Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Castle
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Klein (FL)
Kucinich
Kuhl (NY)
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pickering
Platts
Pomeroy
Porter
Price (NC)
Rahall
Ramstad
Rangel
Regula
Renzi
Reyes
Richardson
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Whitfield
Wilson (NM)
Woolsey
Wu
Wynn
Yarmuth
Young (AK)

NAYS—148

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Deal (GA)
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
Kingston
Kirk
Kline (MN)
Knollenberg
Lamborn
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pitts
Poe
Price (GA)
Pryce (OH)
Putnam
Radanovich
Rehberg
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Thornberry
Tiahrt
Tiberi
Walberg
Walsh (NY)
Wamp
Weldon (FL)
Westmoreland
Wicker
Wilson (SC)
Wolf
Young (FL)

NOT VOTING—19

Baker
Bean
Boren
Buyer
Carson
Cooper
Cubin
Jindal
Johnson (IL)
Johnson, E. B.
King (IA)
Maloney (NY)
Miller, Gary
Peterson (PA)
Reichert
Rogers (KY)
Sanchez, Loretta
Shuster
Wilson (OH)

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So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. JOHNSON of Illinois. Madam Speaker, unfortunately today, October 10, 2007, I was unable to cast my votes on the Frank Amendment to H.R. 2895, the Neugebauer Amendment to H.R. 2895, the Motion to Recommit with Instructions on H.R. 2895, and passage of H.R. 2895.

Had I been present for rollcall No. 955 on the Frank Amendment to H.R. 2895, I would have voted "aye."

Had I been present for rollcall No. 956 on the Neugebauer Amendment to H.R. 2895, I would have voted "aye."

Had I been present for rollcall No. 957 on the Motion to Recommit with Instructions on H.R. 2895, I would have voted "aye."

Had I been present for rollcall No. 958 on passage of H.R. 2895, the National Affordable Housing Trust Fund Act of 2007, I would have voted "yea."

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2895, NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

Mr. SCOTT of Georgia. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 2895, to include corrections in spelling, punctuation, section numbering and cross-referencing, and the insertion of appropriate headings.

The SPEAKER pro tempore (Mr. SERRANO). Is there objection to the request of the gentleman from Georgia?

There was no objection.

TAX COLLECTION RESPONSIBILITY ACT OF 2007

Mr. RANGEL. Mr. Speaker, pursuant to H. Res. 719, I call up 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, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3056

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

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. 2. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) 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(t) 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 conditioned 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 were subject to the tax imposed by this chapter. A deferred compensation item referred to in paragraph (4)(D) 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) an amount equal to the present value of the 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,

''(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.

''(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.—For purposes of this subsection—

''(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply.

''(B) 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 such 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 were subject to the tax imposed by this chapter.

''(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

''(ii)(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.

''(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, was a covered expatriate, and

''(B) any property acquired directly or indirectly by reason of the death of an individual who 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 13 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 ''114.50 percent'' and inserting ''114.75 percent''.

The SPEAKER pro tempore. Pursuant to House Resolution 719, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in House Report 110–368, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 3056

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

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. 2. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR EXISTING CONTRACTS, ETC.—The amendments made by this section shall not apply to any contract which was entered into before July 18, 2007, and is not renewed or extended on or after such date.

(3) UNAUTHORIZED CONTRACTS AND EXTENSIONS TREATED AS VOID.—Any qualified tax collection contract (as defined in section 6306 of the Internal Revenue Code of 1986, as in effect before its repeal) which is entered into on or after July 18, 2007, and any extension or renewal on or after such date of any qualified tax collection contract (as so defined) shall be void.

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(t) 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 conditioned 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

''(ii)(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.

''(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 ''115.25 percent''.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCRERY) each will control 30 minutes.

The Chair recognizes the gentleman from New York.

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

Mr. Speaker, I rise in strong support of H.R. 3056, the Tax Collection Responsibility Act of 2007. The bill has seven provisions and is revenue neutral.

