

exploit the relief and reconstruction efforts in Iraq to make an extra buck. Sadly, these very same provisions are missing from the final version of the \$87 billion spending bill for Iraq and Afghanistan because House conferees refused to accept the amendment, offering no substitute and no willingness to compromise. Republican and Democratic Senate conferees consistently supported the provision, which had been unanimously accepted during Senate Appropriations Committee markup of the bill.

There are, of course, fraud statutes to protect against waste of tax dollars at home. But none expressly prohibit war profiteering and none expressly confer extraterritorial jurisdiction overseas. Technical jurisdictional elements in existing laws also make their applicability in these unique circumstances more difficult. The Leahy-Feinstein-Durbin-Clinton bill would criminalize "war profiteering"—overcharging taxpayers for any good or service with the specific intent to excessively profit from the war or reconstruction efforts in Iraq. The bill also prohibits fraud and false statements in any matter involving a contract or the provision of goods or services in Iraq. These new crimes would be felonies, subject to criminal penalties of up to 20 years in prison and fines of up to \$1 million or twice the illegal gross profits of the crime. These are strong and focused sanctions that are narrowly tailored to criminalize and create tough criminal penalties for fraud or excessive profiteering in contracts, here and abroad, related to the war or reconstruction efforts in Iraq.

Congress is about to send billions and billions of dollars to a place where there is no functioning government, under a plan with too little accountability and too few financial controls. That's a formula for mischief. We need strong disincentives for those who would defraud taxpayers. It baffles me why House members would not want to provide this protection to taxpayers. Every penny of our taxpayers' money must be scrupulously spent and protected from waste. The message sent by this bill speaks volumes; any act taken to financially exploit the crisis situation in Iraq for exorbitant personal gain is simply reprehensible. It demeans and cheapens the sacrifices that our military and civilian personnel are making in Iraq.

In post-war times, where U.S. taxpayers have been called upon to bear the burden of reconstruction contracts—where contracts are awarded in a system that offers little competition and even less accountability—concerns about wartime profiteering are of grave concern. Historical efforts to stem such profiteering have been successful: Congress implemented excessive-profits taxes and contract renegotiation laws after both World Wars, and again after the Korean War. Advocating exactly such an approach, President Roosevelt once declared it our duty to ensure

that "a few do not gain from the sacrifices of the many." Then, as now, our government cannot in good faith ask its people to sacrifice for reconstruction efforts that allow so many others to unfairly profit.

There is urgency to this important measure because criminal statutes cannot be applied retroactively. These controls need to be in place now. We can only hope that the Senate will continue to press and support its prompt passage through Congress.

By Mr. BOND:

S. 1814. A bill to transfer lands between the Secretary of Agriculture and the Secretary of the Interior; to the Committee on Environment and Public Works.

Mr. BOND. Mr. President, I rise today to introduce legislation that will transfer the control of the Mingo Job Corps Center to the U.S. Department of Agriculture to be administered by the U.S. Forest Service. Since its inception, the Center has served at-risk youth by providing a facility where students can complete their secondary education and serve the local area through community service projects. The Department of Labor has expressed their plans to contract out operations of the Mingo Center, which is currently administered by the Fish and Wildlife Service, an action that would greatly increase the chances for the permanent closure of the facility.

The Mingo Job Corps Center has been extremely successful in southern Missouri. For over 40 years, the Center has been a place for students to complete their education, learn a trade, and serve the community. Through the Center, students master trades from auto repair to fire fighting, from carpentry to culinary arts, and from bricklaying to business. The closure of the facility would mean 250 students would not be able to receive their High School Diploma, GED, or learn the skills necessary to earn gainful employment.

For over 40 years the Center has made a substantial contribution to the community through service projects. Mingo students have participated in national projects such as the recovery of the space shuttle *Columbia* and fighting western forest fires. However, the main impact of their activities are felt locally in southern Missouri. Each year the Mingo Job Corps completes over \$1 million worth of community and conservation projects. These projects include construction of the Poplar Bluff Forest Service District Office, construction of many Puxico School buildings, and the painting and repair of furniture at various local schools.

The Mingo Job Corps Training Center is truly an invaluable asset to the State of Missouri that must be preserved. Last year, with the help of Congresswomen JO ANN EMERSON, I secured a commitment from the USDA to have the Forest Service assume operation of the Mingo Job Corps Center. However,

now it has become necessary for this transfer to be handled legislatively. My legislation will ensure that the Center will continue to be a positive force that shapes the lives of our youth. Our economy and the kids who depend upon this facility will remain the real winners here.

