

limited liability not only to doctors, but also to medical device manufacturers and drug companies. Furthermore, the \$250,000 cap on noneconomic damages included in this bill may often prove too low for many seriously harmed patients. I believe in meaningful and fair medical malpractice reform; but this bill and the others debated on the floor this session simply do not fit that description. For these reasons I would have voted against cloture for S. 2207, which failed to receive the needed 60 votes by 49 to 48.

I was also unable to cast a second cloture vote on a motion to recommit S. 1637, the "Jumpstart our Business Strength (JOBS) Act," a bill to repeal the foreign sales corporation tax regime, and its successor, the extraterritorial income tax regime, that have been found to be an illegal export subsidy by the World Trade Organization. I voted against the first cloture filing on March 24 and, had I been present on April 7, I would also have voted against cloture. The cloture vote failed to meet the 60-vote threshold by 50 to 47. I support many of the provisions of the underlying bill, S. 1637, which provides tax relief to domestic manufacturers, curtails abusive tax shelters, and contains a number of international tax simplification and reform measures.

Cloture would have prevented debate on a number of amendments that deserve to be debated and voted upon. The Senate must renew efforts to bring the FSC/ETI bill to the floor, to pass S. 1637, while at the same time allowing open debate and votes on issues of importance to American employees.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

In February 2004, two gay men visiting from Washington State were attacked by four men and one woman outside a popular bar in Government Camp, OR. Investigators believe the two men were attacked because of their sexual orientation and are pursuing leads in the search for the suspects. The five suspects are charged with first-degree intimidation.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

THE IRS TAX GAP

Mr. BAUCUS. Mr. President, in the next week, millions of Americans will do their duty, obey the law, and complete their income tax returns. Although this is clearly one of our citizens' least favorite annual rituals, most taxpayers will do what's right and provide their share of funding to keep our national government running.

But while these honest Americans are doing their part, a number of others are trying to get by without doing theirs. And that's what I would like to talk about this afternoon.

Some call it the "tax gap"—the difference between the amount of taxes that taxpayers actually owe to the Federal Government and the amount of taxes that taxpayers actually pay to the Federal Government.

This is not about raising taxes. This is about enforcing the tax laws on the books. This is about collecting the taxes that are owed to the Treasury under the existing Tax Code.

While most Americans, with quiet patriotism, file their tax returns and pay their taxes on time, too many do not. There are a number of ways that these folks try to skirt the law: Some don't file their returns. Others understate their incomes. Still others take excessive or illegal deductions. And there are those who claim fictitious refunds.

Unfortunately, there is a growing perception among honest taxpayers that a large number of people are cheating the tax collector—and getting away with it. The IRS Oversight Board Annual Survey on Taxpayer Attitudes reported that the proportion of Americans who "completely agree" that it is all Americans' civic duty to pay their fair share of taxes has steadily declined.

In 1999, 81 percent of Americans agreed that it's their duty to pay taxes. In 2002, only 72 agreed with that statement. And last year, that group fell to just 68 percent of the population.

This trend is very disturbing, but it is also very clear. More and more people believe that cheating is acceptable.

As if this public attitude were not disturbing enough, the growing lack of taxpayer compliance jeopardizes the voluntary tax system on which our government depends. American taxpayers who voluntarily pay their fair share of the country's revenue will not support a tax system that tolerates widespread cheating.

Taxpayers expect their Government to ensure that all pay their fair share. Not one dime more, but not one dime less. The millions of honest taxpayers deserve no less.

The National Taxpayer Advocate estimated that the tax gap for 2001 was \$311 billion. But this is based on 16-year-old data from 1988. There is every likelihood that the tax gap is significantly higher. It certainly isn't less.

For the taxable years 2001 to 2003, the cumulative tax gap exceeded a trillion dollars. In other words, if all individ-

uals and corporations fully paid all of their taxes due for the past 3 years, the IRS could collect an additional \$1 trillion.

This huge level of unpaid taxes is harmful to law-abiding Americans and to the economy as a whole. Just as retail stores raise prices for honest shoppers after they lose merchandise due to shoplifting, honest taxpayers pay more to cover those who aren't paying their share.

