

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2367. A bill to suspend temporarily the duty on Frescolate (5-Methyl 2-(methyl ethyl)cyclohexyl alpha-hydroxypropanoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2368. A bill to suspend temporarily the duty on Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2369. A bill to suspend temporarily the duty on Allinat (Allyl isosulfocyanate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2370. A bill to suspend temporarily the duty on Acetanisol (Anisyl Methyl Ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2371. A bill to suspend temporarily the duty on NeoHeliopan MA (Menthyl Anthranilate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2372. A bill to suspend temporarily the duty on Majantol (2,2-Dimethyl-3-(3-methylphenyl)propanal); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2373. A bill to suspend temporarily the duty on Agrumex (o-t-Butyl cyclohexanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2374. A bill to suspend temporarily the duty on Globanone (Cyclohexadec-8-en-1-one) (CHD); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2375. A bill to suspend temporarily the duty on Benzyl Acetone (Methyl-phenylethyl ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2376. A bill to suspend temporarily the duty on Sodium Methylate Powder (Na Methylate Powder); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2377. A bill to suspend temporarily the duty on NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid); to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERRY:

S. 2339. A bill to amend the Internal Revenue Code of 1986 to curb tax abuses by disallowing tax benefits claimed to arise from transactions without substantial economic substance, to curb tax abuses involving identified tax havens, and for other purposes; to the Committee on Finance.

● Mr. KERRY. Mr. President, the recent demise of Enron Corporation has generated national attention and shed light on an alarming trend. A growing number of corporations and individuals are exploiting tax havens in the Caribbean and elsewhere to evade and avoid paying taxes.

Often cloaked in a web of bank secrecy and taxpayer privacy, businesses and individuals operating in offshore

financial centers create sham corporations and partnerships. By sheltering tax-dodgers and tax cheats, these overseas tax havens undermine confidence and trust in our Federal Government. The spread of illegal tax haven activity punishes those who play by the rules. The end result is higher taxes on the little guy—those who comply with the law. They are stuck paying the tab, forced to make up for the lost revenue through unnecessarily high taxes.

The vast majority of American businesses and individuals do not engage in abusive tax schemes. These taxpayers' activities will be unaffected by the Tax Haven and Abusive Tax Shelter Reform Act of 2002. The legislation will not stand in the way of legitimate tax planning and business activity. However, the bill will create real consequences for those individuals who flout the law, and those businesses who engage in transactions with no real business purpose other than generating artificial losses and deductions.

The exact details of Enron's tax avoidance practices are still under investigation by the Senate Finance Committee. What we do know is the energy conglomerate held over 800 subsidiaries in tax haven jurisdictions. Enron created 692 subsidiaries in the Cayman Islands alone. Through the use of sophisticated financial instruments, at least one analyst estimates Enron was able to avoid income taxes in four of the last five years.

Enron is not alone. The use of offshore tax havens by corporations and wealthy individuals is widespread. Through accounting tricks and tax loopholes, large companies not only avoid corporate income taxes, they claim sizable tax refunds. In a typical example, a corporation establishes a foreign subsidiary not subject to American taxes, shifts profits to the subsidiary which then sends them back to the parent corporation in a form that is considered not taxable under U.S. law.

While some corporations use loopholes to skirt the edges of the law, other individuals use tax havens outright illegally. The Internet has simplified the process of launching a corporation or opening an account offshore. While Americans are taxed on their worldwide earnings, individuals operating in offshore financial centers gamble that the IRS will never uncover their overseas income.

Taxpayers select tax havens because they offer little or no taxation on income in their jurisdiction and have privacy rules that help taxpayers hide what they are doing. Once the transfers are established, income is often repatriated back to the U.S. owners through loans, credit cards, or debit cards. By using complex transactions and multiple entities, the individuals using these schemes hide their income and avoid potential tax liabilities.

The scope of the problem is daunting. Assets in offshore entities have climbed from an estimated \$200 billion

in 1983, to an estimated \$5 trillion today. One private sector estimate suggests the use of tax havens to illegally shelter income results in the loss of \$70 billion annually. The IRS estimates that in tax year 2000, about 740,000 taxpayers used abusive schemes, both domestic and offshore.

Clearly, Congress must act to restore public confidence in our federal tax system. We can start by ensuring that honest, middle-class Americans are not the only ones left holding the bill. Unfortunately, the Bush administration has shied away from aggressively attacking tax evasion. Last May, Treasury Secretary Paul O'Neill voiced support for abolishing the corporate income tax. The Treasury Department recently fought to water down an international campaign to reform tax haven practices led by the Organization for Economic Cooperation and Development, OECD. Last fall, the Administration sought to repeal the corporate alternative minimum tax, a tax designed to ensure that large corporations do not entirely escape taxation.

Exempting our Nation's largest firms from taxation altogether is not the answer. On the contrary, Congress should take steps to ensure that criminal tax evasion is detected and addressed accordingly. The Tax Haven and Abusive Tax Shelter Reform Act of 2002 would impose strict measures against nations identified as uncooperative tax havens those which use confidentiality rules and practices to undermine tax enforcement and administration or refuse to participate in effective information exchange agreements. The legislation would limit foreign tax credits claimed by taxpayers operating in uncooperative tax havens. It would require a strict reporting of outbound transfers by U.S. taxpayers. The bill imposes a new civil penalty on U.S. taxpayers who fail to report an interest in an offshore account. Finally, it mandates a comprehensive review of the offshore tax evasion problem, including specific mechanisms used by taxpayers to shelter income and assets. By imposing real consequences for jurisdictions which are identified as uncooperative tax havens, the bill pierces the veil of secrecy which shields tax cheats from scrutiny and provides a strong incentive for otherwise uncooperative tax havens to enter into commitments with the United States to reform their practices.

The peddling of abusive corporate tax shelters also demands attention. Prepackaged, tax-motivated transactions with no real economic risk or business purpose—but which capitalize on technical ambiguities in the tax code—are sold to corporations by creative practitioners to generate artificial losses and deductions. Provisions in the Tax Haven and Abusive Tax Shelter Reform Act of 2002, identical to those introduced in the House by Rep. LLOYD DOGGETT, D-TX, would disallow tax benefits from transactions that have no real business purpose other than tax

savings. In addition, they expand disclosure requirements so that the IRS is fully aware of dubious tax schemes and tighten penalties against gross underpayments resulting from illegal tax shelters.

