

Every day until we vote to override President Bush's morally unacceptable veto of the bipartisan State Children's Health Insurance Program, I will be here to share with you here in the people's House views of ordinary people from Wisconsin, people like Dan from Crivitz, who writes, "We want health care like you have in Congress." And Stephanie, who says, "Insurance is number one on my list. My current employer can't afford to give us health insurance, and I can't get independent coverage. Help, please."

I look forward to sharing the views of ordinary people later this evening with you. And now more than ever we must work together to guarantee access to care for everyone and build a better Nation for all of us.

#### COAL-TO-LIQUID AS AN ALTERNATIVE ENERGY

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, according to the Energy Information Agency, the United States currently imports about 60 percent of its oil, and that number is expected to rise to 75 percent in the coming decades.

As a country, we need to reduce our dependency on foreign fuel sources and start implementing alternative energy sources that can be found domestically here in the United States.

Imported fuels such as crude oil and natural gas are costing the country billions of dollars a year, accounting for about one-third of the United States trade deficit. At \$45 a barrel, liquid coal fuel is a desirable alternative to the \$60 plus or more per barrel of oil we're paying today. Not only does this innovative fuel source cost less, but also coal is one of the most abundant natural resources in the United States. As Congress continues to explore the use of alternative energy sources, we need to look closely at the enormous benefits of coal-to-liquid technology.

□ 1030

#### HOUSE REPUBLICANS NEED TO REALIZE THAT BUSH'S VETOES HAVE BEEN BAD FOR AMERICA

(Mr. ARCURI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARCURI. Mr. Speaker, over the last 7 years, President Bush has only vetoed four bills. The President's first two vetoes involved legislation that would expand Federal funding of embryonic stem cell research, which has the potential to unlock the doors to cures for diseases like diabetes and Alzheimer's. Two times, congressional Republicans sided with the President enabling his veto to stand and thereby denying hope to millions of American families.

The President's third veto came on the war funding bill that finally included a deadline to bring our troops home from Iraq. Again, Republicans sided with the President, and our troops continue to be bogged down in a war that the President himself says could continue for another decade. Then, last week, the President vetoed a fourth bill that would provide private health insurance to 10 million low-income children. It received strong bipartisan support in Congress, and there are enough votes in the Senate to override the President's veto.

The question now is will House Republicans once again side with the President or will they stand with the 10 million children who need and deserve health care.

#### MAY THIS CONGRESS ALWAYS RE- MEMBER THE SERVICE OF CON- GRESSWOMAN JO ANN DAVIS

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, Saturday, Congresswoman Jo Ann Davis passed into eternity after a long and courageous struggle with cancer. The gentlewoman from Virginia was elected in 2000, the same year I arrived in Washington, D.C., and we became fast friends. From the start, Jo Ann Davis stood out. Her commitment to her family, her devotion to God, and her commitment to a strong defense and traditional values were inspiring.

On the day I met Jo Ann, she said to me very simply, "Mike, the Lord put me here. I am going to serve Him every day that I am here." Representative Jo Ann Davis kept her word.

May our Savior, hers and mine, comfort her and Chuck and the boys with the words, "Well done, good and faithful servant." May this Congress always remember the service of Congresswoman Jo Ann Davis.

#### THE COST OF THE WAR IN IRAQ COMPARED TO HELPING CHILD- REN WITH THEIR HEALTH CARE

(Mr. YARMUTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YARMUTH. Mr. Speaker, last week President Bush vetoed a bipartisan bill enacted pursuant to the authority vested in Congress by article I of the Constitution that would provide private health insurance to 10 million low-income children here in America. His reason, the bill was too big.

While the President refuses to fund health care for our Nation's low-income children, he has no problem sending billions of dollars to Iraq with absolutely no questions asked. Today alone, the President will spend \$300 million funding the occupation of Iraq. With that money, we could insure

246,000 low-income kids. Over the next month, the President will spend a whopping \$9 billion in Iraq, which would allow us to insure 7.4 million kids.

Mr. Speaker, time and time again, congressional Republicans have approved blank checks for the President to send billions to Iraq, and now they are concerned about \$35 billion for improving the lives of 10 million low-income children? It is time they reevaluate their priorities and join us next week in overriding President Bush's veto.

#### PROVIDING FOR CONSIDERATION OF H.R. 3056, TAX COLLECTION RESPONSIBILITY ACT OF 2007

Mr. CARDOZA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 719 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### H. RES. 719

*Resolved*, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 3056) to amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions of the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 3056 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore (Mr. PAS-TOR). The gentleman from California is recognized for 1 hour.

Mr. CARDOZA. Mr. Speaker, for the purposes of debate only I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

#### GENERAL LEAVE

Mr. CARDOZA. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on House Resolution 719.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CARDOZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 719 provides for consideration of H.R. 3056, the Tax Collection Responsibility Act of 2007 under the traditional closed rule. The rule provides 1 hour of general debate equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill except for clause 9 and 10 of rule XXI. Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, the bill before us today, H.R. 3056, implements several measures to protect the interest of taxpayers and the integrity of our tax system. First, it would once and for all repeal the IRS's authority to contract with private debt collection companies. The collection of Federal income taxes is inherently a governmental function and at the crux of what governmental responsibilities should be. This was stated as early as 1819 by Chief Justice Marshall. It was reaffirmed by Congress in 1874, when the Ways and Means Committee said that "any system of farming the collection of any portion of the revenue of the government is fundamentally wrong."

Tax farming, giving a private entity the right to collect taxes on a commission basis, has created modern-day bounty hunters who have no regard for the taxpayer, only regard for their company's bottom line.

Taxpayers are heavily pressured to reveal their Social Security numbers, last known address, date of birth, and other confidential information over the telephone to private contractors working on commissions of up to 25 percent of their take.

In this modern day and age where identity theft runs rampant, why would we want to turn over people's Social Security numbers and who knows what other confidential information to someone who is only out to protect their own bottom line? Noted Princeton economist Paul Krugman recently penned in the *New York Times*, "Tax farming went out with the French Revolution; now the tax farmers are back." How right he is.

The irony is that we tried this private tax collection scheme in 1996 and promptly abandoned it. Why? Because the IRS's Inspector General found that private contractors regularly violated our own Fair Debt Collection Practices Act, threatened the confidentiality of taxpayers' personal information, and on top of all that, cost the government a net revenue loss of \$17 million.

Despite this past history, the Republican Congress renewed this authority in 2004. What has happened since that renewal? Well, the Federal Government has spent an additional \$71 million of taxpayers' hard-earned money and they have collected a grand total of \$20 million in tax revenue. That is right, Mr. Speaker; we have lost another \$50 mil-

lion on an inefficient program that experts readily admit does not work. Even more absurd is that had the IRS been given that money, the \$71 million, instead, it would have collected almost \$1.5 billion.