First, the bill will repeal this excursion into private companies collecting the debt for the Internal Revenue Service. We've had many hearings, and the Internal Revenue Service, on more than one occasion, had indicated that, given the resources, they could do a more effective job than having to subcontract out to private firms.

There's nothing magic about privatization. Just saying that it's privatized doesn't mean that it's more effective or that you're doing the right thing. And I think, in this great country of ours, there is a special relationship between the Internal Revenue Service and the taxpayer.

No one would ever like the tax collector, but you do feel a little more secure when you know that a public servant is doing his or her job, rather than this job being sold out or given out to somebody that's income is going to be based on how much taxes they collect today.

No, if you've got to call the office and ask the taxpayer to pay, or call his home, let it not be a ride-by-night firm that is just getting involved in tax collection of Federal indebtedness. Let it be someone that you can trust, let it be a civil servant, and let it be the people that, over the years, have done the job, and no good reason has been given by anybody as to why they should not continue to do this.

The only sad thing that you can say about the collection of taxes by the IRS is that, admittedly, we never gave them the money; we never gave them the resources. But no one can challenge that there's no one better trained to do the job than the Internal Revenue Service.

And then, of course, I want to thank Representative MEEK and Representative HERGER for providing leadership in repealing this provision that would address the 3 percent withholding rate on certain government payments for goods and service. It didn't look good then; it doesn't look good now.

The bill also provides some equity to our citizens in the Virgin Islands to ensure fairness in tax collection there, and eliminates the restrictions on the statute of limitations, which means that their statute of limitations is our statute of limitations, that we're all citizens in this together, and they're not second class in this.

In addition, of course, we want to say that this bill is revenue neutral.

I ask unanimous consent to yield the remainder of my time to the gentleman from North Dakota (Mr. POMEROY) and give him the opportunity to control that time.

The SPEAKER pro tempore (Mr. ROSS). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I might consume.

I'm pleased that the chairman and I have forged a good working relationship. That relationship has allowed us to work together on several important issues, including trade and some tax bills. Just last week, for example, I stood on the floor and joined with the vast majority of Members on both sides of the aisle to approve a bill helping relieve homeowners of the tax burden that comes with having a mortgage written down or foreclosed.

But the chairman and I know that there are times when we will not agree, and today is just such an occasion. The central feature of this bill is a repeal of a program at the Internal Revenue Service that allows the service to contract with private collection agencies, known as PCAs, to secure payment of unpaid taxes from individuals who have admitted they owe the government money, but simply have not actually paid the money.

It's true, as the majority likes to argue, that the IRS's own taxpayer advocate has urged Congress to repeal the PCA program. But some of her reasons are a bit suspect. For example, her report criticized the use of private collection agencies because, by doing so, ''the IRS has separated taxpayers from its world class customer service.''

And while I agree that IRS employees are competent, hardworking public servants, and I commend them for the job they do, surely the person who wrote that did so with tongue firmly planted in cheek. After all, how many of us, in conversations with our constituents, have heard from them that the IRS is known for their customer service?

More importantly, though, IRS reviews of the PCA program show that customer service satisfaction with those PCA programs is, in fact, very high. In their comments on the taxpayer advocate's report, the IRS noted that ''of the nearly 19,000 cases assigned to PCAs, only 108 taxpayers have requested that their accounts be handled by the IRS. There have been 31 reported contractual complaints, all of which have been reviewed in depth. There have been no instances of fraud or misuse of taxpayer information.''

That record is not surprising, considering the extensive training PCA employees receive and the limited information they are provided. That, I should point out, stands in sharp contrast to the many documented lapses of the IRS in protecting confidential taxpayer information.

Program opponents often suggest that there is something intrinsic about tax collection that should preclude it being contracted out to the private sector. This argument is hard to reconcile with a few basic facts.