## SUBMITTED RESOLUTIONS

SENATE RESOLUTION 257—EXPRESSING THE SENSE OF THE SENATE THAT CONGRESS SHOULD GIVE PRIORITY TO PASSING LEGISLATION TO PROVIDE TAX RELIEF FOR UNITED STATES MILITARY PERSONNEL AND SHOULD OFFSET THE COST OF SUCH TAX RELIEF WITH LEGISLATION PREVENTING INDIVIDUALS FROM AVOIDING TAXES BY RENOUNCING UNITED STATES CITIZENSHIP

Ms. LANDRIEU submitted the following resolution; which was considered and agreed to:

S. RES. 257

Whereas Congress is responsible for providing United States military personnel with the equipment, supplies, and other resources needed to preserve our freedom;

Whereas Congress is responsible for providing United States military personnel with a comprehensive compensation package;

Whereas, since 2001, Congress has passed and the President has signed legislation providing for \$1,750,000,000,000 in tax relief;

Whereas the Senate has passed legislation providing for \$1,100,000,000 in additional tax relief for United States military personnel and their families;

Whereas United States citizens benefit from economic opportunities which arise from the liberty protected by United States military personnel;

Whereas the United States loses approximately \$80,000,000 per year in tax revenue from individuals who renounce United States citizenship;

Whereas the Senate has unanimously passed legislation which prevents individuals from avoiding taxes by renouncing United States citizenship as an offset to the cost of providing tax relief for the 1,400,000 active duty military personnel and the 1,200,000 members of the National Guard and Reserves; and

Whereas Congress has asked the Comptroller General of the United States to conduct a study on the total compensation package provided for United States military personnel in order to ensure that the unique needs of military personnel are addressed: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) Congress should give priority to passing legislation to provide tax relief for—

(A) United States military personnel, including those serving in the National Guard and Reserves; and

(B) the employers of active duty members of the National Guard and Reserves; and

(2) the cost of such tax relief should be offset by legislation which prevents individuals from avoiding taxes by renouncing United States citizenship.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 2051. Mr. MCCONNELL (for Mr. MCCAIN (for himself, Mr. BAUCUS, and Mr. GRASSLEY)) proposed an amendment to the bill H.R. 3365, an act to amend title 10, United States Code, and the Internal Revenue Code of 1986 to increase the death gratuity payable with respect to deceased members of the Armed Forces and to exclude such gratuity from gross income, to provide additional tax relief for members of the Armed Forces and their families, and for other purposes.

SA 2052. Mr. MCCONNELL (for Mr. MCCAIN) proposed an amendment to the bill H.R. 3365, supra.

## TEXT OF AMENDMENTS

**SA 2051.** Mr. MCCONNELL (for Mr. MCCAIN (for himself, Mr. BAUCUS, and Mr. GRASSLEY)) proposed an amendment to the bill H.R. 3365, an act to amend title 10, United States Code, and the Internal Revenue Code of 1986 to increase the death gratuity payable with respect to deceased members of the Armed Forces and to exclude such gratuity from gross income, to provide additional tax relief for members of the Armed Forces and their families, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE, ETC.**

(a) **SHORT TITLE.**—This Act may be cited as the “Military Family Tax Relief Act of 2003”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) **TABLE OF CONTENTS.**—

Sec. 1. Short title, etc.

**TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL**

Sec. 101. Exclusion of gain from sale of a principal residence by a member of the uniformed services or the Foreign Service.

Sec. 102. Treatment of death gratuities payable with respect to deceased members of the Armed Forces.

Sec. 103. Exclusion for amounts received under Department of Defense homeowners assistance program.

Sec. 104. Expansion of combat zone filing rules to contingency operations.

Sec. 105. Modification of membership requirement for exemption from tax for certain veterans’ organizations.

Sec. 106. Clarification of the treatment of certain dependent care assistance programs.

Sec. 107. Clarification relating to exception from additional tax on certain distributions from qualified tuition programs, etc. on account of attendance at military academy.

Sec. 108. Suspension of tax-exempt status of terrorist organizations.

Sec. 109. Above-the-line deduction for overnight travel expenses of National Guard and Reserve members.

Sec. 110. Tax relief and assistance for families of Space Shuttle Columbia heroes.