The House has long recognized that this program simply does not work. In fact, language to stop private debt collection has passed on a strong bipartisan basis twice but has not made it into law. But don't just take my word for it. The National Taxpayer Advocate, appointed by the Treasury Secretary, reported to Congress that "the money spent on the IRS Private Debt Collection initiative is an inefficient use of government dollars." Even past and present IRS Commissioners have repeatedly admitted before Congress that IRS employees could perform this task at far less cost than the private agencies.

I firmly believe that when the government actually does something better than the private sector, cheaper and more efficiently than the private sector, then the government should do that job. The reality, Mr. Speaker, is that IRS employees are better trained, better equipped and better prepared to handle these important responsibilities. They also protect American citizens' privacy.

H.R. 3056 recognizes this reality and restores this fundamental responsibility to the Federal Government, as our Founding Fathers intended. Second, H.R. 3056 includes language based on legislation introduced by my friend and colleague from Florida (Mr. MEEK), which provides tax relief to small businesses and administrative relief to local jurisdictions by delaying implementation of an onerous tax burden.

Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005, passed by the then-Republican Congress to raise revenue, requires tax withholding of 3 percent on payments to vendors providing property or services to the government beginning in January of 2011. The 3 percent withholding requirement presents a number of administrative and practical challenges for businesses, including reducing the cash flow they need to meet operating expenses, pay suppliers or subcontractors, or meet payroll. They also present several problems for governments, including how State and local governments will be able to comply with this law, much less how the IRS will be able to afford and administer such a requirement.

H.R. 3056 takes a commonsense approach to this issue and delays the implementation of the 3 percent withholding requirement for 1 year. It further calls on the Department of the Treasury to study the compliance issues confronting businesses and government and report the findings to Congress. This measure is supported by State and local governments and a broad array of business organizations, including the United States Chamber of Commerce, the Financial Services

Roundtable, the American Bankers Association, the American Farm Bureau Federation, the National Association of Manufacturers, the National Federation of Independent Business, among others.

H.R. 3056 also clarifies that U.S. citizens who claim to be bona fide residents of the U.S. Virgin Islands receive the same procedural and administrative rights afforded to other U.S. taxpayers.

Finally, Mr. Speaker, H.R. 3056 strictly adheres to the House PAYGO rule. This bill is paid for primarily by eliminating a tax loophole that currently allows wealthy individuals to avoid paying U.S. taxes simply by renouncing their citizenship or terminating their U.S. residency. Despite what you may hear today, let me be clear, closing this loophole has broad, bipartisan support and has been supported by my Republican colleagues.

I would like to thank Chairman RANGEL, Mr. VAN HOLLEN, Mr. MEEK, and the Ways and Means Committee members for their hard work in bringing this legislation to the floor today.

Mr. Speaker, this commonsense bill protects taxpayers, preserves the integrity of our tax system, and makes our tax system fairer for all. It deserves strong support of all the Members of this House floor today.

Mr. Speaker, I reserve the balance of my time.

□ 1045

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am not sure that there is anything even left to say about the depths to which the House has sunk under the "broken promise" Democrat majority. Today, once again, the American people are being forced to endure the results of yet another evening spent in the "broken promise" Democrat Rules Committee, with nothing to show for it except for yet another closed rule, which was referred to today as a "traditionally closed rule" on the floor of the United States House of Representatives.

Mr. Speaker, I rise today in strong opposition to this completely closed rule, which denies the minority even with a basic substitute amendment in this process, and to the fiscally irresponsible underlying legislation.

I also rise with great regret to report to the American people that, once again, as I have been forced to report on multiple occasions over the course of this year, the Democrat leadership is bringing legislation to the House floor which stacks the deck in favor of big labor bosses at someone else's expense. Today, that expense is on the American taxpayer, who is being targeted on behalf of big public sector union bosses to the tune of \$2.2 billion, to be exact.

I would like to take a few minutes to discuss a number of the myths that will be discussed surrounding this legislation and provide my colleagues and the American people who are tuning in

on C-SPAN with some of the facts about the real effect of this special interest legislation and what it would mean to the taxpayer.

In 2004, Congress gave the IRS the ability to utilize the best practices and advantages created by the private sector to address its growing backlog of unpaid debt. Today, it is estimated that \$345 billion of these unpaid taxes exist. That means that every year the average taxpayer who plays by the rules must pay an extra \$2,700 to cover taxes not being paid by those who should legally be paying their taxes.

This new program, which began as a small pilot program that grows as it continues to succeed, is estimated to bring in about \$2.2 billion in its first 10 years. And under this agreement, the IRS would get the first 25 cents of every single new dollar to hire new collections professionals, a provision that would have a positive, compound effect by helping to bring in even greater amounts of this uncollected revenue for the government into the future.

The program, even in its beginning stages and despite numerous attempts by the Democrat majority to kill it before it could succeed, has been hugely successful, bringing in over \$30 million worth of unpaid taxes. It has received a 98 percent rating from the IRS for regulatory and procurement accuracy, as well a 100 percent rating for professionalism. Additionally, less than 1 percent of the taxpayers contacted by these private agencies have filed complaints with the IRS, none which have ever been validated.

Despite this program's track record of success on behalf of taxpayers who do play by the rules and pay their designated share, not to mention the increased revenue that it brings in to fund the Democrats' other new, big-spending legislation, there are many opponents on the other side of the aisle that want to prevent it from continuing to work, supposedly to protect the dues of the big government union bosses.

They have claimed, despite the fact that 40 out of the 50 States in America already use these same contract services, that this is something that only the government can do. You don't have to take my word for it that this is untrue. Even the nonpartisan Government Accountability Office, the GAO, has found that "the IRS may benefit from using private collectors, and it is reasonable to assume that the IRS could learn from their best practices as it works to resolve long-standing problems with its debt collection activities."

Opponents have also incorrectly claimed that private debt collectors do not follow the same rules as IRS collectors. Well, this one is partially true, because these private collection agencies are subject to both Federal and State laws that are collectively more restrictive than the laws that Federal employees must follow. Private collectors follow the same privacy protec-

tions, undergo the same background checks and are subject to the same penalties if they violate any of these laws.

Opponents have also claimed that allowing for private debt collection would cost untold union jobs, a statement which is also based in an alternate reality. The private collection agencies working in this program did not and do not replace a single IRS worker.

As of this past July, over 51,667 "cold cases" that the IRS was incapable of collecting were given to private agencies, resulting in over 5,300 full repayments to the Treasury and almost 2,000 agreements to repay these debts incrementally. This means that the government received over \$24 million of gross revenue that it would not have received otherwise, of which only about one in eight went to pay for these otherwise nonexistent services. In fact, the IRS has publicly stated that no government employee will lose his or her job as a result of this highly effective private contracting. Instead, they will benefit from the opportunity to focus their talent, expertise and resources on high priority, more complex cases.

