longer afford to penalize the semiconductor manufacturing equipment industry with tax law that requires a five year cost recovery.

Ten years from now we will be judged by the economic policy decisions we make today. People will ask, did we fully understand the awesome changes taking place in our economy and in our society? Did we give our industry and workers the environment and the tools they need to seize the opportunities an innovation economy offers? I believe that a true Prosperity Agenda is within our grasp. Never before has America been in a stronger position—economically, socially, or politically—to shape our future. But it will take strong and focused leadership. I am confident that if we in the public sector in Washington work in partnership with the private sector throughout our country, we can truly say of America's future that the best is yet to come. I believe that the Productivity, Opportunity, and Prosperity Act of 2001 is an important step toward that future.

By Mr. DURBIN (for himself, Mr. VOINOVICH, Mr. CLELAND, Mr. KERRY, Mr. REID, Mr. FEINGOLD, and Ms. MIKULSKI):

S. 799. A bill to prohibit the use of racial and other discriminatory profiling in connection with searches and detentions of individuals by the United States Customs Service personnel, and for other purposes; to the Committee on Finance.

Mr. DURBIN. Mr. President, I rise today to reintroduce the Reasonable Search Standards Act. This Act prohibits racial or other discriminatory profiling by Customs Service personnel. I am please that Senator VOINOVICH is an original cosponsor of this bipartisan legislation.

Last year, I released a study, conducted by GAO at my request, of the U.S. Customs Service's procedures for conducting inspections of airport passengers. The need for this study grew out of an investigative report by Renee Ferguson of WMAQ-TV in Chicago and several complaints from African-American women in my home state of Illinois who were strip-searched at O'Hare Airport for suspicion of carrying drugs. No drugs were found and the women felt that they had been singled out for these highly intrusive searches because of their race. These women, approximately 100 of them, have filed a class action law suit in Chicago.

The purpose of the GAO study was to review Customs' policies and procedures for conducting personal searches of airport passengers and to determine the internal controls in place to ensure that airline passengers are not inappropriately targeted or subjected to personal searches. Approximately 140 million passengers entered the United States on international flights during fiscal years 1997 and 1998. Because there is no data available on the gender, race and citizenship of this traveling population, GAO was not able to determine whether specific groups of passengers are disproportionately selected to be searched. However, once passengers are selected for searches, GAO was able to evaluate the likelihood that people with various race and gender characteristics would be subjected to searches that are more personally intrusive, such as strip-searches and x-rays, rather than simply being frisked or patted down.

The GAO study revealed some very troubling patterns in the searches conducted by U.S. Customs Service inspectors. GAO found disturbing disparities in the likelihood that passengers from certain population groups, having been selected for some form of search, would be subjected to the more intrusive searches, including strip-searches and x-ray searches. Moreover, that increased likelihood of being intrusively searched did not always correspond to an increased likelihood of actual carrying contraband.

Because of the intrusive nature of strip-searches and x-ray searches, it is important that the Customs Service avoid any discriminatory bias in forcing passengers to undergo these searches. GAO found that African-American women were much more likely to be strip-searched than most other passengers. This disproportionate treatment was not justified by the rate at which these women were found to be carrying contraband.

Certain other groups also experienced a greater likelihood of being strip-searched relative to their likelihood of being found carrying contraband. Specifically, African-American women were nearly 3 times as likely as African-American men to be strip-searched, even though they were only half as likely to be found carrying contraband. Hispanic-American and Asian-American women were also nearly 3 times as likely as Hispanic-American and Asian-American men to be strip-searched, even though they were 20 percent less likely to be found carrying contraband. In addition, African-American women were 73 percent more likely than White-American women to be strip-searched in 1998 and nearly 3 times as likely to be strip-searched in

1997, despite only a 42 percent higher likelihood of being found carrying contraband. Moreover, among non-citizens, White men and women were more likely to be strip-searched than Black and Hispanic men and women, despite lower rates of being found carrying contraband.