First, the PCAs are not adjudicating tax liability. They are merely helping to ensure the government receives the amounts the individuals have already admitted they owe in taxes but have not paid.

Second, PCAs are used throughout the Federal Government to collect unpaid obligations. According to the IRS, since 1982, PCAs have been used by various branches of the Federal Government, collecting nearly $700 million in fiscal year 2005 alone.

Third, of the 43 States with a personal income tax, the vast majority of those use private agencies to help collect from delinquent taxpayers.

A hearing on this issue showed the members of the committee the skill and patience PCA employees use to avoid disclosing any confidential taxpayer information.

□ 1600

In fact, Mr. Speaker, I would urge the PCA program be modified to provide these contractors with additional tools that will both improve their recovery rate and reduce the possibility of taxpayer confusion about the purpose of calls and letters from the PCAs.

Even though these agencies lack many of the tools of the IRS, such as lien and levy, they are successfully collecting millions of dollars in unpaid taxes that the IRS has not and very likely would not ever get around to collecting.

The majority will no doubt argue that the cost to the taxpayers would be even less if the IRS went after these obligations. But the fact is they are not, and any such comparisons are apples to oranges. The IRS is currently ill-equipped to engage in the massive outbound call operation the PCAs use to collect these obligations.

In the first year of the program's operation, more than 90,000 cases have been placed with the PCAs. More than 7,300 have resulted in full payment, and more than 2,600 taxpayers have entered into installment agreements. The PCAs have already collected $32 million in gross revenue that would not have been collected otherwise, making this a tax-gap closing program with a proven track record. The Joint Tax Committee estimates that killing this program will result in the loss of over $1 billion in revenue over the coming decade.

Considering the difficulty of meeting the terms of PAYGO, it's rather disappointing that the majority would actually find it necessary to raise taxes elsewhere in order to terminate a program that is helping to close the tax gap. In fact, during committee markup, members of the Ways and Means Committee suggested a number of ways to use the money that the majority is spending today by killing this program, including delaying the implementation of a withholding rule on Federal contractors or providing penalty relief to taxpayers who are underwithholding their 2007 taxes because they are unaware of the coming hit of the AMT, which the majority has yet to pass, but I'm sure that we will get around to that. Unfortunately, those amendments were rejected on party-line votes in the committee, and, of course, we are not being given a chance to vote on those today in this House.

Mr. Speaker, at this time I yield the balance of my time to Mr. BRADY and ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore (Mr. SALAZAR). Without objection, the gentleman from Texas (Mr. BRADY) will control the time.

There was no objection.

GENERAL LEAVE

Mr. POMEROY. Mr. Speaker, I ask unanimous consent to give Members 5 legislative days to revise and extend their remarks on this bill, H.R. 3056.

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

There was no objection.

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

We are in a time where there is a complete fascination in this administration with contracting out. If you are happy with Blackwater in Iraq, then I expect you are perfectly fine with contracting the debt collection of IRS debt to private bill collectors. But there are some essential facts at issue which should give us pause to reconsider.

First, the start-up costs. We were told, in testimony by the IRS Commissioner, this venture was going to cost about $14 million to get up and running. The tab so far, $70 million, five times the anticipated cost to begin this venture.

Now, you might say, well, okay, start-up costs are a little more than expected, but how are we doing on receipts now that we have got them fully going, collecting these receipts? We don't have a very good story on that one either.

It was anticipated that $46 million to maybe $63 million would be collected. Coming in at about half of that anticipation, $32 million in. It costs five times more to start and bringing in about half as much as advertised.

Well, okay, $32 million. It still sounds like a lot. Well, not really when you consider the fact they have been given 118,000 cases with an unpaid debt of $512 million. For the kind of money we have invested, do you know what we are getting back? We are getting about a 6 percent return from this experiment in private debt collection.