Mr. Speaker, I encourage all of my colleagues to understand all of the facts regarding this legislation before they are influenced by the scare tactics of a few Members who are determined to kill this highly-effective program that has already proven to be cost-effective in closing the "tax gap" of unpaid, hard-to collect taxes.

I wish I could say they would have plenty of time to learn all the facts surrounding this legislation that is being rushed to the floor today under a completely closed process. Unfortunately, last night in the "Graveyard of Good Ideas in the House of Representatives," the majority Rules Committee Democrats voted three times along party lines to prevent any amendment authored by a Republican from being considered today. Despite numerous campaign promises by the highest ranking Democrats in the House to run the most "transparent, open and honest" House in history, this Democrat majority once again has provided the House with something which is a rule that is none of the above, which is the historical tradition. Instead, we have what is referred to as a closed rule. I wish I could say I am surprised by the Democrat leadership allowing politics to triumph over policy or fair procedure. Unfortunately, this is precisely what we have come to expect from the new "broken promise" Democrat majority.

Mr. Speaker, I oppose this ill-conceived and costly legislation, and I encourage all my colleagues on both sides of the aisle to stand up for taxpayers by voting against this rule and the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. CARDOZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as we said in our opening statement, tax bills are traditionally closed due to their complexity. Under Democrats, before 1994, they were closed. Under Mr. DREIER's administration in the House Rules Committee under the Republican leadership, they were traditionally closed. Now we continue to maintain that practice. Because tax laws are so complex, late amendments that have not been fully vetted and analyzed are simply too complex to insert into the Tax Code without knowing their full ramifications.

Secondly, Mr. Speaker, Mr. SESSIONS, my colleague from Texas, mentioned that the McCrery substitute was not made in order. He is correct about that. It was not made in order because it violates the PAYGO provisions of our House rules. I have a copy of it right here. It simply does not meet the PAYGO statutory requirements of the House rules.

Finally, the Republican privatization bill that had passed in a prior Congress, when it was implemented it spent \$71 million to collect \$20 million. That is a loss of \$50 million. Even with the creative accounting of the Republican "voodoo math," I cannot believe that they are advocating continuation of this program that has lost money.

Further, the use of private contractors to collect Federal taxes violates a confidential and fundamental relationship between American taxpayers and the Federal Government. IRS employees have access to a taxpayer's complete tax history, including personal information that is ready identifiable. That should be restricted only to IRS employees. By prohibiting the IRS from hiring private debt collectors, this bill will ensure that the privacy rights of Americans and other confidential information of taxpayers is protected from bounty hunters working on commissions of up to 25 percent.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we continue to hear arguments from my good friends about how this just won't work. But for 10 years it has worked very well, with a 99 percent accuracy, in providing billions of dollars to the taxpayer.

The bottom line is that Treasury simply focuses their activities on major accounts, and the others on smaller accounts, which is who have been handling these accounts and been very good at it, which is what we are asking to continue today. What is happening is that we found out the unions simply don't like that. They don't like somebody else perhaps getting something that they in fact never wanted to work on themselves.

So we are trying to say to the American people today, don't take away this stream of revenue. Don't take away this opportunity. Because the private sector is working on these accounts. They are not given any advantage. The

people who really end up winning is not only the Treasury Department, but, more specifically, the taxpayer.

Mr. Speaker, I yield such time as he may consume to the gentleman from San Dimas, California (Mr. DREIER), the ranking member of the Rules Committee.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I thank my friend from Dallas for yielding, and I want to buttress his argument, which is a very clear one. Obviously, we want to ensure that every American pays their fair share of taxes.

We have had a dramatic increase in collection success by virtue of this program, and here we are gutting it because a very small group of people seems to oppose it. It happens to be union opposition.

As a taxpayer, I pay my fair share of taxes. I want to make sure that every other American pays their fair share of taxes, and that is exactly what this 10-year-old program has done, and has done with success.

Mr. Speaker, I really am very, very puzzled as we begin today with the debate on two rules that will lead to legislation being considered here on the House floor. The reason I am perplexed is we are dealing with two very important issues.

The majority leadership clearly has its right and its responsibility to move their agenda. They want to do what they are planning to do now on this issue of private sector collection of taxes, and they want to dramatically expand housing programs. Those are the two things that the majority is planning to move to the floor today. But I just don't understand, Mr. Speaker. I just don't understand why it is that we are doing what we are doing.

My friend from California, Mr. CARDOZA, just described how the Rules Committee was run when I had the privilege of serving as chairman of the committee. He said we have what is a customary closed rule, I think is the term that he used. Is that the term? I would be happy to yield to my friend.

Mr. CARDOZA. I called it traditional.

Mr. DREIER. I thank my friend for clarifying that. He described it as a traditional closed rule.

I will say that it is true that on tax bills both parties recognize that the notion of completely opening up a Tax Code measure in the Ways and Means Committee is not the wisest thing to do, so neither party has done that.

But I will tell you this, Mr. Speaker: We, when we were in the majority, regularly ensured that the ranking minority member, Mr. RANGEL, had a substitute that he could offer. In fact, on numerous occasions we offered Mr. RANGEL the chance to propose a sight-unseen substitute to measures that were coming forward, and I will admit, I will admit that on occasion, but a very rare occasion, we did not provide that substitute to Mr. RANGEL.

Mr. Speaker, I will say when that happened, Mr. RANGEL clearly let us know how unhappy he was that he did not have a substitute.

We all know that at the beginning of this Congress we had this document put forward by the new majority called "a New Direction for America." In this document, the item titled "Regular Order For Legislation" under "A Congress Working For All Americans," paragraph 2 reads as follows, Mr. Speaker. It says, "Bills should generally come to the floor under a procedure that allows open, full and fair debate, consisting of a full amendment process that grants the minority the rights to offer its alternatives, including a substitute." This is the commitment that was made to the American people under "A New Direction for America."

Mr. Speaker, I recognize that having a completely open rule on a measure that emerges from the Ways and Means Committee is not the wisest thing for us to do. But, Mr. Speaker, what we are doing here today on this rule is absolutely outrageous and a complete violation of this commitment that was made at the beginning of this Congress for a new era of openness, transparency and accountability.

□ 1100

Mr. Speaker, in fact, as I said last night in the Rules Committee, we have now almost completed the first session of the 110th Congress. Our target adjournment date is October 26, just a couple of weeks away. On not one occasion in this entire session of Congress has the distinguished ranking minority member of the Ways and Means Committee, the gentleman from Louisiana (Mr. MCCRERY), been offered the chance to propose a substitute to any measure that has emerged from the Ways and Means Committee.

I will say, Mr. Speaker, as we regularly get criticized for when we were in the majority, we never did anything close to that.

Now, I am saddened greatly by the fact that we are not only doing this on this rule, Mr. Speaker, but on the next measure that we are about to bring up. It is going to be another item that will have come from the Committee on Financial Services. It's a plan to dramatically increase housing.