As with strip-searches, x-rays are personally intrusive and it is of particular concern that the Customs Service avoid any discriminatory bias in requiring x-ray searches of passengers suspected of carrying contraband. GAO found that African-Americans and Hispanic-Americans were much more likely to be x-rayed than other passengers. This disproportionate treatment was not justified by the rate at which these passengers were found to be carrying contraband. Specifically, GAO found that African-American women were nearly 9 times as likely as White-American women to be x-rayed even though they were half as likely to be carrying contraband. African-American men were nearly 9 times as likely as White-American men to be x-rayed, even though they were no more likely than White-American men to be carrying contraband. Moreover, Hispanic-American women and men were nearly 4 times as likely as White-American women and men to be x-rayed, even though they were only a little more than half as likely to be carrying contraband. And among non-citizens, Black women and men were more than 4 times as likely as White women and men to be x-rayed, even though Black women were only half as likely and Black men were no more likely to be found carrying contraband.

For these reasons, we are reintroducing the Reasonable Search Standards Act. This bill is a direct response to the concerns raised by the GAO report. The bill prohibits Customs Service personnel from selecting passengers for searches based in whole or in part on the passenger's actual or perceived race, religion, gender, national origin, or sexual orientation. To ensure that a sound reason exists for selecting someone to be searched, the bill requires Customs Service personnel to document the reasons for searching a passenger before the passenger is searched. The only exception to this requirement is when the Customs official suspects that the passenger is carrying a weapon.

The bill also requires all Customs Service personnel to undergo periodic training on the procedures for searching passengers, with a particular emphasis on the prohibition of profiling. The training shall include a review of the reasons given for searches, the results of the searches and the effectiveness of the criteria used by Customs to select passengers for searches. Finally, the bill calls for an annual study and report on detentions and searches of individuals by Customs Service personnel. The report shall include the number of searches conducted by Customs Service personnel, the race and gender of travelers subjected to the searches, the type of searches conducted—including pat down searches and intrusive non-routine searches—and the results of these searches.

Since the release of the GAO report, the Customs Service has assured me that improvements have been made to ''. . . better gather and analyze data, and to improve search procedures and results.'' These changes, along with better training of Customs Service personnel, will not only prevent unfair profiling practices, but will actually improve the effectiveness of operations at Customs. I commend former Commissioner Kelly for his quick response to the concerns raised by the GAO study and for implementing changes to the Customs Service's personal search policies.

The legislation we are introducing today will ensure that such progress continues, and is reported to Congress on a periodic basis. The Reasonable Search Standards Act will make the task at Customs easier by ensuring that a key federal service—one where profiling practices have already been demonstrated—remains focused on improving its personal search procedures and eliminating any practices that bear even the slightest resemblance to racial profiling.

President Bush and Attorney General Ashcroft have both said that ending racial profiling will be a high priority for this Administration. We applaud their commitment to this important issue. We have written a letter to President Bush, co-signed by Representatives LEWIS and HOUGHTON, to commend the President's attention to racial profiling, and to urge him to support the Reasonable Search Standards Act. Similar letters have been sent to Attorney General Ashcroft and to Treasury Secretary O'Neill. This is not a black, or brown, or white issue. It is not a Republican or a Democratic issue. Racial profiling is an affront to all Americans. Allowing it to continue would diminish democracy for all Americans.

Martin Luther King had a dream that the United States would become a nation where children would not be judged by the color of their skin but by the content of their character. We still have a long road to travel to make Dr. King's dream a full reality for all people. The Reasonable Search Standards Act is one step along that road. I urge my colleagues to support this important piece of legislation.

I ask unanimous consent that the letter sent to President Bush be printed in the RECORD.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, April 6, 2001.

Hon. GEORGE W. BUSH,
The White House,
Washington, DC.

DEAR PRESIDENT BUSH: We are writing to commend you and Attorney General Ashcroft for the priority your administration has given to the issue of racial profiling, and to seek your assistance regarding ongoing efforts to address this issue in the U.S. Customs Service. The insidious practice of racial profiling undermines public confidence in law enforcement and damages the credibility of police forces around the country, even though the vast majority of police are carrying out their duties responsibly and professionally. Most importantly, racial profiling creates an atmosphere of distrust and alienation that isolates broad segments of the American population.