In terms of the economy, each dollar in unpaid taxes increases the deficit by a dollar. The administration predicts that the deficit will be cut in half in the next 5 years. But since the administration took office, the cumulative IRS tax gap has exceeded \$1 trillion. Let me say that again: \$1 trillion. This is enough to help shore up Social Security, pay for the war in Iraq, ensure that no child is left behind, fix the highways and extend unemployment insurance.

Currently, the overall taxpayer non-compliance rate is 15 percent and growing. The plain fact is that voluntary compliance has been and remains the backbone of our tax system. Our primary mission must be to maintain and enhance the health of that system by encouraging and facilitating voluntary compliance with our tax laws. A 1-percent point swing in voluntary compliance will increase, or decrease, revenues each year by more than \$20 billion.

Our Federal budget has gone from one of the greatest surpluses in its history to the highest deficit ever known—\$478 billion—close to half a trillion dollars in the current fiscal year.

Now more than ever we need a plan of action to close the IRS tax gap. I propose the following:

First, let's make it easier for people to pay their taxes. Our Federal Tax Code and accompanying regulations are more than 54,000 pages long. They are too complex, confusing, and costly to comply with. In addition to making the code simpler for individual taxpayers, simplification would reduce opportunities for dishonesty. Tax shelters develop because sections of the lengthy code are manipulated to achieve unwarranted tax benefits.

That is why I support a broadly based blue ribbon commission that would recommend simplifications for our income tax system that we could act on.

Second, we need better data on non-compliance. To fix a problem, you have to know the facts. I support the National Research Program that would allow us to have a more accurate estimate of the IRS tax gap and should help IRS identify where they should target their enforcement efforts.

Third, the IRS needs to do a better job enforcing our current tax laws. And that may take Congress passing legislation forcing them to take stronger action. Bills such as the good Government tax administration bill would improve efficiency and strengthen safeguards in IRS collection cases. And in

the JOBS bill—which I am optimistic we will pass in the very near future—we have included antitax shelter legislation that will make sure transactions are done for legitimate business reasons and not solely for tax benefits.

We have also included provisions that would impose stiffer penalties on any taxpayers who engage in shelter transactions. It is also time to crack down on expatriation practices, corporate inversions, SLOs, abuses in the charitable area, Enron-related tax shelters, and offshore abusive tax schemes. And we should devote more resources to IRS enforcement. Dollars spent there will bring in several times as much in additional revenue raised.

And last, but certainly not least, we need to set a goal, a benchmark of where we are going on tax compliance. Today, I proposed that we reach at least a 90 percent tax compliance rate by the end of the decade. By 2010, at least 90 percent of Americans should be filing their taxes and paying their dues. It is not too much to ask. Now, it will not be easy, but that does not mean that it cannot be done. I know we can achieve it through the methods I just outlined.

With the growing deficit and the upcoming retirement of the baby boom generation, increasing tax compliance is more important than ever. And it is also one of the easiest ways to raise more revenue for our Nation. We are not talking about raising taxes—we are simply asking all Americans to pay their fair share as citizens of this great Nation. By reaching a 90-percent compliance rate, we would raise at least \$100 billion more each year. This funding would go a long way toward strengthening Social Security or helping our classrooms or paying down the deficit.

April 15 is just around the corner. I encourage every citizen to do what is right, to stand up for your country and make your contribution. Here in Congress, we will keep working to make it easier for our honest taxpayers to comply and to make it harder for those dishonest folks to cheat the system. Together, we will seal the tax gap and help the economy.

SENATOR BOXER'S TRIGGER LOCK AMENDMENT

Mr. LEVIN. Mr. President, last month the Senate considered and passed the Boxer trigger lock amendment by a 70-27 vote. Senator BOXER's amendment would require that all handguns sold by a dealer come with a child safety device, such as a lock, a lock box, or technology built into the gun itself. Further, it would direct the Consumer Product Safety Commission to develop standards for child safety devices. The need for this legislation is clear, and I supported its passage.

According to the Brady Campaign to Prevent Gun Violence, each year teenagers and children are involved in more than 10,000 accidental shootings in

which close to 800 people die. Further, about 1,500 children age 14 and under are treated in hospital emergency rooms for unintentional firearm injuries. About 38 percent of them have injuries severe enough to require hospitalization.