Last week we had a measure that came from the Committee on Financial Services and it was a flood insurance bill. Not a terribly partisan issue, a measure that has impacted Democrats and Republicans on the gulf coast, Florida, along the eastern seaboard and other parts of our country. Democrats and Republicans.

As we all know, last week in the measure that emerged from the Committee on Financial Services, the Rules Committee had a wide range of amendments that were proposed by both Democrats and Republicans. In fact, the chairman of the Committee on Financial Services talked about a

commitment that had been made to allow a number of Republican amendments to be considered, so those Members withdrew their amendments when they were debating this in the Committee on Financial Services on flood insurance.

The day before the committee reported that out, we happened to have unveiled, as Members of the minority, our report providing an assessment of basically the first 9 months of the Pelosi Speakership and the way the Speaker's Rules Committee has been run. This report, very brief, lots of graphs in it, 10 pages long, I would commend it to my colleagues. They can get a copy by going to rules-Republicans.house.gov. I would recommend that they look at this, Mr. Speaker, and the reason is, if you compare this performance, whether it is denying Members a chance to even submit amendments to the Rules Committee, which is something we would have never comprehended, to having double the number of closed rules as we did at this point in the 109th Congress, you will see, Mr. Speaker, that this report shows that the performance of the first session of the 110th Congress has been 180 degrees from what was promised the American people.

So last week when we had this flood insurance measure that came forward, as I said, an agreement had been struck between the chairman of the Committee on Financial Services and a number of Republicans on that committee to have their amendments considered. And what happened? There were 13 amendments made in order, Mr. Speaker. Not one single Republican amendment was made in order. Not one single Republican amendment was made in order. This is not just a party thing; this is the American people who are not allowed to be heard because these representatives represent people along the eastern seaboard, the gulf coast, Florida, areas impacted by floods and hurricanes. We have flooding in California and all across the country.

Here is what happened. The American people whose representatives had thoughtful proposals, and the chairman of the committee thought those proposals should be heard, were denied by this Rules Committee, and it just happened the day after this report which we hoped would lead the new majority to help keep the promises made in a new direction for America. And what happened? They did even worse.

And so where do we stand today, Mr. Speaker. Well, Mr. SESSIONS has just pointed out what has happened in this rule. Again, not one chance in this entire Congress for the ranking minority member of the Ways and Means Committee to offer a proposal.

And in the next bill we will have before us, unfortunately, there is not a single Republican amendment made in order. Yes, there is a substitute, the Neugebauer substitute; but not one Republican amendment made in order,

and all seven of the amendments that the Democrats proposed have been made in order.

Now, I had an exchange with the chairman of the Committee on Financial Services, and while he did not support most or any of these amendments that I know of, unfortunately what happened was, when the committee chairman said we ought to consider some of these, the committee chose to completely shut out Members of the minority from having an opportunity other than the Neugebauer substitute.

Mr. Speaker, let me say I am puzzled and I am saddened, both, as I look at this performance. When we are promised a new direction for America and greater transparency, disclosure and accountability, and generally a full and open debate, including a substitute, which is the exact wording that Speaker PELOSI had in this new direction for America, and here we are doing the exact opposite.

Now, on this measure itself, I hope very much we will defeat the previous question so the very thoughtful work Mr. ENGLISH has done dealing with relief for the American people from the onerous burden of the alternative minimum tax can be addressed. Unfortunately, that is not allowed. But I do believe if we defeat the previous question, we can allow the American people to have a chance to have some kind of relief from the onerous alternative minimum tax.

Mr. Speaker, I thank my friend for yielding me so much time, but I felt compelled to make these arguments on this bill and the next bill that will be coming forward. I hope, and I am very sincere about this, as an institutionalist, I hope and pray that we will do better for the American people when it comes to structuring and allowing full and fair and free debate on the House floor.

Mr. CARDOZA. Mr. Speaker, my colleague from California is a very skilled orator, and I appreciate his speaking ability. I will tell you, however, one of the great tools that people use when they are as talented as Mr. DREIER is, when they don't want to talk about the bill at hand, they talk about everything else around it.

The reality is that the bill at hand, the rule that we are trying to move forward to bring a bill to the House floor today, eliminates privatization of tax collection.

Now, my Republican colleagues on the other side of the aisle love privatization. They love it in Iraq where it has not worked and our military is struggling under the burden of having privatization and contractors, war contractors not doing what they should be doing and charging four times what they should be charging to do it. We see all of the problems that have happened there.

We have seen the same thing happen here in the United States where Federal contracts have been let. Mr. WAXMAN's committee has done incredible

work rooting out waste, fraud and abuse in the private contractor system.

And then they want to turn over the collection system of the IRS to private hands, putting at risk all Americans' private information and documents. They like privatization; they just don't like protecting your privacy.

The gentleman from California talked about all kinds of issues but he didn't talk about the root problem that we are trying to address here, and that is stopping bounty hunters from harassing American taxpayers.

Finally, Mr. DREIER talked at great length about the McCrery substitute and the fact that Mr. MCCRERY has not gotten a substitute this year.

Mr. Speaker, this is the second time this year that I have managed a rule where the Republican substitute has violated the House rules. I am a member of the Blue Dog Coalition as well as being a member of the Rules Committee. I am very proud that for the whole time I have been here as a member of the Blue Dog Coalition, we advocated for advancement of the PAYGO rule. We believe in fiscal responsibility. We believe we need to pay our debts. So we got, when we took over the majority, inserted into the House rules a clause that says we have to pay as we go. We have to do it like every American taxpayer has to run their own home. We have to run this House in a fiscally responsible way. And so we mandated the PAYGO rules.

The substitute put forward by the Republicans, for the second time that I have managed a rule anyway, has violated those PAYGO rules. When you don't follow the House rules, you can't expect your amendment to be made in order, Mr. Speaker. I encourage my colleagues to abide by those rules and honor the process.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I don't know if this is a blatant attempt to mislead Members or not, but the gentleman, Mr. ENGLISH, his bill is compliant with PAYGO rules. And to suggest on this floor that the Republican Party presented the bill, the amendment—

Mr. CARDOZA. Mr. Speaker, will the gentleman yield?

Mr. SESSIONS. I yield to the gentleman from California.

Mr. CARDOZA. I wasn't referring to Mr. ENGLISH's bill.

Mr. SESSIONS. Which one were you referencing, sir?

Mr. CARDOZA. I was referring to Mr. MCCRERY's substitute.

Mr. SESSIONS. Reclaiming my time, and I will continue this dialogue, you know that we asked to have made in order one that would be in compliance with the PAYGO rules, and you and your colleagues turned that down. You specifically stated: We want an amendment that would be in compliance with the PAYGO rules; will you please give it to us. And we were turned down by the Rules Committee. I would engage the gentleman on that issue.