As you know, this issue affects federal, as well as state and local law enforcement activities. In fact, a GAO study of profiling practices of airline passengers concluded that the U.S. Customs Service was intrusively searching African-American women and other minorities for contraband at much higher rates than they searched other segments of the population. Ironically, the women being targeted were statistically less likely than other passengers to be found carrying contraband.

Commissioner Kelly quickly responded to the concerns raised by the GAO study by implementing significant changes to the Customs Service's personal search policies and data collection activities. The Customs Service is to be commended for its responsiveness that, we hope, will eventually eliminate the practice or appearance of discrimination. Your continued attention to this issue will insure that the rapid pace of progress that the Customs Service has already made on the issue of racial profiling will continue unabated. To that end, we ask, first, that you quickly nominate someone who shares your commitment to the issue of racial profiling to the position of Commissioner of Customs.

We also introduced Customs search legislation to specifically address the issue by codifying some of the changes already made by the Customs Service, and adding a modest reporting requirement. The legislation would prohibit the use of race, gender or other inappropriate criteria as the basis for Customs Service selection of people for searches or detention, and require Customs to improve its record-keeping and analysis, institute periodic training, and report annually to Congress. There is every indication that these types of measures will help the Customs Service make more effective use of its resources, and avoid unwarranted searches.

We are reintroducing these companion bills to address profiling in the Customs Service and hope that you will work with Congress to insure their passage as part of your effort to bring an end to the inexcusable practice of racial profiling.

Sincerely,

RICHARD J. DURBIN,
U.S. Senator.
GEORGE V. VOINOVICH,
U.S. Senator.
JOHN LEWIS,
Member of Congress.
AMO HOUGHTON,
Member of Congress.

By Mrs. FEINSTEIN:

S. 800. A bill to provide for post conviction DNA testing, to establish a competent counsel grant program, and other purpose; to the Committee on Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise to introduce the Criminal Justice Integrity and Innocence Protection Act of 2001.

It is my hope that this bill will jumpstart the process of ensuring that every innocent prisoner in this nation has access to DNA testing that could set

them free, and that every criminal defendant has access to truly competent counsel.

This is not the first bill to be introduced on this issue.

My good friend from Vermont and ranking member of the Judiciary Committee, Senator LEAHY, has twice introduced his Innocence Protection Act, with an impressive and bipartisan group of supporters behind the bill. I commend him for his work on this issue, and I look forward to continuing to work with him to see a bill pass.

But I have had some concerns with certain provisions of the Leahy bill, concerns that make it impossible for me to support the bill as currently drafted.

Also last year, the chairman of the Judiciary Committee, Senator HATCH, addressed the DNA issue in a bill of his own. However, that bill did not include provisions on competent counsel, something that I very strongly feel should be included.

So the real aim of my effort is to start moving this process forward. It has been well over a year since these bills were first discussed, and no real action has taken place. There are differences of opinion on how to move forward on this issue, and I fully understand how committed each side is to their position.

But I believe that these differences of opinion will continue to prevent the Senate from considering this issue for the foreseeable future, unless something is done to break the stalemate.

In the hopes of doing just that, breaking the stalemate, last year, I invited both Senator HATCH and Senator LEAHY together, to try to resolve the differences between their two approaches. We had a constructive meeting, and some progress was made.

Since that time, each of us has gone back and forth with suggestions and criticisms of various ideas, and our staffs have been working diligently on trying to craft a solution to the impasse.

Nevertheless, time continues to run without action.

So today, I am introducing what I believe is a good compromise on this issue, a piece of legislation, based on our discussions, that I hope will spur debate, and provide a major step forward on this issue.

Essentially, the legislation I am introducing today does two things.

First, the bill provides a procedure by which prisoners who might be able to prove their innocence with the use of new DNA technology can do so.

The bill contains safeguards, of course, so that frivolous requests will be minimized.

For instance, prisoners have to demonstrate that biological evidence does exist that could possibly prove them innocent, and they must show that DNA testing was unavailable to them at the time of trial.

But overall, the bill will allow for the testing of inmates where evidence could lead to their exoneration.

If DNA testing proves innocence, the judge can release the prisoner immediately or, if there are other crimes of which the defendant may have been guilty, the judge can determine the best way to proceed in the case.

Second, the bill also addresses the issue of competent counsel, through the establishment of independent, national standards for legal representation in capital cases.