You might be asking yourself, look, there must be some more efficient way to do this. Well, there sure is. Let's fund the IRS, hire, train, manage the debt collection. My gosh, if there is one government responsibility, it ought to be in making certain that the revenue owed is the revenue raised.

And the statistics show by the IRS themselves that for $1 spent on IRS staff collecting debt, you get a 20 to 1 return, $20 back for every $1 spent. Private debt collection, the IRS again projecting, at best, $4 back for every $1 spent. That's $20 if we hire to $1 spent, $4 if we hire to every $1 spent under contracting. And that's their projection.

Look, at $32 million collected and $70 million spent, we are collecting 50 cents for every dollar spent so far. That's pretty bad business. If we had spent the $71 million to hire a Federal collection staff, we would have already collected $1.4 billion. That is the total amount they project over 10 years under this experiment of private debt collection.

I sit on the Ways and Means Committee. And as we considered this notion before it became operative, I thought this is the most expensive way to do this. It reminded me of that $600 toilet seat that the Department of Defense paid for awhile back. I call this a $600 toilet seat of tax collection. Well, when you look at it, they have taken $70 million to build this gold-plated throne and they flushed away $50 million on this foolish experiment.

There are many reasons to end this ill-advised endeavor, and the speakers we present are going to offer those reasons. But the fundamental is it's a matter of dollars and sense, and this don't make sense.

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

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Well, it's appropriate that we talk about a $600 toilet seat because, indeed, this bill smells to high heaven.

The truth of the matter is you will hear a lot of wild claims made on the House floor today, but in truth the Joint Taxation Committee, Congressional Budget Office, and every other independent agency has testified that passing this bill will cost the American taxpayers more than $1 billion. It is a testament that this program is working and will continue to work to save dollars for the American taxpayer by going after those who owe their taxes on behalf of those of us who pay our taxes.

Mr. Speaker, I rise today in strong opposition to H.R. 3056. This bill would eliminate a program that is actually making money for the government: overdue tax bills collected by qualified private companies from people that owe too little for the IRS to use up valuable resources in going after them. To date, the IRS has turned over 90,000 cases worth nearly half a billion dollars. And the dollars add up to the tune of $32 million collected since last month, and there's more to come. As I said, more than $1 billion over the next decade.

This is money that is helping to close the tax gap and is revenue that the Treasury Department can use to hire more employees. Under the program the IRS can retain up to a quarter of the collection to hire additional enforcement workers, and already some $5.7 million has been designated by the IRS for collection activities and $20 million has gone toward deficit reduction. So it is helping reduce the Federal deficit.

Some argue that collection agents have harassed taxpayers. The reality is that these agents are held to the same standards as IRS employees when it comes to protecting taxpayer rights. As a matter of fact, out of 51,000 cases, it was testified at our recent Ways and Means Committee hearing there were no, zero, violations of taxpayer privacy, zero.

These companies do face difficulties in finding the correct person, as the IRS does not provide the collectors with the taxpayers' last known phone numbers. This might be an area to look for reforming, rather than killing, this important program.

Some argue that the IRS could collect the same debts more cheaply if they could hire more employees. But the truth of the matter is these taxpayers have already been contacted four times by the IRS and they have not had luck in collecting them.

A GAO report in 2004, General Accountability Office, says that these private companies can recover $4.60 for every $1 spent while additional IRS employees would recover less, would be less efficient in recovering.

The bottom line is that the program is working, taxpayer rights and privacy are being protected. The program allows IRS to do what they are good at: enforcement of higher profile debts while allowing private collection agents who have to be qualified to collect smaller debts owed by tens of thousands of taxpayers.

And private debt collectors aren't a novel idea. Other Federal agencies and many States, 40 States, and thousands of local government agencies use private agents to collect everything from overdue income taxes, alcohol and cigarette taxes, to local property taxes. It's working, and it would be a disservice to taxpayers who actually pay their taxes on time to discontinue it now.