It was my amendment that I made, and I know how the gentleman voted, along with all of his colleagues. And to stand up on this floor and to say, Well, we would if they would abide by the rules, but they have to abide by the rules, is a blatant, blatant miscalculation and I think untrue and insincere. When we asked for that in the Rules Committee, we were turned down.

When we said, Give us an amendment we will make sure that the Parliamentarian and others say is compliant, we were turned down.

The gentleman, Mr. ENGLISH, and I am getting ready to allow him to speak on this floor, he is in compliance with PAYGO rules. So there was not an opportunity that was given by the Rules Committee to allow us to do that. And then you stand up and say, Well, if Republicans played by the same rules as we do, then they would find them in order, that is not true.

Mr. Speaker, at this time I yield 4 minutes to the co-chairman of the Zero AMT Caucus, the distinguished gentleman who has an amendment that would be compliant, the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding to me and certifying in the process that I am PAYGO compliant, something that will come as a source of great relief to my wife, among others.

Mr. Speaker, I rise in strong opposition to the rule before us today. Very simply, it puts protecting deadbeat taxpayers ahead of shielding unsuspecting citizens from additional taxes and penalties resulting from the majority's inaction on the AMT.

Yesterday, I offered an amendment in the nature of a substitute to the underlying bill. My amendment would have addressed the severe consequences to middle-class taxpayers come next April as a result of the majority's inaction on the alternative minimum tax. As has been noted here, this amendment was fully compliant with PAYGO rules of the House, but it was dismissed out of hand by the majority. As a result, I am here today to strongly urge my colleagues to defeat the previous question on the rule so it can be amended to incorporate consideration of the English substitute.

The fact remains that the clock is ticking, and without a minimum amount of effort by this majority in Congress, millions of taxpayers will not only be socked with an unsuspected bill from the tax man in the form of the AMT, they will also be slapped with punitive penalties by the IRS for not withholding enough as AMT taxpayers.

My amendment would have created a safe harbor for those taxpayers and not penalized them for something that they did not know they would be subjected to; and, frankly, something they never should have been subject to in the first place.

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Let's put this in more concrete terms, Mr. Speaker. There are now less than 30 legislative days left in this Congress. So far a bill has yet to be introduced by the majority to spare 23 million American taxpayers from unintentionally being subject to the alternative minimum tax.

Now, after having 10 months of the year to deal with this impending explosion of increased taxes on working families, the majority has done absolutely nothing.

This is the longest period of time the AMT has been pushed aside, and it is incomprehensible that we're not addressing the fallout from this inaction today, even as forms are being prepared to send out to taxpayers.

Working families should not have to pay the price for the majority's inaction on the AMT. In fact, Mr. Speaker, they can't afford to.

I oppose this rule because it embraces the misplaced priorities of the majority to chase phantasms rather than deliver real and meaningful legislation to spare working families from a huge tax increase that was never intended for them.

My substitute would strike the repeal of the private debt collection program and put in place a safe harbor for unsuspecting taxpayers about to be clobbered by the AMT and then again by penalties. Otherwise, my substitute would leave the bill unchanged.

Mr. Speaker, we have to come to grips with the fact that we have to address the AMT. We must do it now. I urge my colleagues to defeat the previous question and bring a rule to the floor that addresses the immediate and pressing needs of working families in this country.

Mr. CARDOZA. Mr. Speaker, I yield myself such time as I may consume.

I wish to commend my colleague Mr. ENGLISH. He is a very thoughtful individual and a very good legislator, and I would just say that while his amendment was PAYGO compliant, we were not aware of that until this morning when the tax tables were submitted to the Ways and Means Committee. So last night when the Rules Committee was dealing with this issue, we had no way of knowing whether his substitute was, in fact, PAYGO compliant or not.

With regard to Mr. McCRERY's substitute, I have it here with me. The substitute that was submitted by Mr. McCRERY was, in fact, not PAYGO compliant. Now, Mr. SESSIONS says that he made the motion to allow it to be PAYGO compliant, but the bill before us at that point in the Rules Committee was not.

I would like to say, also, that Mr. ENGLISH's substitute doesn't deal with the base bill, which is to stop the privatization of tax collection, and that is what the majority is trying to get at today.

Now, certainly there are other issues that are worthy of consideration in this institution. AMT is certainly one

of them. But in this provision today, the majority wants to bring forward a bill that would stop American taxpayers from being harassed by private bounty hunters. That's the issue before us today. And all the other issues that people are trying to discuss one way or another, they have nothing to do with this base bill and really don't apply to the debate we want to have in the next hour.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. I would like to inquire upon the time remaining on both sides, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas has 4 minutes, and the gentleman from California has 15 minutes.

Mr. SESSIONS. Mr. Speaker, let's go to the heart of this.

\$30 million worth of uncollected taxes that, by the IRS's own admission, never would have been collected because they were accounts they did not want to or were not working, which are the only accounts that ever go to private debt collectors, who as private collectors receive a 98 percent rating from the IRS for regulatory procedural accuracy, as well as a 100 percent rating for professionalism, and less than 1 percent of those accounts have any sort of complaints that are filed with the IRS, and none which have been validated. That's the substance of the case. That's why we oppose this bill and this rule. It makes no sense unless you're simply trying to do what union bosses ask you to do, which is evidently what this bill is doing.

I would also like to point out that what's very interesting is that this bill is supported by the chairman of the Ways and Means Committee and has a whopping nine cosponsors, a whopping nine cosponsors, and we're bringing that to the floor of the House today. Utterly amazing.

Mr. Speaker, I insert into the RECORD at this time the Statement of Administration Policy by the President, which this White House says that they will veto.

STATEMENT OF ADMINISTRATION POLICY  
H.R. 3056—To amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes

The Administration strongly opposes House passage of H.R. 3056. The bill is not consistent with the Administration's commitment to a balanced approach toward improving taxpayer compliance and collecting outstanding tax liabilities. If H.R. 3056 were presented to the President, his senior advisors would recommend that he veto the bill.

The Administration strongly opposes the provisions of the bill that would repeal the current statutory authorization for the Internal Revenue Service, IRS, private debt collection program. Terminating this program would result in a loss of significant revenue over the next 10 years. These are tax dollars that are legally owed to the Government and that are otherwise not likely to be

collected by the IRS. It is a disservice to all taxpayers who properly pay their taxes to terminate this program that is efficiently recovering a portion of the extra burden they shoulder from the "tax gap" caused by those who do not pay their taxes. Moreover, the Government Accountability Office, GAO, recently reported that the IRS has made "major progress" in addressing critical success factors for the private debt collection program, including ensuring that both taxpayer rights and the security of taxpayer information are protected.