A tax system which asks working families to pay their fair share, but gives large corporations such as Enron a free ride, is a national disgrace. And as tax havens and shelters proliferate, confidence in the integrity and fairness of our tax system and government declines. Middle-class families rightly conclude that our own government cannot effectively enforce its laws. The administration, while proposing new disclosure requirements, has offered little in the way of substantive changes to alter the tax treatment of transactions which clearly serve no real business purpose other than tax avoidance. Furthermore, the administration has undermined international efforts to aggressively address sheltering activity in tax havens. The Tax Haven and Abusive Tax Shelter Reform Act of 2002 is the first step in what will surely be a long road to restoring the confidence and faith of the vast majority of hard-working, law-abiding Americans who pay taxes on every dollar they earn. I urge my colleagues to join me in this effort, and I ask that a summary of the legislation as well as the full text of the bill be printed in the RECORD.

The material follows:

S. 2339

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 "Tax Haven and Abusive Tax Shelter Reform Act of 2002".

TITLE I—CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE

SEC. 101. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 of the Internal Revenue Code of 1986 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

"(1) GENERAL RULES.—

"(A) IN GENERAL.—In applying the economic substance doctrine, the determination of whether a transaction has economic substance shall be made as provided in this paragraph.

"(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—A transaction has economic substance only if—

"(I) the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer's economic position, and

"(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

"(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

"(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value

of the expected net tax benefits that would be allowed if the transaction were respected, and

"(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

"(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

"(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

"(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction are substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

"(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

"(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

"(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

"(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

"(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

"(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

"(D) TREATMENT OF LESSORS.—In applying subclause (I) of paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease, the expected net tax benefits shall not include the benefits of depreciation, or any tax credit, with respect to the leased property and subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

"(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law referred to in section 6662(i)(2), and the requirements of this subsection shall be construed as being in addition to any such other rule of law."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

TITLE II—PENALTIES

SEC. 201. INCREASE IN PENALTY ON UNDERPAYMENTS RESULTING FROM FAILURE TO SATISFY CERTAIN COMMON LAW RULES.

(a) IN GENERAL.—Section 6662 of the Internal Revenue Code of 1986 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

"(i) INCREASE IN PENALTY IN CASE OF FAILURE TO SATISFY CERTAIN COMMON LAW RULES.—

"(1) IN GENERAL.—To the extent that an underpayment is attributable to a disallowance described in paragraph (2)—

"(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

"(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

"(2) DISALLOWANCES DESCRIBED.—A disallowance is described in this subsection if such disallowance is on account of—

"(A) a lack of economic substance (within the meaning of section 7701(n)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2),

"(B) a lack of business purpose for such transaction or because the form of the transaction does not reflect its substance, or

"(C) a failure to meet the requirements of any other similar rule of law.

"(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer discloses to the Secretary (as such time and in such manner as the Secretary shall prescribe) such information as the Secretary shall prescribe with respect to such transaction."

(b) MODIFICATIONS TO PENALTY ON SUBSTANTIAL UNDERSTATEMENT OF INCOME TAX.—

(1) MODIFICATION OF THRESHOLD.—Subparagraph (A) of section 6662(d)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

"(A) IN GENERAL.—For purposes of this section, there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

"(i) \$500,000, or

"(ii) the greater of 10 percent of the tax required to be shown on the return for the taxable year or \$5,000."

(2) MODIFICATION OF PENALTY ON TAX SHELTERS, ETC.—Clauses (i) and (ii) of section 6662(d)(2)(C) of such Code are amended to read as follows:

"(i) IN GENERAL.—Subparagraph (B) shall not apply to any item attributable to a tax shelter."

"(ii) DETERMINATION OF UNDERSTATEMENTS WITH RESPECT TO TAX SHELTERS, ETC.—In any case in which there are one or more items attributable to a tax shelter, the amount of the understatement under subparagraph (A) shall in no event be less than the amount of understatement which would be determined for the taxable year if all items shown on the return which are not attributable to any tax shelter were treated as being correct. A similar rule shall apply in cases to which subsection (i) applies, whether or not the items are attributable to a tax shelter."

(c) TREATMENT OF AMENDED RETURNS.—Subsection (a) of section 6664 of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: "For purposes of this subsection, an amended return shall be disregarded if such return is filed on or after the date the taxpayer is first contacted by the Secretary regarding the examination of the return."

SEC. 202. PENALTY ON PROMOTERS OF TAX AVOIDANCE STRATEGIES WHICH HAVE NO ECONOMIC SUBSTANCE, ETC.

(a) PENALTY.—

(1) IN GENERAL.—Section 6700 of the Internal Revenue Code of 1986 (relating to promoting abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) PENALTY ON SUBSTANTIAL PROMOTERS FOR PROMOTING TAX AVOIDANCE STRATEGIES WHICH HAVE NO ECONOMIC SUBSTANCE, ETC.—

“(1) IMPOSITION OF PENALTY.—Any substantial promoter of a tax avoidance strategy shall pay a penalty in the amount determined under paragraph (2) with respect to such strategy if such strategy (or any similar strategy promoted by such promoter) fails to meet the requirements of any rule of law referred to in section 6662(i)(2).

“(2) AMOUNT OF PENALTY.—The penalty under paragraph (1) with respect to a promoter of a tax avoidance strategy is an amount equal to 100 percent of the gross income derived (or to be derived) by such promoter from such strategy.

“(3) TAX AVOIDANCE STRATEGY.—For purposes of this subsection, the term ‘tax avoidance strategy’ means any entity, plan, arrangement, or transaction a significant purpose of the structure of which is the avoidance or evasion of Federal income tax.

“(4) SUBSTANTIAL PROMOTER.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘substantial promoter’ means, with respect to any tax avoidance strategy, any promoter if—

“(i) such promoter offers such strategy to more than 1 potential participant, and

“(ii) such promoter may receive fees in excess of \$500,000 in the aggregate with respect to such strategy.

“(B) AGGREGATION RULES.—For purposes of this paragraph—

“(i) RELATED PERSONS.—A promoter and all persons related to such promoter shall be treated as 1 person who is a promoter.

“(ii) SIMILAR STRATEGIES.—All similar tax avoidance strategies of a promoter shall be treated as 1 tax avoidance strategy.

“(C) PROMOTER.—The term ‘promoter’ means any person who participates in the promotion, offering, or sale of the tax avoidance strategy.

“(D) RELATED PERSON.—Persons are related if they bear a relationship to each other which is described in section 267(b) or 707(b).

“(4) COORDINATION WITH SUBSECTION (a).—No penalty shall be imposed by this subsection on any promoter with respect to a tax avoidance strategy if a penalty is imposed under subsection (a) on such promoter with respect to such strategy.”

(2) CONFORMING AMENDMENT.—Subsection (d) of section 6700 of such Code is amended—

(A) by striking “PENALTY” and inserting “PENALTIES”, and

(B) by striking “penalty” the first place it appears in the text and inserting “penalties”.

(b) INCREASE IN PENALTY ON PROMOTING ABUSIVE TAX SHELTERS.—The first sentence of section 6700(a) of the Internal Revenue Code of 1986 is amended by striking “a penalty equal to” and all that follows and inserting “a penalty equal to the greater of \$1,000 or 100 percent of the gross income derived (or to be derived) by such person from such activity.”