Specifically, this legislation directs the State Justice Institute to study this issue and to develop standards for competent counsel in capital cases.

The bill then authorizes grants to states that agree to adopt those standards.

The State Justice Institute has long served as a neutral facilitator between the state and federal judicial systems, and the bill would allow them to work with judges, prosecutors, and defense attorneys alike to develop a model system for standards in these cases.

The combination of these two parts of the bill, competent counsel standards and DNA testing, will serve as powerful tools in restoring the public's confidence in the integrity of our judicial system.

I support the death penalty, and I have for a long time. And I have spent much of my public career trying to ensure that guilty people face the consequences of their actions.

But we must protect the innocent from a system of justice that can make mistakes. That is what this bill is all about, and that is why I hope we can move quickly to debate this issue fairly, with all opinions on the table, and move forward towards passage of a reasoned, strong bill.

By Mr. JEFFORDS (for himself, Mr. CONRAD, Mr. MURKOWSKI, Mr. HATCH, and Mr. BREAUX):

S. 801. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the use of foreign tax credits under the alternative minimum tax; to the Committee on Finance.

Mr. JEFFORDS. Mr. President, today I am joining with four of my colleagues on the Finance Committee, Senators CONRAD, MURKOWSKI, HATCH and BREAUX, to introduce a bill that will eliminate an aspect of our tax laws that is fundamentally unfair to taxpayers with income from foreign sources.

Under our system of taxation, United States citizens and domestic corporations are subject to tax on income they earn from sources outside the United States. In all likelihood, foreign-source income will also be subject to tax by the country where it was earned. Absent an Internal Revenue Code measure providing for other treatment, the same income could be taxed twice, by two different countries. The tax code does have a provision to address this problem of double taxation: the foreign tax credit. This credit allows taxpayers to offset otherwise payable U.S. taxes with foreign taxes paid on the same foreign-source income. Like the other provisions governing international taxation, the details of the foreign tax credit are complex. The basic principle underlying the credit, however, is simple: relief from double taxation.

The alternative minimum tax, AMT, requires taxpayers to compute their taxes twice, once under the ''regular'' method, and once using the AMT calculation. As a rule, taxpayers pay the larger of these two computations. When taxpayers become subject to the AMT, th protection against double taxation is undermined. In the ''regular'' tax computation, foreign tax credits protect against double taxation. This protection is only partial under AMT rules, however, where the allowable foreign tax credit is limited to 90 percent of a taxpayer's AMT liability. This limitation means that income subject to foreign tax is also subject to U.S. tax.

There is no sound policy reason for denying relief from double taxation under the AMT. When first enacted, the AMT was designed to ensure that taxpayers claiming various tax ''preferences'' allowed by the Internal Revenue Code should pay a minimum amount of tax. The foreign tax credit is not a ''preference'' serving an incentive for a particular activity or behavior. Rather, it merely reflects the fundamental principle that income should not be subject to multiple taxation. The 90 percent limitation was enacted as part of the 1986 tax reform bill, solely for the purpose of raising revenue. The bill that we're introducing today will eliminate the AMT's 90 percent limitation on foreign tax credits. Elimination of this limitation will mean that taxpayers subject to the AMT will get the same protection against double taxation allowed to taxpayers subject to the regular tax.

Repeal of the limit on foreign tax credits is not a revolutionary idea. In fact, Congress repealed the limitation in the Taxpayer Refund and Relief Act of 1999, which was subsequently vetoed. Legislation similar to the bill I'm introducing today has also been introduced in the House of Representatives. At this point in time, it is questionable whether the AMT still serves a valid purpose. In fact, in a study released last week, the Joint Committee on Taxation concluded that both the corporate and individual AMT should be repealed. In any event, the AMT's treatment of foreign tax credits serves no valid purpose. The 90 percent limitation on foreign tax credits is probably the most unfair aspect of the corporate AMT. Even those unwilling to support wholesale AMT repeal should support elimination of this most unfair aspect of the AMT. In the age of globalization, the AMT limitation on foreign tax credits can put U.S. corporations at a competitive disadvantage with their foreign rivals. The time has come to repeal this unfair tax provision.