The Administration also has concerns with the provision of the bill that would impose additional tax rules on individuals relinquishing U.S. citizenship or terminating long-term residency. The Administration strongly supports efforts to ensure that individuals renouncing their U.S. citizenship pay their fair share of U.S. taxes. The bill's "mark-to-market" approach to valuation of expatriates' property for taxation purposes, however, overrides existing tax treaties and raises concerns about tax complexity.

Mr. Speaker, I reserve the balance of my time.

Mr. CARDOZA. I would like to inquire from my colleague if he has any remaining speakers.

Mr. SESSIONS. I thank the gentleman for asking. In fact, I do not have additional speakers at this time.

Mr. CARDOZA. Would the gentleman like to close?

Mr. SESSIONS. I would be very pleased to do that. I would like to ask the question back, does the gentleman have any additional speakers?

Mr. CARDOZA. I do not.

Mr. SESSIONS. Mr. Speaker, we have had a good debate here on the floor. We talked about from the Republican perspective, we're trying to follow the rules, not only of the House, but also the statements that have been made by our new Speaker, the Honorable NANCY PELOSI, who said she would have the most honest, open and ethical House in history and that that would also extend to processes of amendments.

We are here on the floor of the House saying today, that's not happening, has not happened all year, and I would predict to say today probably is not about to happen. Still on the Web site for the Speaker it says this. The American people are waiting for this promise to be made.

Today, we are debating a rule and a bill that would say to the American taxpayer that the IRS and their ability to collect taxes on behalf of the American people is going to be changed, changed from accounts that the IRS has no reasonable reason to believe that they will be chasing after or trying to collect. And that's why in the first place we said from doing audits, you've got all these accounts, please pass them to someone who will do it on behalf of the taxpayer. Because if you're not trying to collect these bills, it means that people will never pay.

The result has been over \$30 million worth of uncollected taxes that never would have been collected, not by the IRS, and they're done by someone, these private collection agencies, that receive a 98 percent rating by the IRS for regulatory and procedural accuracy, as well as a 100 percent rating for



professionalism and less than a 1 percent complaint rate of which not one has turned out to be validated.

Mr. Speaker, this is an assault on not just the taxpayer. This is an assault on really good and effective and proper government, where the IRS utilizes best practice. They're utilized by over 40 State governments today to have help in collecting money that is owed not just to the government but to the taxpayers of this Nation. And today, despite the success, overwhelming success, that is occurring, the Democrat majority, with nine cosponsors plus the chairman, is interested in taking away this opportunity for the taxpayers, I will assume, because the taxpayer union of the Treasury Department does not like this happening.

Mr. Speaker, we need to have best practices. The President is right. He will veto this bill. This is a valiant effort by this Democrat majority to pay back AFL-CIO and the labor unions for their support, but it is not in the best interests of not only the taxpayer but of good and proper government.

The Republican Party is here on the floor of the House today saying that what has happened with best practices that is happening today should continue. We should have these private services that work in concert with the IRS. We should continue to give the IRS and those particular departments that do go after this money to receive directly more money that is collected that would help them hire more tax collectors, but we should not stop this process dead in its tracks because not only is it successful, but it is working as a best practice would for other people to see how important a public/private partnership is.

Mr. Speaker, I ask unanimous consent to have the text of the amendment and extraneous material to appear in the RECORD just prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time.

Mr. CARDOZA. Mr. Speaker, I yield myself such time as I may consume to close.

Mr. Speaker, the bill before us today, the Tax Collection Responsibility Act of 2007, stops wasting taxpayer money on programs that cost too much, gives away confidential taxpayer information, and results in taxpayer harassment by bounty hunters and simply never has and never will work. It didn't work in the early 1800s, it didn't work in the late 1800s, and it doesn't work in the year 2007.

Mr. SESSIONS mentioned that there are these Republican best practices that would enhance our collection methods. Well, let's talk about that.

The Republican bill spent \$71 million to collect \$20 million, resulting in a \$51 million loss. If Mr. SESSIONS wants to claim those as Republican best prac-

tices, he can do that. However, if the Federal Government employees, the traditional men and women who have served our country honorably, if they had had the ability to use that same \$71 million, they would have collected \$1.5 billion in taxes owed to this Treasury, \$1.5 billion that could be used to, well, maybe fund SCHIP so that our poor young children could get the health care they deserve.

Mr. SESSIONS talks about that this bill only has 11 cosponsors. Well, this bill is a compilation of bills that was put together in the last few weeks, and, in fact, the base bills that this bill is based upon, Mr. VAN HOLLEN's bill has 156 coauthors and Mr. MEEK of Florida's bill has over 100. So there is wide support for this bill. The public should not believe that there are just a few folks thinking this is a good idea. This has wide support. It has had a number of hearings in the Ways and Means Committee, and there has been great testimony with regard to the fact that the current program put in by the Republicans in the last few years has not and will not work and should not continue to be allowed as the law of the land.

H.R. 3056 does something very fundamental. It protects taxpayers and ensures their privacy. It addresses withholding concerns raised by business and local government. It cracks down on yet another tax loophole for the wealthy that has been left open under the prior Congresses for far too long, and, most importantly, it continues to make our taxes fair for all.

Mr. Speaker, this is a good bill. It deserves this House's strong support. I urge a "yes" vote on the rule and on the previous question.

Mr. HERGER. Mr. Speaker, I rise in opposition to the Rule on H.R. 3056, the Tax Collection Responsibility Act. This rule, on legislation to halt collection of previously uncollected tax debts, wrongly prohibits any Republican amendments. An Amendment in the Nature of a Substitute by Ways and Means Ranking Member JIM MCCRERY, would have allowed for consideration of full repeal of the 3 percent withholding burden, which is so important to thousands of U.S. businesses. This was rejected by the Rules Committee on Tuesday evening. This rule stifles debate and is counter-productive to the bipartisanship we've worked for this year on the 3 percent withholding repeal. I urge my colleagues to reject the rule.

The material previously referred to by Mr. SESSIONS is as follows:

AMENDMENT TO H. RES. 719 OFFERED BY MR. SESSIONS OF TEXAS

Strike all after the resolved clause and insert the following: That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 3056) to amend the Internal Revenue Code of 1986 to repeal the authority of the Internal Revenue Service to use private debt collection companies, to delay implementation of withholding taxes on government contractors, to revise the tax rules on expatriation, and for other purposes. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The

amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions of the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in section 3 of this resolution, if offered by Representative English of Pennsylvania or his designee, which shall be in order without intervention of any point of order except those arising under clause 10 of rule XXI, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 3056 pursuant to this resolution; notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

SEC. 3. The further amendment referred to in section 1 of this resolution, to be offered by Representative English of Pennsylvania or his designee, is as follows:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Tax Collection Responsibility Act of 2007".