SEC. 203. MODIFICATIONS OF PENALTIES FOR AIDING AND ABETTING UNDERSTATEMENT OF TAX LIABILITY INVOLVING TAX SHELTERS.

(a) IMPOSITION OF PENALTY.—Section 6701(a) of the Internal Revenue Code of 1986 (relating to imposition of penalty) is amended to read as follows:

“(a) IMPOSITION OF PENALTIES.—

“(1) IN GENERAL.—Any person—

“(A) who aids or assists in, procures, or advises with respect to, the preparation or presentation of any portion of a return, affidavit, claim, or other document,

“(B) who knows (or has reason to believe) that such portion will be used in connection with any material matter arising under the internal revenue laws, and

“(C) who knows that such portion (if so used) would result in an understatement of the liability for tax of another person,

shall pay a penalty with respect to each such document in the amount determined under subsection (b).

“(2) CERTAIN TAX SHELTERS.—If—

“(A) any person—

“(i) aids or assists in, procures, or advises with respect to the creation, organization, sale, implementation, management, or reporting of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or of any entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

“(ii) opines, advises, represents, or otherwise indicates (directly or indirectly) that the taxpayer’s tax treatment of items attributable to such tax shelter or such entity, plan, arrangement, or transaction and giving rise to an understatement of tax liability would more likely than not prevail or not give rise to a penalty,

“(B) such opinion, advice, representation, or indication is unreasonable,

then such person shall pay a penalty in the amount determined under subsection (b). If a standard higher than the more likely than not standard was used in any such opinion, advice, representation, or indication, then subparagraph (A)(ii) shall be applied as if such standard were substituted for the more likely than not standard.”

(b) AMOUNT OF PENALTY.—Section 6701(b) of the Internal Revenue Code of 1986 (relating to amount of penalty) is amended—

(1) by inserting “or (3)” after “paragraph (2)” in paragraph (1),

(2) by striking “subsection (a)” each place it appears and inserting “subsection (a)(1)”, and

(3) by redesignating paragraph (3) as paragraph (4) and by adding after paragraph (2) the following new paragraph:

“(3) TAX SHELTERS.—In the case of—

“(A) a penalty imposed by subsection (a)(1) which involves a return, affidavit, claim, or other document relating to a tax shelter or an entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

“(B) any penalty imposed by subsection (a)(2),

the amount of the penalty shall be equal to 100 percent of the gross proceeds derived (or to be derived) by the person in connection with the tax shelter or entity, plan, arrangement, or transaction.”

(c) REFERRAL AND PUBLICATION.—If a penalty is imposed under section 6701(a)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) on any person, the Secretary of the Treasury shall—

(1) notify the Director of Practice of the Internal Revenue Service and any appropriate State licensing authority of the penalty and the circumstances under which it was imposed, and

(2) publish the identity of the person and the fact the penalty was imposed on the person.

(d) CONFORMING AMENDMENTS.—

(1) Section 6701(d) of the Internal Revenue Code of 1986 is amended by striking “Sub-

section (a)” and inserting “Subsection (a)(1)”.

(2) Section 6701(e) of such Code is amended by striking “subsection (a)(1)” and inserting “subsection (a)(1)(A)”.

(3) Section 6701(f) of such Code is amended by inserting “, tax shelter, or entity, plan, arrangement, or transaction” after “document” each place it appears.

SEC. 204. FAILURE TO MAINTAIN LISTS.

Section 6708(a) of the Internal Revenue Code of 1986 (relating to failure to maintain lists of investors in potentially abusive tax shelters) is amended by adding at the end the following: “In the case of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), the penalty shall be equal to 50 percent of the gross proceeds derived (or to be derived) from each person with respect to which there was a failure and the limitation of the preceding sentence shall not apply.”

SEC. 205. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

“SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE TAX SHELTER INFORMATION WITH RETURN.

“(a) IMPOSITION OF PENALTY.—Any person who fails to include with its return of Federal income tax any information required to be included under section 6011 with respect to a reportable transaction shall pay a penalty in the amount determined under subsection (b). No penalty shall be imposed on any such failure if it is shown that such failure is due to reasonable cause.

“(b) AMOUNT OF PENALTY.—

“(1) IN GENERAL.—The amount of the penalty under subsection (a) shall be equal to the greater of—

“(A) 5 percent of any increase in Federal tax which results from a difference between the taxpayer’s treatment (as shown on its return) of items attributable to the reportable transaction to which the failure relates and the proper tax treatment of such items, or

“(B) \$100,000.

For purposes of subparagraph (A), the last sentence of section 6664(a) shall apply.

“(2) LISTED TRANSACTION.—If the failure under subsection (a) relates to a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011, paragraph (1)(A) shall be applied by substituting ‘10 percent’ for ‘5 percent’.

“(c) REPORTABLE TRANSACTION.—For purposes of this section, the term ‘reportable transaction’ means any transaction with respect to which information is required under section 6011 to be included with a taxpayer’s return of tax because, as determined under regulations prescribed under section 6011, such transaction has characteristics which may be indicative of a tax avoidance transaction.

“(d) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under section 6662.”

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6707 the following in item:

“Sec. 6707A. Penalty for failure to include tax shelter information on return.”

SEC. 206. REGISTRATION OF CERTAIN TAX SHELTERS WITHOUT CORPORATE PARTICIPANTS.

Section 6111(d)(1)(A) of the Internal Revenue Code of 1986 (relating to certain confidential arrangements treated as tax shelters) is amended by striking “for a direct or indirect participant which is a corporation”.

SEC. 207. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), the amendments made by this title shall apply to transactions after the date of the enactment of this Act.

(b) SECTION 201.—The amendments made by subsections (b) and (c) of section 201 shall apply to taxable years ending after the date of the enactment of this Act.

(c) SECTION 202.—The amendments made by subsection (a) of section 202 shall apply to any tax avoidance strategy (as defined in section 6700(c) of the Internal Revenue Code of 1986, as amended by this title) interests in which are offered to potential participants after the date of the enactment of this Act.

(d) SECTION 206.—The amendment made by section 206 shall apply to any tax shelter interest which is offered to potential participants after the date of the enactment of this Act.

TITLE III—DISCOURAGING USE OF IDENTIFIED TAX HAVENS

SEC. 301. REPORTING OF PAYMENTS TO PERSONS IN IDENTIFIED TAX HAVENS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6038C the following new section: “**SEC. 6038D. PAYMENTS TO PERSONS IN IDENTIFIED TAX HAVENS.**

“(a) IN GENERAL.—Each United States person who transfers money or other property directly or indirectly to any identified tax haven or to any person who is a resident of any identified tax haven shall furnish to the Secretary, at such time and in such manner as the Secretary shall by regulations prescribe, such information with respect to such transfer as the Secretary may require in such regulations.