In addition to accidental shootings, according to the Brady Campaign, every year 1,300 children use firearms to commit suicide. Unlike suicide attempts using other methods, suicide attempts with guns are nearly always fatal. These children are given no second chance.

It does not have to be this way. If gun manufacturers put locking or other safety mechanisms on guns, or dealers sold handguns with safety devices, many shootings could be avoided, and fewer children would die each year.

The gun industry immunity legislation, to which Senator BOXER's amendment was attached, would have provided unprecedented protection from liability to gun manufacturers and dealers, even in cases where their own gross negligence or recklessness led to someone being injured or killed. I opposed the immunity bill and was pleased that it failed to pass the Senate. However, Senator BOXER's trigger lock amendment passed with bipartisan support. Given that, I hope the Senate takes up and passes that legislation this year.

ASBESTOS LITIGATION

Mr. BREAUX. Mr. President, Senator LANDRIEU and I rise today to add our voices to those who have been calling for a comprehensive national solution to the asbestos litigation problem. Several members of both parties have recently come to the floor to discuss this very issue and we want to join with them in urging our colleagues to address this matter with immediate legislation.

I have always believed that one of the greatest freedoms in this country is the ability of ordinary citizens to seek redress in an impartial court of law from other citizens or businesses—no matter how large or powerful. However, in the case of asbestos litigation the system no longer is able to meet this goal. The courts are so backed up with asbestos lawsuits, many of which are brought by individuals who are not yet sick or may never get sick, that those victims who are truly suffering from asbestos-related illnesses are not receiving compensation and businesses are going bankrupt in the process.

Asbestos litigation is a serious and growing problem in our home state of Louisiana. For the benefit of victims, union members, and businesses in Louisiana—both large and small—that are suffering the consequences of this crisis, we urge the Senate to resolve this problem as soon as possible. Let me be clear: we want a bill that will provide guaranteed, fair compensation to deserving victims in our state and around

the country. And, we want a bill that will provide certainty for victims and businesses in Louisiana and elsewhere that have been caught up in this crisis.

I am becoming increasingly troubled by reports that negotiations between the parties on the asbestos bill are reaching a standstill. Too much work and tireless hours of negotiation have gone into this bill to let it become yet another marker in the growing graveyard of failed legislation. I would like to use this opportunity to urge all parties in this matter to continue working in good faith with one another to find agreement on the issues that are still outstanding.

A final deal on asbestos will not be easy and it will require more concessions from all parties. I know a number of my colleagues have worked unflinchingly to try and get this issue resolved. I commend them for all their effort and work. However, it is also important that we realize how close we are to not having any bill at all. I am concerned that by hastily pushing forward legislation that only has partial support, we will effectively kill this bill. We cannot stand back and allow the current system to continue to spiral out of control. Another failed cloture vote will not help victims, nor will it help business. This is an issue that we should be able to vote out of the Senate, not by 60 votes, but by 70 or 80. We must continue to work together to this end. The asbestos litigation system is broken and it must be fixed.

Ms. LANDRIEU. Mr. President, I rise to join with my colleague, the senior Senator from Louisiana, to urge the Senate to enact meaningful asbestos litigation reform this Congress. I am equally concerned about the impact that this escalating crisis is having in our own state of Louisiana.

The example of just one company illustrates how this ongoing litigation is affecting Louisiana. In 1978, McDermott, headquartered in Louisiana, acquired Babcock & Wilcox, B&W, a premier commercial boiler-maker and provider of other power generation equipment. B&W was the leading manufacturer of boilers in the United States. In line with United States government specifications, all of these boilers were insulated with asbestos. Now many years later, the company has been subjected to an avalanche of asbestos claims. In fact, B&W had no recourse other than to file for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Because of the uncertainty of its asbestos liability and the resulting inability to satisfactorily reorganize the finances of the company, McDermott's union employees in my state are adversely impacted. Just last week, representatives from my staff and Senator BREAUX's staff attended a meeting of the management and union labor at McDermott's facility in Morgan City, LA, to discuss this problem. We now have a petition signed by 1,000 of these workers asking that we solve this problem as soon as possible.