(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.—The table of contents of this Act is as follows:

- Sec. 1. Short title; amendment of 1986 Code; table of contents.
- Sec. 2. Estimated tax safe harbor for increase in 2007 alternative minimum tax liability.
- Sec. 3. Delay of application of withholding requirement on certain governmental payments for goods and services.
- Sec. 4. Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax.
- Sec. 5. Revision of tax rules on expatriation.
- Sec. 6. Repeal of suspension of certain penalties and interest.
- Sec. 7. Increase in information return penalties.
- Sec. 8. Time for payment of corporate estimated taxes.

#### SEC. 2. ESTIMATED TAX SAFE HARBOR FOR INCREASE IN 2007 ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 6654 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) 2007 AMT LIABILITY INCREASE.—

“(1) IN GENERAL.—In the case of any taxable year beginning in 2007—

“(A) any required payment under subsection (d)(1),

“(B) any annualized income installment under subsection (d)(2), and

“(C) any tax under subsection (e)(1), shall be determined without regard to any 2007 AMT liability increase.

“(2) 2007 AMT LIABILITY INCREASE.—For purposes of paragraph (1), the term ‘2007 AMT liability increase’ means the excess (if any) of—

“(A) the tax imposed by section 55 for the first taxable year beginning in 2007, over

“(B) the tax imposed by section 55 for the first taxable year beginning in 2006.

“(3) LIMITATION.—Under guidance prescribed by the Secretary, the excess determined under paragraph (2) shall be reduced (but not below zero) by an amount determined by the Secretary to result, when added to all other revenue amounts forgone by reason of paragraph (1), in the total amount forgone under paragraph (1) being equal to \$1,000,000,000.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

### SEC. 3. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) IN GENERAL.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(b) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

### SEC. 4. CLARIFICATION OF ENTITLEMENT OF VIRGIN ISLANDS RESIDENTS TO PROTECTIONS OF LIMITATIONS ON ASSESSMENT AND COLLECTION OF TAX.

(a) IN GENERAL.—Subsection (c) of section 932 (relating to treatment of Virgin Islands residents) is amended by adding at the end the following new paragraph:

“(5) TREATMENT OF INCOME TAX RETURN FILED WITH VIRGIN ISLANDS.—An income tax return filed with the Virgin Islands by an individual claiming to be described in paragraph (1) for the taxable year shall be treated for purposes of subtitle F in the same manner as if such return were an income tax return filed with the United States for such taxable year. The preceding sentence shall not apply where such return is false or fraudulent with the intent to avoid tax or otherwise is a willful attempt in any manner to defeat or evade tax.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after 1986.

### SEC. 5. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

#### “SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

“(a) GENERAL RULES.—For purposes of this subtitle—

“(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

“(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

“(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

“(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

“(3) EXCLUSION FOR CERTAIN GAIN.—

“(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by \$600,000.

“(B) ADJUSTMENT FOR INFLATION.—

“(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2007’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

“(b) ELECTION TO DEFER TAX.—

“(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

“(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

“(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

“(4) SECURITY.—

“(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

“(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

“(i) it is a bond which is furnished to, and accepted by, the Secretary, which is condi-

tioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

“(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

“(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

“(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

“(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

“(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

“(1) any deferred compensation item (as defined in subsection (d)(4)),

“(2) any specified tax deferred account (as defined in subsection (e)(2)), and

“(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

“(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

“(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

“(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

“(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term ‘taxable payment’ means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States. A deferred compensation item shall be taken into account as a payment under the preceding sentence when such item would be so includible.

“(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

“(A)(i) with respect to any deferred compensation item to which clause (ii) does not apply, an amount equal to the present value of the covered expatriate’s accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan, and

“(ii) with respect to any deferred compensation item referred to in paragraph (4)(D), the rights of the covered expatriate to such item shall be treated as becoming transferable and not subject to a substantial risk of forfeiture on the day before the expatriation date,

“(B) no early distribution tax shall apply by reason of such treatment, and

“(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

“(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term ‘eligible deferred compensation item’ means any deferred compensation item with respect to which—

“(A) the payor of such item is—

“(i) a United States person, or

“(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the



payor will meet the requirements of paragraph (1), and

“(B) the covered expatriate—

“(i) notifies the payor of his status as a covered expatriate, and

“(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

“(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term ‘deferred compensation item’ means—

“(A) any interest in a plan or arrangement described in section 219(g)(5),

“(B) any interest in a foreign pension plan or similar retirement arrangement or program,

“(C) any item of deferred compensation, and

“(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83 or in accordance with section 83.

“(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

“(6) SPECIAL RULES.—

“(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply for purposes of this subsection.

“(B) APPLICATION OF TAX.—Any item subject to the withholding tax imposed under paragraph (1) shall be subject to tax under section 871.

“(C) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

“(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

“(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

“(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on the day before the expatriation date,

“(B) no early distribution tax shall apply by reason of such treatment, and

“(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

“(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term ‘specified tax deferred account’ means an individual retirement plan (as defined in section 7701(a)(37)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

“(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

“(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

“(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

“(B) if the fair market value of such property exceeds its adjusted basis in the hands of the trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

“(2) TAXABLE PORTION.—For purposes of this subsection, the term ‘taxable portion’ means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States.

“(3) NONGRANTOR TRUST.—For purposes of this subsection, the term ‘nongrantor trust’ means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

“(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

“(A) rules similar to the rules of subsection (d)(6) shall apply, and

“(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

“(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

“(1) COVERED EXPATRIATE.—

“(A) IN GENERAL.—The term ‘covered expatriate’ means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

“(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

“(i) the individual—

“(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

“(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

“(i)(I) the individual’s relinquishment of United States citizenship occurs before such individual attains age 18½, and

“(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

“(C) COVERED EXPATRIATES ALSO SUBJECT TO TAX AS CITIZENS OR RESIDENTS.—In the case of any covered expatriate who is subject to tax as a citizen or resident of the United States for any period beginning after the expatriation date, such individual shall not be treated as a covered expatriate during such period for purposes of subsections (d)(1) and (f) and section 2801.

“(2) EXPATRIATE.—The term ‘expatriate’ means—

“(A) any United States citizen who relinquishes his citizenship, and

“(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

“(3) EXPATRIATION DATE.—The term ‘expatriation date’ means—

“(A) the date an individual relinquishes United States citizenship, or

“(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

“(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

“(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United

States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

“(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

“(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

“(D) the date a court of the United States cancels a naturalized citizen’s certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

“(5) LONG-TERM RESIDENT.—The term ‘long-term resident’ has the meaning given to such term by section 877(e)(2).

“(6) EARLY DISTRIBUTION TAX.—The term ‘early distribution tax’ means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

“(h) OTHER RULES.—

“(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

“(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

“(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

“(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

“(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

“(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.”.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

#### “CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES

“Sec. 2801. Imposition of tax.

##### “SEC. 2801. IMPOSITION OF TAX.

“(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

“(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

“(2) the value of such covered gift or bequest.

“(b) **TAX TO BE PAID BY RECIPIENT.**—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

“(c) **EXCEPTION FOR CERTAIN GIFTS.**—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds \$10,000.