“(b) EXCEPTIONS.—Subsection (a) shall not apply to a transfer by a United States person if—

“(1) the transferee certifies to such person that information about such transfer shall be made available (in such manner and at such time as the Secretary shall prescribe) to the Secretary on request, or

“(2) the amount of money (and the fair market value of property) transferred is less than \$10,000.

Related transfers shall be treated as 1 transfer for purposes of paragraph (2).

“(c) IDENTIFIED TAX HAVEN.—For purposes of this section—

“(1) IN GENERAL.—The term ‘identified tax haven’ means any foreign jurisdiction which is on the list maintained by the Secretary as being a jurisdiction—

“(A) which imposes no or nominal taxation either generally or on specified classes of income, and

“(B) has strict confidentiality rules and practices, or has ineffective information exchange practices, which effectively limit or restrict the ability of the United States to obtain information relevant to the imposition of taxes under this title.

“(2) INEFFECTIVE INFORMATION EXCHANGE PRACTICES.—For purposes of paragraph (1), a jurisdiction shall be treated as having ineffective information exchange practices during any period during which the Secretary determines that the exchange of information between the United States and such jurisdiction is inadequate to prevent evasion or avoidance of the United States income tax

by United States persons or to permit the effective enforcement of the taxes imposed by this title.

“(d) PENALTY FOR FAILURE TO FILE INFORMATION.—If a United States person fails to furnish the information required by subsection (a) with respect to any transfer within the time prescribed therefor (including extensions), such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 20 percent of the amount of such transfer.

“(e) SIMPLIFIED REPORTING.—The Secretary may by regulations provide for simplified reporting under this section for United States persons making large volumes of similar payments.

“(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section.”

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6038C the following new item:

“Sec. 6038D. Payments to persons in identified tax havens.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

(d) REPORTS.—The Secretary of the Treasury shall submit annual reports to the Congress on the application of section 6038D of the Internal Revenue Code of 1986 (as added by this section).

SEC. 302. REDUCTION OF CERTAIN TAX BENEFITS WITH RESPECT TO INCOME FROM IDENTIFIED TAX HAVENS.

(a) LIMITATION ON DEFERRAL.—

(1) IN GENERAL.—Subsection (a) of section 952 of the Internal Revenue Code of 1986 (defining subpart F income) is amended by striking “and” at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting “, and”, and by inserting after paragraph (5) the following new paragraph:

“(6) an amount equal to the applicable fraction (as defined in subsection (e)) of the income of such corporation other than income which—

“(A) is attributable to earnings and profits of the foreign corporation included in the gross income of a United States person under section 951 (other than by reason of this paragraph or paragraph (3)(A)(i)), or

“(B) is described in subsection (b).”

(2) APPLICABLE FRACTION.—Section 952 of such Code is amended by adding at the end the following new subsection:

“(e) TAX HAVEN INCOME WHICH IS SUBPART F INCOME.—

“(1) IN GENERAL.—For purposes of subsection (a)(6), the term ‘applicable fraction’ means the fraction—

“(A) the numerator of which is the aggregate identified tax haven income for the taxable year, and

“(B) the denominator of which the aggregate income for the taxable year which is from sources outside the United States.

Rules similar to the regulations under section 999(c) shall apply for purposes of this paragraph.

“(2) IDENTIFIED TAX HAVEN INCOME.—For purposes of paragraph (1), the term ‘identified tax haven income’ means income for the taxable year which is attributable to a foreign jurisdiction for any period during which such jurisdiction is an identified tax haven (as defined in section 6038D(c)).”

(b) DENIAL OF FOREIGN TAX CREDIT.—Section 901 of such Code (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

“(1) REDUCTION OF FOREIGN TAX CREDIT, ETC., WITH RESPECT TO IDENTIFIED TAX HAVENS.—

“(1) IN GENERAL.—Notwithstanding any other provision of this part—

“(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to a period during which such jurisdiction is an identified tax haven (as defined in section 6038D(c)), and

“(B) subsections (a), (b), (c), and (d) of section 904 and sections 902 and 960 shall be applied separately with respect to all income of a taxpayer attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

“(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

“(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through 1 or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 303. FAILURE TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to additions to tax, additional amounts, and assessable penalties) is amended by adding at the end the following new section:

“SEC. 6717. FAILURE TO MEET REQUIREMENTS WITH RESPECT TO INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

“(a) IMPOSITION OF PENALTY.—Any person who fails to keep any records, or fails to file any report, required under section 5314 of title 31, United States Code, with respect to any foreign financial agency transaction shall pay a penalty of \$5,000 for each such failure.

“(b) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under subsection (a) with respect to any failure if it is shown that such failure is due to reasonable cause.

“(c) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed under subsection (a) shall be in addition to any other penalty imposed by law, including any penalty imposed under section 5320(a)(5) or 5321 of title 31, United States Code.

“(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, any certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed under subsection (a).”

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of such Code is amended by adding at the end the following new item:

“Sec. 6717. Failure to meet requirements with respect to interests in foreign financial accounts.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

SEC. 304. STUDY OF OFFSHORE TAX HAVENS.

(a) IN GENERAL.—The Joint Committee on Taxation shall conduct a study of the use of offshore tax havens by United States taxpayers to evade and avoid Federal income taxes. Such study shall include an examination of—

(1) mechanisms used by United States taxpayers to illegally hide income and assets from detection,

(2) the extent to which foreign tax, banking, and financial practices encourage non-compliance with Federal income tax laws,

(3) the status and effectiveness of information exchange agreements between the United States and tax haven jurisdictions,

(4) the status and effectiveness of efforts by the Organization for Economic Cooperation and Development (OECD) to identify and eliminate harmful tax practices in tax haven jurisdictions,

(5) the effectiveness of—

(A) efforts by Internal Revenue Service to identify sources of illegal offshore activity, and

(B) Federal civil and criminal penalties designed to deter offshore tax evasion, and

(6) the economic and revenue implications of tax avoidance activity.

(b) REPORT.—The Joint Committee on Taxation shall submit a report of the results of the study conducted under subsection (a) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 12 months after the date of the enactment of this Act. Such report shall include any recommendations, including recommendations for legislative changes, as the Joint Committee on Taxation determines appropriate to curb the spread of offshore tax avoidance and evasion.