By Mr. BINGAMAN:

S. 802. A bill to assist low income taxpayers in preparing and filing their tax returns and to protect taxpayers from unscrupulous refund anticipation loan providers, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I rise today to introduce the Low Income Taxpayer Protection Act of 2001. This legislation, if enacted, will assist low and moderate income taxpayers with the annual task of preparing their tax returns and give them some protection from exploitive refund anticipation loans. RALs are high interest loans offered to taxpayers who are entitled to a refund. Recently, an article ran in the Albuquerque Journal about taxpayer abuses that were particularly acute near the Navajo Reservation in Gallup, New Mexico. While many taxpayers benefit from these loans, many more are hurt by outrageously high interest rates and fees. Worse, many taxpayers get caught with outstanding loans that they can't pay off because a mistake was made on their tax return resulting in a smaller than anticipated refund. Many of these loans, when annualized, have interest rates over 200 percent.

The majority of these loan recipients are low to moderate income taxpayers, many of whom receive an earned income tax credit. The EITC has become one of the most effective tools for fighting poverty and benefitting working families, and so it is essential that every dollar of this credit goes to the taxpayer.

Congress is not without fault. We have made the EITC so complicated that many taxpayers feel they have to pay to have someone prepare their return. According to the New Mexico Advocates for Children and Families, 83 percent of the low income population in Gallup used a paid preparer. Many of these taxpayers won't have the money to pay for this service unless they are loaned the money up front, hence a proliferation of refund anticipation loans. Although this bill does not include simplification of the EITC, I am going to work with my colleagues to be sure that any tax bill that is passed through this body has made the EITC easier to calculate.

To help low and moderate income taxpayers, my bill requires all those involved with RALs to register with the IRS. Treasury will then be required to determine what is a fair amount of interest and fees to be charged based on the benefit to the taxpayer and the risk to the lender. It will also expand the Volunteer Income Tax Assistance program by directly giving them funding to operate. VITA clinics are one of the few places low income taxpayers can go to get assistance on their tax returns. We need to expand this program. My bill also directs the IRS to focus its electronic filing services on the taxpayer. I am afraid that our desire to meet Congressional mandates for increasing electronic filing rates may have caused the IRS to forget why we are advancing electronic filing, to benefit the taxpayer.

Finally, this legislation will create several mobile electronic tax filing centers, at least one of which must be located near a Native American reservation or pueblo. Currently, many low income taxpayers do not have the ability to file electronically unless they go to a commercial electronic filer where there is a fee to file. This trial program would allow these taxpayers to enjoy the benefits of electronic filing, such as a shorter turn around time for a refund, without having to find the money to pay for it.

I look forward to working with my colleagues to expand this important 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. 802

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 ''Low Income Taxpayer Protection Act of 2001''.

SEC. 2. REGULATION OF INCOME TAX RETURN PREPARERS AND REFUND ANTICIPATION LOAN PROVIDERS.

(a) DEFINITIONS.—In this Act:

(1) INCOME TAX RETURN PREPARER.—

(A) IN GENERAL.—The term ''income tax return preparer'' means any individual who is an income tax return preparer (within the meaning of section 7701(a)(36) of the Internal Revenue Code of 1986) who prepares not less than 5 returns of tax imposed by subtitle A of such Code or claims for refunds of tax imposed by such subtitle A per taxable year.

(B) EXCEPTION.—Such term shall not include a federally authorized tax practitioner within the meaning of section of 7526(a)(3) of such Code.

(2) REFUND ANTICIPATION LOAN PROVIDER.—The term ''refund anticipation loan provider'' means a person who makes a loan of money or of any other thing of value to a taxpayer because of the taxpayer's anticipated receipt of a Federal tax refund.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

(b) REGULATIONS.—

(1) REGISTRATION REQUIRED.—

(A) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall promulgate regulations that—

(i) require the registration of income tax return preparers and of refund anticipation loan providers with the Secretary or the designee of the Secretary, and

(ii) prohibit the payment of a refund of tax to a refund anticipation loan provider or an income tax return preparer that is the result of a tax return which is prepared by the refund anticipation loan provider or the income tax return preparer which does not include the refund anticipation loan provider's or the income tax return preparer's registration number.