“(d) **TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.**—The tax imposed by subsection (a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

“(e) **COVERED GIFT OR BEQUEST.**—

“(1) **IN GENERAL.**—For purposes of this chapter, the term ‘covered gift or bequest’ means—

“(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, is a covered expatriate, and

“(B) any property acquired directly or indirectly by reason of the death of an individual who, immediately before such death, was a covered expatriate.

“(2) **EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.**—Such term shall not include—

“(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

“(B) any property included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

“(3) **TRANSFERS IN TRUST.**—

“(A) **DOMESTIC TRUSTS.**—In the case of a covered gift or bequest made to a domestic trust—

“(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

“(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

“(B) **FOREIGN TRUSTS.**—

“(i) **IN GENERAL.**—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

“(ii) **DEDUCTION FOR TAX PAID BY RECIPIENT.**—There shall be allowed as a deduction under section 164 the amount of tax imposed by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

“(iii) **ELECTION TO BE TREATED AS DOMESTIC TRUST.**—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

“(f) **COVERED EXPATRIATE.**—For purposes of this section, the term ‘covered expatriate’ has the meaning given to such term by section 877A(g)(1).”.

(2) **CLERICAL AMENDMENT.**—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 14 the following new item:

“CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.”.

(c) **DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.**—

(1) **IN GENERAL.**—Section 7701(a) is amended by adding at the end the following new paragraph:

“(50) **TERMINATION OF UNITED STATES CITIZENSHIP.**—

“(A) **IN GENERAL.**—An individual shall not cease to be treated as a United States citizen before the date on which the individual’s citizenship is treated as relinquished under section 877A(g)(4).

“(B) **DUAL CITIZENS.**—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.”.

(2) **CONFORMING AMENDMENTS.**—

(A) Paragraph (1) of section 877(e) is amended to read as follows:

“(1) **IN GENERAL.**—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.”.

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

“An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.”.

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) **INFORMATION RETURNS.**—Section 6039G is amended—

(1) by inserting “or 877A” after “section 877(b)” in subsection (a), and

(2) by inserting “or 877A” after “section 877(a)” in subsection (d).

(e) **CLERICAL AMENDMENT.**—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

“Sec. 877A. Tax responsibilities of expatriation.”.

(f) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) **GIFTS AND BEQUESTS.**—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

## SEC. 6. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) **IN GENERAL.**—Section 6404 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

## SEC. 7. INCREASE IN INFORMATION RETURN PENALTIES.

(a) **FAILURE TO FILE CORRECT INFORMATION RETURNS.**—

(1) **IN GENERAL.**—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 are each amended by striking “\$50” and inserting “\$100”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 are each amended by striking “\$250,000” and inserting “\$600,000”.

(b) **REDUCTION WHERE CORRECTION WITHIN 30 DAYS.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 6721(b)(1) is amended by striking “\$15” and inserting “\$25”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 are each amended by striking “\$75,000” and inserting “\$200,000”.

(c) **REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 6721(b)(2) is amended by striking “\$30” and inserting “\$60”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 are each amended by striking “\$150,000” and inserting “\$400,000”.

(d) **AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN \$5,000,000.**—Paragraph (1) of section 6721(d) is amended—

(1) by striking “\$100,000” in subparagraph (A) and inserting “\$250,000”,

(2) by striking “\$25,000” in subparagraph (B) and inserting “\$75,000”, and

(3) by striking “\$50,000” in subparagraph (C) and inserting “\$150,000”.

(e) **PENALTY IN CASE OF INTENTIONAL DISREGARD.**—Paragraph (2) of section 6721(e) is amended by striking “\$100” and inserting “\$250”.

(f) **FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.**—

(1) **IN GENERAL.**—Subsection (a) of section 6722 is amended by striking “\$50” and inserting “\$100”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (a) and (c)(2)(A) of section 6722 are each amended by striking “\$100,000” and inserting “\$600,000”.

(3) **PENALTY IN CASE OF INTENTIONAL DISREGARD.**—Paragraph (1) of section 6722(c) is amended by striking “\$100” and inserting “\$250”.

(g) **FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.**—Section 6723 is amended—

(1) by striking “\$50” and inserting “\$100”, and

(2) by striking “\$100,000” and inserting “\$600,000”.

(h) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

## SEC. 8. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “115 percent” and inserting “115.50 percent”.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

## THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for

the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's *Precedents of the House of Representatives*, (VI, 308-311) describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

Because the vote today may look bad for the Democratic majority they will say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the definition of the previous question used in the *Floor Procedures Manual* published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from *Congressional Quarterly's "American Congressional Dictionary"*: "If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business."

Deschler's *Procedure in the U.S. House of Representatives*, the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. CARDOZA. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SESSIONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further pro-

ceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

□ 1130

#### PROVIDING FOR CONSIDERATION OF H.R. 2895, NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

Ms. CASTOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 720 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 720

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2895) to establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the construction, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.

SEC. 2. During consideration in the House of H.R. 2895 pursuant to this resolution, notwithstanding the operation of the previous

question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentleman from Florida (Ms. CASTOR) is recognized for 1 hour.

Ms. CASTOR. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS).

All time yielded during consideration of the rule is for debate only, and I yield myself such time as I may consume.

GENERAL LEAVE

Ms. CASTOR. Mr. Speaker, I ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 720.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Ms. CASTOR. Mr. Speaker, House Resolution 720 provides for consideration of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007.

As the Clerk read, the rule provides for 1 hour of general debate controlled by the Committee on Financial Services. The rule waives all points of order against consideration of the bill, except for clauses 9 and 10 of rule XXI.

The rule makes in order the Financial Services reported substitute. The rule makes in order eight amendments, including a complete Republican substitute. The amendments are each debatable for 10 minutes, except for the Neugebauer substitute, which is debatable for 20 minutes. The amendments are not amendable or divisible.

All points of order are waived against the amendments, except for clauses 9 and 10 of rule XXI. The rule also provides one motion to recommit with or without instructions.

Mr. Speaker, so many American families today are facing a critical housing crunch. The cost of an apartment or a home is out of reach for so many, but there is good news. Many of us in this Congress understand and will keep fighting for a new direction for America and more affordable housing.

Today we will create a landmark affordable housing trust fund under H.R. 2895 in this rule, which will provide over 1.5 million new affordable homes for hard-working folks across America over the next decade. I would like to thank Chairman BARNEY FRANK and Chairwoman MAXINE WATERS for their dedication to American families in their efforts to make housing affordable and available to those who could use a helping hand.

They pledged at the beginning of this new Congress that they would focus on affordable housing, and they have stayed true to their word.

Four other bills in addition to this one that will be considered today expand American homeownership and provide relief to our neighbors, many of whom have been subjected to foreclosure due to predatory lending in the subprime loan crisis.