TAX HAVEN AND ABUSIVE TAX SHELTER REFORM ACT OF 2002—SUMMARY OF PROVISIONS
I. ENDING MEANINGLESS AND ABUSIVE TAX TRANSACTIONS

Codification of the Economic Substance Doctrine. Large corporations and sophisticated individuals are increasingly taking advantage of vagueness and ambiguities in the tax law to devise complex and unnecessary transactions purely for the purpose of tax avoidance. The legislation, based on H.R. 2520 introduced by Rep. Lloyd Doggett, would codify the judicially-developed “economic substance” doctrine so that, when applying the doctrine, a transaction would have economic substance only if it changes in a meaningful way (apart from Federal income tax effects) the taxpayer’s economic position, and the taxpayer has a substantial nontax purpose for entering into such transaction. In so doing, the Act would disallow sham transactions in which the economic activity purported to give rise to the desired tax benefits does not actually occur. The bill provides that if a profit potential is relied on to demonstrate that a transaction results in a meaningful change in economic position, the present value of the reasonably expected pre-tax profit must be substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected.

II. STRENGTHENING PENALTIES FOR PARTICIPANTS IN ABUSIVE TAX SHELTER TRANSACTIONS

Increase Penalty for Underpayments Resulting from Abusive Tax Shelters. Under current law the IRS may impose a 20% accuracy-related penalty where there is a substantial understatement of tax or there is negligence on the part of the taxpayer. The Act would increase the penalty to 40% for underpayments on account of transactions which lack economic substance or business purposes. The higher penalty can be avoided by fully disclosing the transaction. In addition, the bill would amend the definition of a substantial understatement to include underpayments which exceed \$500,000, regardless of whether the underpayment exceeds 10 percent of the taxpayer’s total tax liability.

Impose Penalty on Abusive Tax Shelter Promoters. The Act imposes a penalty on any substantial promoter of a disallowed tax shelter. The amount of the penalty equals 100 percent of the gross income derived by the promoter from the strategy. In addition, the bill modifies the current penalty for false or fraudulent statements with respect to tax shelters such that the amount of the penalty is the greater (rather than the lesser) of 41,000 or 100 percent of the gross income derived by the promoter.

Impose Penalty on Individuals Aiding and Abetting Abusive Tax Shelters. The Act would penalize the lawyers who write “penalty insurance” opinions that any reasonable person would know are unjustified. The Act would impose a penalty on those involved in a disallowed tax shelter if: (1) the person advises that the taxpayer’s transaction would more likely than not prevail or not give rise to a penalty, and (2) the advice is unreasonable. An opinion would be considered unreasonable if a reasonably prudent and careful person under similar circumstances would not have offered such an opinion. The amount of the penalty is 100 percent of the gross proceeds derived by the person from the transaction.

Tighten Tax Shelter Disclosure Requirements

Failure to Maintain Lists. Under current law, any person who organizes a potentially abusive tax shelter must maintain a list that identifies each person who purchased an interest in the shelter. The penalty for failure to meet these requirements is \$50 for each person, up to a maximum of \$50,000. The Act increases the penalty to 50 percent of the gross proceeds derived from each person.

Failure to Disclose Reportable Transactions. Regulations require corporate taxpayers to include in their tax return information with respect to certain large transactions with characteristics that may be indicative of tax shelter activity. The Act imposes a penalty for failing to disclose the required information with respect to a reportable transactions. The penalty is equal to the greater of 5% of the increase in tax liability resulting from a correction or \$100,000.

Registration of Shelters Offered to Non-Corporate Participants. A promoter of a confidential corporate tax shelter is required to register the tax shelter with the IRS. The penalty for failing to timely register a confidential corporate tax shelter is the greater of \$10,000 or 50% of the fees payable to any promoter. The Act deletes the requirement that a direct or indirect participant must be a corporation.

III. COMBATING ILLEGAL TAX EVASION IN OVERSEAS TAX HAVENS

The legislation concentrates on two major problems inherent in tax haven jurisdictions: (1) confidentiality rules and practices which prevent the effective administration and enforcement of U.S. and foreign tax laws, and (2) lack of effective bilateral information exchange in civil and criminal tax matters. By imposing real consequences for jurisdictions which are identified as uncooperative tax havens, the legislation provides meaningful incentives for these nations to reform tax practices which impede the ability of the United States to enforce its laws. In addition, the legislation imposes consequences on U.S. taxpayers who hide income offshore and fail to report assets held in foreign accounts and mandates a thorough review of the problem of offshore tax evasion, including the economic and revenue implications of tax avoidance activity.

Reduction in Foreign Tax Credits and Other Tax Benefits. The Act denies foreign tax credits for taxes paid to jurisdictions that have been identified in a list of unco-

operative tax havens to be published by the Treasury Secretary. A jurisdiction would be considered a tax haven and included in the list if the jurisdiction both (1) imposes no or nominal taxation either generally or on specified classes of income, and (2) has strict confidentiality rules and practices or has ineffective information exchange practices. In addition, the proposal would reduce a taxpayer’s (1) otherwise allowable foreign tax credit attributable to income from an identified tax haven, and (2) income, attributable to an identified tax haven, that is otherwise eligible for deferral.

Reporting of Payments to Identified Tax Havens. The Act requires that all payments to entities, accounts, or individuals that are resident or located in identified uncooperative tax havens be reported on the taxpayer’s income tax return. Exceptions would apply for payments less than \$10,000 or if the recipient certifies to the payor that the information regarding the transaction will be provided to the IRS upon request. Related payments would be required to be aggregated for purposes of determining whether this threshold is exceeded. Failure to report a payment on a tax return that was required to be reported would result in the imposition of a penalty on the payor equal to 20% of the gross payment.

Reporting of Interest in a Foreign Financial Account. Recent evidence obtained in summons of offshore credit card records suggests that a significant number U.S. taxpayers are using offshore banks to illegally hide income and assets from taxation. In addition to existing criminal penalties, the legislation imposes a civil penalty of 45,000 for the failure to comply with the rules and regulations requiring the reporting of information requested on the “Report of Foreign Bank and Financial Accounts.” The IRS would have the authority to waive the penalty, in whole or in part, if the taxpayer paid all U.S. tax due with respect to the taxpayer’s foreign accounts and the taxpayer demonstrates that the failure to file this form was due to reasonable cause.