(B) NO DISCIPLINARY ACTION.—The regulations shall require that an applicant for registration must not have demonstrated any conduct that would warrant disciplinary action under part 10 of title 31, Code of Federal Regulations.

(C) BURDEN OF REGISTRATION.—In promulgating the regulations, the Secretary shall minimize the burden and cost on the registrant.

(2) RULES OF CONDUCT.—All registrants shall be subject to rules of conduct that are consistent with the rules that govern federally authorized tax practitioners.

(3) REASONABLE FEES AND INTEREST RATES.—The Secretary, after consultation with any expert as the Secretary deems appropriate, shall include in the regulations guidance on reasonable fees and interest rates charged to taxpayers in connection with loans to taxpayers made by refund anticipation loan providers.

(4) RENEWAL OF REGISTRATION.—The regulations shall determine the time frame required for renewal of registration and the manner in which a registered income tax return preparer or a registered refund anticipation loan provider must renew such registration.

(5) FEES.—

(A) IN GENERAL.—The Secretary may require the payment of reasonable fees for registration and for renewal of registration under the regulations.

(B) PURPOSE OF FEES.—Any fees required under this paragraph shall inure to the Secretary for the purpose of reimbursement of the costs of administering the requirements of the regulations.

(c) PROHIBITION.—Section 6695 of the Internal Revenue Code of 1986 (relating to other assessable penalties with respect to the preparation of income tax returns for other persons) is amended by adding at the end the following new subsection:

''(h) ACTIONS ON A TAXPAYER'S BEHALF BY A NON-REGISTERED PERSON.—Any person not registered pursuant to the regulations promulgated by the Secretary under the Low Income Taxpayer Protection Act of 2001 who—

''(1) prepares a tax return for another taxpayer for compensation, or

''(2) provides a loan to a taxpayer that is linked to or in anticipation of a tax refund for the taxpayer,

shall be subject to a $500 penalty for each incident of noncompliance.''.

(d) COORDINATION WITH SECTION 6060(a).—The Secretary shall determine whether the registration required under the regulations issued pursuant to this section should be in lieu of the return requirements of section 6060.

(e) PAPERWORK REDUCTION.—The Secretary shall minimize the amount of paperwork required of a income tax return preparer or a refund anticipation loan provider to meet the requirements of these regulations.

SEC. 3. IMPROVED SERVICES FOR TAXPAYERS.

(a) ELECTRONIC FILING EFFORTS.—

(1) IN GENERAL.—The Secretary shall focus electronic filing efforts on benefiting the taxpayer by—

(A) reducing the time between receipt of an electronically filed return and remitting a refund, if any,

(B) reducing the cost of filing a return electronically,

(C) improving services provided by the Internal Revenue Service to low and moderate income taxpayers, and

(D) providing tax-related computer software at no or nominal cost to low and moderate income taxpayers.

(2) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall prepare and submit to Congress a report on the efforts made pursuant to paragraph (1).

(b) VOLUNTEER INCOME TAX ASSISTANCE PROGRAM.—

(1) STUDY.—The Secretary shall undertake a study on the expansion of the volunteer income tax assistance program to service more low income taxpayers.

(2) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall prepare and submit to Congress a report on the study conducted pursuant to paragraph (1).

(3) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There is authorized to be appropriated to the Secretary for volunteer income tax assistance clinics $6,000,000, to remain available until expended.

(B) USE OF FUNDS.—Such amounts appropriated under subparagraph (A) shall be used for the operating expenses of volunteer income tax assistance clinics, expenses for providing electronic filing expenditures through such clinics, and related expenses.

(c) TELE-FILING.—The Secretary shall ensure that tele-filing is available for all taxpayers for the filing of tax returns with respect to taxable years beginning in 2001.

(d) DEPOSIT INDICATOR PROGRAM.—

(1) REVIEW.—The Secretary shall review the decision to reinstate the Deposit Indicator program.

(2) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall prepare and submit to Congress a report on the review made pursuant to paragraph (1).

(e) DIRECT DEPOSIT ACCOUNTS.—The Secretary shall allocate resources to programs to assist low income taxpayers in establishing accounts at financial institutions that receive direct deposits from the United States Treasury.