**TITLE II—REVENUE PROVISION**

Sec. 201. Extension of customs user fees.

**TITLE I—IMPROVING TAX EQUITY FOR MILITARY PERSONNEL**

**SEC. 101. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY A MEMBER OF THE UNIFORMED SERVICES OR THE FOREIGN SERVICE.**

(a) **IN GENERAL.**—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

“(9) **MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.**—

“(A) **IN GENERAL.**—At the election of an individual with respect to a property, the running of the 5-year period described in subsections (a) and (c)(1)(B) and paragraph (7) of this subsection with respect to such property shall be suspended during any period that such individual or such individual’s spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service of the United States.

“(B) **MAXIMUM PERIOD OF SUSPENSION.**—The 5-year period described in subsection (a) shall not be extended more than 10 years by reason of subparagraph (A).

“(C) **QUALIFIED OFFICIAL EXTENDED DUTY.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘qualified official extended duty’ means any extended duty while serving at a duty station which is at least 50 miles from such property or while residing under Government orders in Government quarters.

“(ii) **UNIFORMED SERVICES.**—The term ‘uniformed services’ has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of this paragraph.

“(iii) **FOREIGN SERVICE OF THE UNITED STATES.**—The term ‘member of the Foreign Service of the United States’ has the meaning given the term ‘member of the Service’ by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of this paragraph.

“(iv) **EXTENDED DUTY.**—The term ‘extended duty’ means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

“(D) **SPECIAL RULES RELATING TO ELECTION.**—

“(i) **ELECTION LIMITED TO 1 PROPERTY AT A TIME.**—An election under subparagraph (A) with respect to any property may not be made if such an election is in effect with respect to any other property.

“(ii) **REVOCATION OF ELECTION.**—An election under subparagraph (A) may be revoked at any time.”.

(b) **EFFECTIVE DATE; SPECIAL RULE.**—

(1) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the amendments made by section 312 of the Taxpayer Relief Act of 1997.

(2) **WAIVER OF LIMITATIONS.**—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

**SEC. 102. TREATMENT OF DEATH GRATUITIES PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE ARMED FORCES.**

(a) **INCREASE IN AMOUNT OF DEATH GRATUITY.**—

(1) **IN GENERAL.**—Section 1478(a) of title 10, United States Code, is amended by striking “\$6,000” and inserting “\$12,000”.

(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

(b) **EXCLUSION FROM GROSS INCOME.**—

(1) **IN GENERAL.**—Subsection (b)(3) of section 134 (relating to certain military benefits) is amended by adding at the end the following new subparagraph:

“(C) **EXCEPTION FOR DEATH GRATUITY ADJUSTMENTS MADE BY LAW.**—Subparagraph (A) shall not apply to any adjustment to the amount of death gratuity payable under chapter 75 of title 10, United States Code, which is pursuant to a provision of law enacted after September 9, 1986.”.

(2) **CONFORMING AMENDMENT.**—Subparagraph (A) of section 134(b)(3) is amended by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply with respect to deaths occurring after September 10, 2001.

**SEC. 103. EXCLUSION FOR AMOUNTS RECEIVED UNDER DEPARTMENT OF DEFENSE HOMEOWNERS ASSISTANCE PROGRAM.**

(a) **IN GENERAL.**—Section 132(a) (relating to the exclusion from gross income of certain fringe benefits) is amended by striking “or” at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting “, or”, and by adding at the end the following new paragraph:

“(8) qualified military base realignment and closure fringe.”.

(b) **QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.**—Section 132 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) **QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.**—For purposes of this section—

“(1) **IN GENERAL.**—The term ‘qualified military base realignment and closure fringe’ means 1 or more payments under the authority of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) (as in effect on the date of the enactment of this subsection) to offset the adverse effects on housing values as a result of a military base realignment or closure.

“(2) **LIMITATION.**—With respect to any property, such term shall not include any payment referred to in paragraph (1) to the extent that the sum of all of such payments related to such property exceeds the maximum amount described in clause (1) of subsection (c) of such section (as in effect on such date).”.

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

**SEC. 104. EXPANSION OF COMBAT ZONE FILING RULES TO CONTINGENCY OPERATIONS.**

(a) **IN GENERAL.**—Section 7508(a) (relating to time for performing certain acts postponed by reason of service in combat zone) is amended—

(1) by inserting “, or when deployed outside the United States away from the individual’s permanent duty station while participating in an operation designated by the