Offshore Tax Avoidance and Evasion Study. The full extent of the problem of offshore tax evasion is only beginning to come to light. The legislation mandates the Joint Committee on Taxation to conduct a study examining the use of offshore tax havens by U.S. taxpayers to evade and avoid federal income taxes. The study will review: (1) mechanisms used by U.S. taxpayers to illegally hide income and assets from detection, (2) the extent to which foreign tax, banking, and financial practices encourage non-compliance with U.S. tax laws, (3) the status and effectiveness of the United States’ information exchange agreements with tax haven jurisdictions, (4) the status and effectiveness of efforts by the Organization for Economic Cooperation and Development (OECD) to identify and eliminate harmful tax practices in tax haven jurisdictions, (5) IRS efforts to identify sources of illegal offshore activity, and federal civil and criminal penalties designed to deter offshore tax evasion, and (6) the economic and revenue implications of offshore tax avoidance activity. Most importantly, the study will include recommendations for ways to curb the spread of offshore tax avoidance and evasion.●

By Mr. THURMOND (for himself,
Mr. HOLLINGS, and Mr.
CORZINE):

S. 2340. A bill to suspend temporarily the duty on Methyl Cinnamate (methyl-3-phenylpropenoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2341. A bill to suspend temporarily the duty on Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate); to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2342. A bill to suspend temporarily the duty on Polydimethylsiloxane; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2343. A bill to suspend temporarily the duty on Baysilone Fluid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2344. A bill to suspend temporarily the duty on P-Nitro Toluene-O-Sulfonic Acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2345. A bill to suspend temporarily the duty on Fluorobenzene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2346. A bill to extend the temporary suspension of duty with respect to meta-Chlorobenzaldehyde; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2347. A bill to extend the temporary suspension of duty with respect to 2, 6, Dichlorotoluene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2348. A bill to extend the temporary suspension of duty with respect to 4-bromo-2-fluoroacetanilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2349. A bill to suspend temporarily the duty on Methoxy acetic acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2350. A bill to extend the temporary suspension of duty with respect to Propiophenone; to the Committee on Finance.

By Mr. THURMOND:

S. 2351. A bill to suspend temporarily the duty on Ethanediamide, N-(2-ethoxyphenyl)-N'-(4-isodecylphenyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2352. A bill to suspend temporarily the duty on 1-Acetyl-4-(3-Dodecyl-2), 5-Dioxo-1-Pyrrolidinyl)-2,2,6,6-Tetramethyl-Piperidine; to the Committee on Finance.

By Mr. THURMOND:

S. 2353. A bill to suspend temporarily the duty on Aryl phosphonite; to the Committee on Finance.

By Mr. THURMOND:

S. 2354. A bill to suspend temporarily the duty on Mono octyl malionate; to the Committee on Finance.

By Mr. THURMOND:

S. 2355. A bill to suspend temporarily the duty on 3,6,9,-Trioxaundecanedioic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2356. A bill to suspend temporarily the duty on Crotonic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2357. A bill to suspend temporarily the duty on 1,3-Benzenedicarboxamide, N, N'-Bis (2,2,6,6-tetramethyl-4-piperidinyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2358. A bill to suspend temporarily the duty on 3-Dodecyl-(2,2,6,6-tetramethyl-4-piperidinyl)-2,5-pyrrolidinedione; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2359. A bill to suspend temporarily the duty with respect to Oxalic Anilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2360. A bill to suspend temporarily the duty on Reduced Vat Blue 43; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2361. A bill to suspend temporarily the duty on N-Metyl diisopropanolamine; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2362. A bill to suspend temporarily the duty on Sulfur Black 1; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2363. A bill to suspend temporarily the duty on Phenyl Propyl Alcohol (Benzyl ethyl alcohol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2364. A bill to suspend temporarily the duty on Benzyl Cinnamate (Benzyl beta phenylacrylate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2365. A bill to suspend temporarily the duty on Thymol (alpha-

Cymophenol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2366. A bill to suspend temporarily the duty on Methyl Acetophenone-para (Melilot); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2367. A bill to suspend temporarily the duty on Frescolate (5-Methyl 2-(methylethyl)cyclohexyl alpha-hydroxypropanoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2368. A bill to suspend temporarily the duty on Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2369. A bill to suspend temporarily the duty on Allinat (Allyl isosulfocyanate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2370. A bill to suspend temporarily the duty of Acetanisole (Anisyl Methyl Ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2371. A bill to suspend temporarily the duty on NeoHeliopan MA (Menthyl Anthranilate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2372. A bill to suspend temporarily the duty on Majantol (2,2-Dimethyl-3-(3-methylphenyl)propanal); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2373. A bill to suspend temporarily the duty on Agrumex (o-t-Butyl cyclohexanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2374. A bill to suspend temporarily the duty on Globanone (Cyclohexadec-8-en-1-one)(CHD); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2375. A bill to suspend temporarily the duty on Benzyl Acetone (Methyl-

phenylethyl ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2376. A bill to suspend temporarily the duty on Sodium Methylate Powder (Na Methylate Powder); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2377. A bill to suspend temporarily the duty on NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid); to the Committee on Finance.

Mr. THURMOND. Mr. President, I rise today to introduce thirty-eight bills which will suspend the duties imposed on certain chemicals that are important components for a wide array of commercial applications. Currently, these chemicals are imported for use in the United States because there are no known domestic producers or readily available substitutes. Therefore, suspending the duties on these chemicals would not adversely affect domestic industries.

These bills would temporarily suspend the duty on the following:

- Reduced Vat Blue 43;
- Sulfur Black 1;
- Mono Octyl Malionate;
- Crotonic Acid;
- Fluorobenzene;

- Meta-Chlorobenzaldehyde;
- 2,6-Dichlorotoluene;
- 4-Bromo-2-Fluoroacetanilide;
- Propiophenone;
- Methoxy Acetic Acid;
- Aryl Phosphonite;
- Ethanediamide,—(2-Ethoxyphenyl)-N'-(4-Isodecylphenyl)-3,6,9-Trioxaundecanedioic Acid;
- Oxalic Anilide;
- NeoHeliopan MA (Menthyl Anthranilate);
- Alliant (Allyl Isosulfofocoyante);
- Frescolate (5-Methyl-2-(Methylethyl)cyclohexyl Alpha-hydroxypropanoate);
- Phenyl Propyl Alcohol (Benzyl Ethyl Alcohol);
- Benzyl Cinnamate (Benzyl Beta Phenylacrylate);
- Methyl Cinnamate (Methyl-3-Phenylpropenoate);
- Methyl Acetophenone-para (Melilot);
- Trimethyl Cyclo Hexanol (1-Methyl-3,3-Dimethylcyclohexanol-5);
- Acetanisol (Anisyl Methyl Ketone);
- Majantol (2,2-Dimethyl-3-(3-Methylphenyl)Propanol);
- Agrumex (O-T-Butyl Cyclohexanol);
- Globanone (Cyclohexadec-8-EN-1-One) (CHD);
- Benzyl Acetone (Methyl-Phenylethyl Ketone);
- Sodium Methylate Powder (NA Methylate Powder);
- NeoHeliopan Hydro (2-Phenylbenzimidazole-5-Sulfonic Acid);

- Allyl Cyclo Hexyl Propionate (Allyl Hexahydro Phenylpropionate);
- Thymol (Alpha-Cymophenol);
- Baysilone Fluid;
- N-Metyl Diisopropanolamine;
- Polydimethylsiloxane;
- 1-Acetyl-4-(3-Dodecyl-2,5-Dioxo-1-Pyrrolidiny)-2,2,6,6-Tetramethyl-Piperidine;
- 1,3-Benzenedicarboxamide,N,N'-Bis(2,2,6,6-Tetramethyl-4-Piperidiny)-P-Nitro Toluene-O-Sulfonic acid; and
- 3-Dodecyl-1-(2,2,6,6-Tetramethyl-4-Piperidiny)-2,5-Pyrrolidinedione.