The bottom line truly, Mr. Speaker, is are we serious about closing the tax gap. Are we serious about collecting the debts that are owed? People here tend to always see things in black and white, and you will hear this in the debate today. You are either for or against the IRS, for or against private debt collectors.

The truth of the matter is our goal is to collect the taxes the most efficient way. It will take a partnership of our IRS employees, who do an excellent job, and private debt collectors, who do an excellent job in the tougher debts, to collect in order for the taxpayers to truly get the dollars that they are owed and this country the dollars that are truly owed.

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

Mr. POMEROY. Mr. Speaker, the unrefuted data is that IRS collection with IRS staff is five times more efficient in terms of dollars received than contracting out. If we are worrying about IRS efficiency, do it on the staff model.

And I might say that their cost estimate about this bill contemplates that the IRS would hire no staff, would just forget hiring out contractors, hire no staff, and just walk away from them.

No. We have got a very different notion. We want to take the money we are sending to these private bill collectors and hire IRS staff that are going to collect on this five-to-one ratio. We have got a much better, more efficient model to address this issue of unpaid balances owed to the United States.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend for yielding.

Mr. Speaker, I rise today in support of H.R. 3056, the Tax Collection Responsibility Act, a bill to eliminate the IRS's private debt collection program.

The private debt collection program is an insult to the American taxpayer and our Federal tax system. The collection of taxes is a core government function. It is the mission of the IRS.

The Ways and Means Committee held a hearing on this program, and we found that it has no business, no place in the collection of taxes. This program violates the public trust.

Taxpayers trust the IRS with their personal information. When taxpayers put information on their tax returns, they expect that the IRS will see that information, and only the IRS. Taxpayers do not expect their personal information could be given to private debt collectors. It should never ever happen.

Taxpayers have been harassed under this program. Thousands of innocent taxpayers are being called on the phone and asked for their Social Security numbers. They are afraid that their identity will be stolen. In some cases, the calls are never-ending. We found that one elderly couple was called 150 times over 30 days. That's not right. That's not fair.

This program targets low-income taxpayers, and these private debt collectors have even gone after nursing

home residents and military personnel serving in Iraq.

□ 1615

That is unbelievable. Use of private debt collectors erodes the Federal tax system, the public trust and the Treasury.

I say, Mr. Speaker, enough is enough. We must stand with the taxpayers, and we must stand up for the IRS employees. Pass this bill and end this program.

Mr. BRADY of Texas. Mr. Speaker, I would point out that the General Accountability Office has testified that, in fact, private debt collectors are more efficient per dollars than the IRS employees with these types of debts, which is what we are comparing. And, again, we have IRS employees with the ability to levy liens and fines, they are able to compel certain types of taxpayers to pay efficiently, and they can go after the larger, more complex cases very well. It is this group here that we've had difficulty collecting taxes from in the past that these proven tax collectors across 40 States have done such a good job collecting. And that is the bottom line; are we going to collect the taxes of the American people or not?

With that, I would yield 2 minutes to the ranking member of the Trade Subcommittee, the gentleman from California (Mr. HERGER), who has worked very hard on behalf of American taxpayers.

Mr. HERGER. Mr. Speaker, I rise in strong opposition to the Tax Collection Responsibility Act. This legislation would unwisely eliminate an IRS program which collects otherwise uncollected tax debts, refusing as much as $2.2 billion in Federal revenue. In addition, this partisan measure does a disservice to the overwhelmingly bipartisan effort to repeal the 3 percent withholding burden before it takes effect.

In less than 4 years, 3 percent of all payments made by a government to a business or individual providing goods or services will be unfairly withheld as a prepayment on taxes. This will needlessly reduce cash flows for thousands of small businesses across the U.S. Today's bill merely delays 3 percent withholding implementation for 1 year, but that does not solve this real and pressing problem.