(f) PILOT PROGRAM FOR MOBILE TAX RETURN FILING OFFICES.—

(1) IN GENERAL.—The Secretary shall establish a pilot program for the creation of four mobile tax return filing offices with electronic filing capabilities.

(2) LOCATION OF SERVICE.—

(A) IN GENERAL.—The mobile tax return filing offices shall be located in communities that the Secretary determines have a high incidence of taxpayers claiming the earned income tax credit.

(B) INDIAN RESERVATION.—At least one mobile tax return filing office shall be on or near an Indian reservation (as defined in section 168(j)(6) of the Internal Revenue Code of 1986).

AMEMDMENTS SUBMITTED AND PROPOSED

SA 354. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 354. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

In section 1125, insert the following:

SEC. 1125B (20 U.S.C. 6336). STUDY, EVALUATION AND REPORT OF SCHOOL FINANCE EQUALIZATION.

The Secretary shall conduct a study to evaluate and report to the Congress on the degree of disparity in expenditures per pupil among LEAs in each of the fifty states and the District of Columbia using the distribution formula described in this section. The Secretary shall also analyze the trends in State school finance legislation and judicial action requiring that states equalize resources. The Secretary will attempt to evaluate and report to the Congress whether or not it can be determined if these actions have resulted in an improvement in student performance.

In preparing this report, the Secretary may also consider the following: other measures of determining disparity; the relationship between education expenditures and student performance; the effect of Federal education assistance programs on the equalization of school finance resources; and the effects of school finance equalization on local and state tax burdens.

Such report shall be submitted to the Congress not later than one year after the date of enactment of the Better Education for Students and Teachers Act.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Thursday, May 3, 2001, at 2:30 p.m. in room SD–336 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this oversight hearing is to review FERC's April 26, 2001, order addressing wholesale electricity prices in California and the Western United States.

Request to testify may be made in writing to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Jo Meuse at (202) 224–6567.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Madam President, I ask unanimous consent that Jay Barth and Nicky Yuen have floor privileges today and for the remainder of the debate on the reauthorization of the Elementary and Secondary Education Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELIEF OF RITA MIREMBE REVELL A.K.A. MARGARET RITA MIREMBE

Ms. COLLINS. Mr. President, I ask unanimous consent the Judiciary Committee be discharged from further consideration of S. 560, and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 560) for the relief of Rita Mirembe Revell (a.k.a. Margaret Rita Mirembe).

There being no objection, the Senate proceeded to consider the bill.

Ms. COLLINS. Mr. President, I ask unanimous consent the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements pertaining to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 560) was read the third time and passed, as follows:

S. 560

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

SECTION 1. PERMANENT RESIDENT STATUS FOR RITA MIREMBE REVELL (A.K.A. MARGARET RITA MIREMBE).

(a) IN GENERAL.—Notwithstanding any other provision of law, for the purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Rita Mirembe Revell (a.k.a. Margaret Rita Mirembe) shall be held and considered to have been lawfully admitted to the United States for permanant residence as of the date of enactment of this Act, upon payment of the required visa fees not later than 2 years after the date of enactment of this Act.

(b) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of permanent residence to Rita Mirembe Revell (a.k.a. Margaret Rita Mirembe), the Secretary of State shall instruct the proper officer to reduce by the appropriate number, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)) or, if applicable, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 202(e) of such Act.

ORDERS FOR TUESDAY, MAY 1, 2001

Ms. COLLINS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Tuesday, May 1. I further ask unanimous consent that on Tuesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to the cloture vote on the motion to proceed to S. 1 as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. Mr. President, I further ask unanimous consent that the Senate stand in recess from the hour of 12:30 p.m. until 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Ms. COLLINS. Mr. President, for the information of all Senators, the Senate will convene at 9:30 a.m. tomorrow and will immediately have a cloture vote on the motion to proceed to S. 1, the education reform bill. Following that vote, it is expected that the 30 hours of postcloture debate will begin. However, it is hoped that time will be yielded so the Senate can begin full consideration of the bill as early as tomorrow afternoon. Numerous amendments are expected to be offered to this important legislation, and therefore Senators may expect votes throughout the week.