These chemicals are used in a wide variety of manufacturing processes to produce agricultural chemicals, pharmaceuticals, fragrances, textile fibers, dyes, pigments, and other products.

Suspending the duty on these chemicals will benefit the consumer by stabilizing the costs of manufacturing the end-use products. Further, these suspensions will allow domestic producers to maintain or improve their ability to compete internationally. Finally, the importers of these products create jobs and incomes for Americans workers. I hope the Senate will consider these measures expeditiously.

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2340

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

SECTION 1. METHYL CINNAMATE (METHYL-3-PHENYLPROPENOATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.78	Methyl Cinnamate (methyl-3-phenylpropenoate) (CAS No. 103-26-4) (provided for in subheading 2916.39.20)	Free	No change	No change	On or before 12/31/2005
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2341

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

SECTION 1. ALLYL CYCLO HEXYL PROPIONATE (ALLYL HEXAHYDRO PHENYLPROPIONATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.77	Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate) (CAS No. 2705-87-5) (provided for in subheading 2916.20.50)	Free	No change	No change	On or before 12/31/2005
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2342

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

SECTION 1. SUSPENSION OF DUTY ON POLYDIMETHYLSILOXANE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.02	Polydimethylsiloxane (CAS No. 63148-62-9) (provided for in subheading 3910.00.00).	Free	No change	No change	On or before 12/31/2005
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2343

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

SECTION 1. SUSPENSION OF DUTY ON BAYSILONE FLUID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.03	An Alkyl modified polydimethylsiloxane (CAS No. 102782-93-4) (provided for in subheading 3910.00.00)	Free	No change	No change	On or before 12/31/2005
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2344

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

SECTION 1. EXTENSION OF SUSPENSION OF DUTY ON P-NITRO TOLUENE-O-SULFONIC ACID.

(a) IN GENERAL.—Heading 9902.29.23 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2001” and inserting “12/31/2005”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2345

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

SECTION 1. FLUOROBENZENE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading:

9902.38.70	Fluorobenzene (CAS No. 462-06-6) (provided for in subheading 2903.69.70)	Free	No change	No change	On or before 12/31/2006
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2346

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

SECTION 1. META-CHLOROENZALDEHYDE.

(a) IN GENERAL.—Subheading 9902.28.17 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2347

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

SECTION 1. 2,6, DICHLOROTOLUENE.

(a) IN GENERAL.—Subheading 9902.32.82 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2348

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

SECTION 1. 4-BROMO-2-FLUOROACETANILIDE.

(a) IN GENERAL.—Subheading 9902.28.15 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2349

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

SECTION 1. METHOXY ACETIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.36	Methoxy acetic acid (CAS No. 625-45-6) (provided for in subheading 2918.90.50)	Free	No change	No change	On or before 12/31/2006
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2350

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

SECTION 1. PROPIOPHENONE.

(a) IN GENERAL.—Subheading 9902.28.16 of the Harmonized Tariff Schedule of the United States is amended by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2351

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

SECTION 1. ETHANEDIAMIDE, N- (2-ETHOXYPHENYL)-N'- (4-ISODECYLPHENYL)-.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.33	Ethanediamide, N-(2-ethoxyphenyl)-N'-(4-isodecylphenyl)- (CAS No. 82493-14-9) (provided for in subheading 3812.30.60)	Free	Free	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by this subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2352

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

SECTION 1. 1-ACETYL-4-(3-DODECYL-2, 5-DIOXO-1-PYRROLIDINYL)-2,2,6,6-TETRAMETHYL-PIPERIDINE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.34	1-Acetyl-4-(3-Dodecyl-2, 5-Dioxo-1-Pyrrolidinyl)-2,2,6,6-Tetramethyl-Piperidine (CAS No.106917-31-1) (provided for in subheading 2933.39.61)	Free	Free	No change	On or before 12/31/2006.	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2353

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

SECTION 1. ARYL PHOSPHONITE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.37	Aryl phosphonite (CAS No. 119345-01-6) (provided for in subheading 2931.00.10)	Free	Free	No change	On or before 12/31/2006.	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2354

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

SECTION 1. MONO OCTYL MALIONATE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.35	Mono octyl malionate (CAS No. 7423-42-9) (provided for in subheading 2917.19.20)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2355

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

SECTION 1. 3,6,9-TRIOXAUNDECANEDIOIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.37	3,6,9-Trioxaundecanedioic acid (CAS No. 13887-98-4) (provided for in subheading 2918.90.50)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2356

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

SECTION 1. CROTONIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.39.38	Crotonic acid (CAS No. 107-93-7) (provided for in subheading 2916.19.30)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2357

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

SECTION 1. 1,3-BENZENEDICARBOXAMIDE, N, N'-BIS (2,2,6,6-TETRAMETHYL-4-PIPERIDINYL)-.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.39	1,3-Benzenedicarboxamide, N, N'-Bis (2,2,6,6-tetramethyl-4-piperidinyl)- (CAS No. 42774-15-2) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2358

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

SECTION 1. 3-DODECYL-1-(2,2,6,6-TETRAMETHYL-4-PIPERIDINYL)-2,5-PYRROLIDINEDIONE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.40	3-Dodecyl-1-(2,2,6,6-tetramethyl-4-piperidinyl)-2,5-pyrrolidinedione (CAS No. 79720-19-7) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2359

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

SECTION 1. OXALIC ANILIDE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.44	Ethanediamide, N-(2-ethoxyphenyl)-N'-(2-ethoxyphenyl)- (CAS No. 23949-66-8) (provided for in subheading 2924.29.76)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2360

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

SECTION 1. REDUCED VAT BLUE 43.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.42	Reduced Vat Blue 43 [(CAS No. _____)] (provided for in subheading 3204.15.40)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2361

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

SECTION 1. SUSPENSION OF DUTY ON N-METYL DIISOPROPANOLAMINE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.29.48	1,1'-(methylimino) dipropan-2-ol (CAS No. 4402-30-6) (provided for in subheading 2922.19.95)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2362

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

SECTION 1. SULFUR BLACK 1.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.41	Sulfur Black 1 (CAS No. 1326-82-5) (provided for in subheading 3204.19.30)	Free	No change	No change	On or before 12/31/2006	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2363

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

SECTION 1. PHENYL PROPYL ALCOHOL (BENZYL ETHYL ALCOHOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.69	Phenyl Propyl Alcohol (Benzyl ethyl alcohol) (CAS No. 122-97-3) (provided for in subheading 2906.29.20)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2364

