

A BILL TO ENSURE THAT THE IRS ACCURATELY ACCOUNT FOR FICA TAXES PAID BY EMPLOYERS ON EMPLOYEE'S TIP INCOME

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 2002

Mr. HERGER. Mr. Speaker, I rise today with my colleague from Tennessee, Mr. TANNER, to introduce the Tip Tax Fairness Act, a bill to require the Internal Revenue Service (IRS) to accurately account for FICA taxes paid by employers on employee's tip income.

As we all know, many employees in the service sector of the business community earn a substantial portion of their income from tips. Recognizing this, Congress passed legislation years ago requiring employers and employees to pay FICA payroll taxes on tip income. This ensures that an employee's total earnings are reflected in their Social Security wage history, which determines the employee's Social Security benefits upon retirement.

In the IRS's effort to collect the FICA taxes they believe is owed on unreported tips, the agency has created an aggregate method for assessing employers which is inconsistent with congressional intent. Congress did not intend FICA taxes to be paid on an aggregate basis, because earnings subject to FICA taxes are intended to be credited to an employee's Social Security wage history.

Under current law, employees are required to report all of their tips to their employer. The employer is required to send this information to the IRS, along with the employer and employee share of the FICA taxes owed. If the IRS believes the amount of tip income reported is not accurate the agency will audit the employer, bill the employer using an aggregate estimate, and collect the employer's portion of the FICA taxes. However, the agency does not credit the employee's Social Security wage history. By not doing so, the agency is disregarding one of the reasons Congress required employers to pay FICA taxes on tips.

Furthermore, this lack of accounting on the part of the IRS, and the use of aggregate estimates, creates a dramatic shift in the burden of tax collection. Under this method, it is the employer who must determine if there was underreporting of income, not the IRS, and the employer who must disprove an inaccurate assessment. Many service providers have expressed concerns that this shift in burden pits the employer against their own employees, effectively turning them into "tip police."

The bill Mr. TANNER and I are introducing today is a solution that we believe employees and employers can support. Simply stated, this legislation requires the IRS to ensure that assessments paid by employers, for FICA taxes owed on unreported tips, are credited to each affected employee's Social Security wage history. As such, this measure requires the IRS to use FICA taxes as Congress intended.

Mr. Speaker, I would like to thank all of our original cosponsors for supporting this worthy legislation.

HONORING THE LIFE OF CUNG PHAM AND HIS SERVICE TO ST. ANSELM'S CROSS-CULTURAL CENTER IN GARDEN GROVE

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 2002

Ms. SANCHEZ. Mr. Speaker, I rise today to honor the life of Cung Pham of Garden Grove, California.

Cung Pham served as the director of educational legislation and planning prior to the fall of the Republic of Vietnam 1975. After the country's collapse, he was detained in a concentration camp for seven years before escaping by boat in 1982 to spend time in a refugee camp in Thailand.

Mr. Pham eventually ended up in the Orange County community. Using his understanding of the refugee experience, Mr. Pham worked as the director of the refugee resettlement program at St. Anselm's Cross Cultural Center in Garden Grove. His great compassion and organizational skills helped make the program a model for the entire country, helping thousands of refugees become assimilated to American life. He helped them with paperwork, enrolled them in English classes, and trained them for job interviews.

Sadly, at the young age of 63, Mr. Pham lost his battle to cancer on September 14, 2002. He was known for his quiet and gentle ways and was greatly admired by those he helped and those with whom he worked.

RECOGNIZING THE JEWISH NATIONAL FUND

HON. JOSEPH M. HOFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 2002

Mr. HOFFEL. Mr. Speaker, I rise today to recognize the Jewish National Fund which is celebrating its 100th anniversary on October 6, 2002. The Jewish National Fund (JNF) was established with the express purpose of bringing Jews from around the world together and make the Zionist dream of a Jewish state a reality.

JNF was formed at the Fifth Zionist Congress in order to motivate people from around the world to collect spare change in tin "Blue Boxes," to be used to purchase the land that would one day become the state of Israel. These Blue Boxes became a symbol of Zionism and they were distributed in Jewish communities everywhere, creating a bond that was felt by the Jewish community as a whole. Through this unity, the Zionist movement built the nation of Israel that continues to flourish and thrive.

In the spring of 1903, JNF acquired its first parcel of land of 800 acres in Hadera, Israel. Immediately, JNF focused on greening the land through the planting of trees. To date, JNF has planted over 210 million trees on 250,000 acres across Israel. JNF has grown with the country's changing needs by building infrastructure for essential new communities which accommodate Israel's growing population. The JNF is responsible for building access roads, providing employment for waves

of new immigrants, and improving the quality of life for Israelis across the country.

Today JNF continues to be a major force in the development of Israel through water resource development, education, research and development, community development and tourism and recreation. These successes across such a wide range of activities have benefited the lives of countless Israeli citizens. The reach of JNF extends beyond Israel's borders providing a link between Jews around the world with the Jewish state.

I congratulate the Jewish National Fund on its 100 years of service to the Zionist movement and the state of Israel and wish them many more years of continued success.

NATIONAL RADIOLOGIC TECHNOLOGY WEEK

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 2002

Mr. DUNCAN. Mr. Speaker, I would like to recognize the contribution of medical imaging and radiation professionals to the care of Americans as we celebrate National Radiologic Technology Week (NRTW) November 3–9, 2002.

Many people are unaware of who radiologic technologists are or what they do. This week to honor those dedicated health care professionals was started in 1979 by the American Society of Radiologic Technologists (ASRT). The purpose for the week is to educate the public about the important contributions of medical imaging and radiation therapy professionals in providing quality patient care and a safer health care environment.

Radiologic technologists are the medical personnel who perform diagnostic imaging examinations and administer radiation therapy treatments. They are educated in anatomy, patient positioning, examination techniques, equipment protocols, radiation safety, radiation protection and patient care.

NRTW takes place annually and is celebrated across the Country at hospitals, clinics, imaging centers, educational institutions, corporations and affiliate organizations and at public events held at schools, health fairs, fund-raisers and other community locations. NRTW also commemorates the founding of the ASRT in October 1920. ASRT is the oldest and largest national, not-for-profit member association representing medical imaging and radiation therapy professionals, with a membership exceeding 100,000. Since 1920, ASRT has helped foster the professional growth and educational needs of radiologic technologists throughout the world. The Society represents individual practitioners, educators, students and managers/administrators in radiologic technology, radiation therapy, nuclear medicine and sonography.

I would like to congratulate and thank our Country's medical imaging and radiation therapy professionals for a job well done. It is an honor to commemorate and celebrate National Radiologic Technology Week.