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

SECTION 1. BENZYL CINNAMATE (BENZYL BETA PHENYLACRYLATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.76	Benzyl Cinnamate (Benzyl beta phenylacrylate) (CAS No. 103-41-3) (provided for in subheading 2916.39.20)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2365

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

SECTION 1. THYMOL (ALPHA-CYMOPHENOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.70	Thymol (alpha-Cymophenol) (CAS No. 89-83-8) (provided for in subheading 2907.19.40)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2366

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

SECTION 1. METHYL ACETOPHENONE-PARA (MELILOT).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.33.41	Methyl Acetophenone-para (Melilot) (CAS No. 122-00-9) (provided for in subheading 2914.39.00)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2367

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

SECTION 1. FRESCOLATE (5-METHYL-2-(METHYLETHYL)CYCLOHEXYL ALPHA-HYDROXYPROPANOATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.79	Frescolate (5-Methyl-2-(methylethyl)cyclohexyl alpha-hydroxypropanoate) (CAS No. 59259-38-0) (provided for in subheading 2918.11.50)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2368

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

SECTION 1. TRIMETHYL CYCLO HEXANOL (1-METHYL-3,3-DIMETHYLCYCLOHEXANOL-5).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.67	Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5) (CAS No. 116-02-9) (provided for in subheading 2906.19.50)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2369

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

SECTION 1. ALLINAT (ALLYL ISOSULFOCYANATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.81	Allinat (Allyl isosulfocyanate) (CAS No. 57-06-7) (provided for in subheading 2930.90.90)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2370

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

SECTION 1. ACETANISOLE (ANISYL METHYL KETONE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.33.41	Acetanisole (Anisyl Methyl Ketone) (CAS No. 100-06-1) (provided for in subheading 2914.50.30)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2371

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

SECTION 1. NEOHELIOBAN MA (MENTHYL ANTHRANILATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.80	NeoHeliopan MA (Menthyl Anthranilate) (CAS No. 134-09-8) (provided for in subheading 2922.49.26)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2372

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

SECTION 1. MAJANTOL (2,2-DIMETHYL-3-(3-METHYLPHENYL)PROPONAL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.68	Majantol (2,2-Dimethyl-3-(3-methylphenyl)- proponal) (CAS No. 103694-68-4) (provided for in subheading 2906.29.20)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2373

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

SECTION 1. AGRUMEX (O-T-BUTYL CYCLOHEXANOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.75	Agrumex (o-t-Butyl cyclohexanol) (CAS No. 20298-69-5 and 88-41-5) (provided for in subheading 2915.39.45)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2374

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

SECTION 1. GLOBANONE (CYCLOHEXADEC-8-EN-1-ONE) (CHD).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.71	Globanone (Cyclohexadec-8-en-1-one) (CHD) (CAS No. 3100-36-5) (provided for in subheading 2914.29.50)	Free	No change	No change	On or before 12/31/2005	”.
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2375

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

SECTION 1. BENZYL ACETONE (METHYL-PHENYLETHYL KETONE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.73	Benzyl Acetone (Methyl-phenylethyl ketone) (CAS No. 2550-26-7) (provided for in subheading 2914.39.90)	Free	No change	No change	On or before 12/31/2005
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2376

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

SECTION 1. SODIUM METHYLATE POWDER (NA METHYLATE POWDER).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.66	Sodium Methylate Powder (Na Methylate Powder) (CAS No. 124-41-4) (provided for in subheading 2905.19.00)	Free	No change	No change	On or before 12/31/2005
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2377

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

SECTION 1. NEOHELIOPLAN HYDRO (2-PHENYLBENZIMIDAZOLE-5-SULFONIC ACID).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.30.82	NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid) (CAS No. 27503-81-7) (provided for in subheading 2933.90.75)	Free	No change	No change	On or before 12/31/2005
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(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 104

At the request of Ms. SNOWE, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 104, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 946

At the request of Ms. SNOWE, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 946, a bill to establish an Office on Women's Health within the Department of Health and Human Services.

S. RES. 247

At the request of Mr. LIEBERMAN, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Mississippi (Mr. LOTT), the Senator from New York (Mr. SCHUMER), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

S. RES. 250

At the request of Ms. LANDRIEU, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. Res. 250, a resolution extending sympathy and condolences to the families of the Canadian soldiers who were killed and the Canadian soldiers who were wounded on April 18, 2002, in Afghanistan, and to all of the Canadian people.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on

Armed Services be authorized to meet during the session of the Senate on Friday, April 26, 2002, at 9:30 A.M., in open session to receive testimony on pending military nominations: Admiral Thomas B. Fargo, USN, for reappointment to the grade of Admiral and to be commander in chief, United States Pacific Command; and Lieutenant General Leon J. LaPorte, USA, for appointment to the grade of general and to be commander in chief, United Nations Command/Combined Forces Command/Commander, United States Forces Korea.

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

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Children and Families, be authorized to meet for a hearing on "Families and Funeral Practices" during the session of the Senate on Friday, April 26, 2002, at 10 a.m.

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Calendar Nos. 790, 791, 792, 793 through 800; that the nominations be confirmed; that the motions to reconsider be laid on the table; that the President be immediately notified of the Senate's action; that any statements thereon be printed in the RECORD as if given; and

that the Senate return to legislative action, without any intervening action or debate.

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

The nominations considered and confirmed are as follows:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

James R. Stoner, Jr., of Louisiana, to be a Member of the National Council on the Humanities for a term expiring January 26, 2006.

Evelyn Dee Potter Rose, of Texas, to be a Member of the National Council on the Arts for a term expiring September 3, 2006.

DEPARTMENT OF LABOR

Kathleen M. Harrington, of the District of Columbia, to be an Assistant Secretary of Labor, vice Susan Robinson King.

DEPARTMENT OF JUSTICE

John Edward Quinn, of Iowa, to be United States Marshal for the Northern District of Iowa for the term of four years.

David Phillip Gonzales, of Arizona, to be United States Marshal for the District of Arizona for the term of four years.

Edward Zahren, of Colorado, to be United States Marshal for the District of Colorado for the term of four years.

Charles M. Sheer, of Missouri, to be United States Marshal for the Western District of Missouri for the term of four years.

Gorden Edward Eden, Jr., of New Mexico, to be United States Marshal for the District of New Mexico for the term of four years.

John Lee Moore, of Texas, to be United States Marshal for the Eastern District of Texas for the term of four years.

Ronald Henderson, of Missouri, to be United States Marshal for the Eastern District of Missouri for the term of four years.

CENTRAL INTELLIGENCE

John Leonard Helgerson, of Virginia, to be Inspector General, Central Intelligence Agency.