What Congress should do is follow the broader proposal my friend KENDRICK MEEK of Florida and I have introduced, repealing this withholding tax outright. Pairing a scaled-back 1-year delay with the majority's repeal of the private collection agency program wrongly splits the bipartisan, broad-based full repeal initiative.

Mr. Speaker, the Meek-Herger proposal has 219 cosponsors from both parties. Further, the closed rule prohibits a Republican substitute that would have provided for consideration of the full 3 percent withholding repeal alone and on its own merit.

I urge Members to reject this flawed bill.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentleman's courtesy.

Make no mistake, we're talking about uncollected taxes that are uncollected because of a systematic effort by this Republican administration and a Republican Congress to undermine the ability of the IRS to do its job, cranking up the audits on the poorest of citizens while stopping the IRS from oversight of those who are more wealthy.

As my good friend from North Dakota pointed out, we're talking about a 6 percent rate of return, when the independent officer, who has been set up within the IRS to give the independent judgment, has pointed out that this same $71 million would collect over 1.4 billion uncollected tax dollars. Independent observers know that investing in the IRS and its employees rather than unaccountable private contractors will get more money and will do so in a more humane fashion.

It was shocking for the committee to listen to some of the phone calls, to the abuse that has been subjected to American taxpayers who are caught in the ''Alice in Wonderland'' of these private collectors.

I would urge my colleagues, if they have any doubt, to try an experiment. I have done this at home. I have met with CPAs, tax attorneys and with financial advisers. All of them suggest investing more in the IRS infrastructure to improve customer service, and it will collect more money.

I would strongly suggest that it is time to stop this dark chapter of emasculating the IRS, giving money to private contractors, and instead, do a better job for the taxpayer.

I for one support the notion of the 1-year suspension of the 3 percent contractor withholding. I think it makes sense to try and sort this out. I think it needs more examination. I think we can have a better proposal. This got slipped in in the Senate without any House consideration in the last Congress. I think a delay makes sense. I support it. I support the underlying bill, and I urge my colleagues to do the same.

Mr. BRADY of Texas. Mr. Speaker, I would point out that this practice has already generated nearly $6 million for additional IRS agents in collection activities at the agency.

At this time, I would like to yield 3 minutes to the gentleman from Florida (Mr. BOYD).

Mr. BOYD of Florida. Mr. Speaker, I thank Mr. BRADY for yielding, and I rise to oppose H.R. 3056.

Let me start, Mr. Speaker, by saying that I strongly support the right of public and private employees to organize and to work for better working conditions and to improve the quality of life in their workplaces and in their communities, and my record reflects that.

However, I think there is something that we all agree upon, as Democrats, as Republicans, as public employees, private sector employees, and that is that there is a huge tax gap in this Nation, and that tax gap is to the tune of $345 billion. It adds, on the average taxpayer, about $2,700 to its tax bill on an annual basis. These are tax dollars, most of them having been acknowledged by the taxpayer that they owe, but the IRS has not been able to go after them for whatever reason. And so the IRS private debt collection program is putting money back in the pockets of hardworking Americans.

I would like to tell you that the private collection agencies working on this contract do not replace a single IRS worker, and no IRS jobs are lost through this program. To date, this program has recovered about $30 million in delinquent taxes. Through this pilot project, the IRS has turned over about 77,000 cases worth nearly $450 million in unpaid taxes.

Now, I heard some speak about harassment, undue harassment by private collectors. I have to tell you, Mr. Speaker, that this program is closely scrutinized by the IRS. And the IRS program has, according to the Internal Revenue Service itself, received a 98 percent favorable rating from the IRS for regulatory and procedural accuracy, and a 100 percent rating for professionalism.

This program has also received at or above a 96 percent rating for taxpayer satisfaction. Less than 1 percent of those taxpayers collected by the private collection agencies have filed complaints with the IRS, and none of those complaints against the companies currently participating in the program have been validated.

Mr. Speaker, this program is bringing in money to the U.S. Treasury without raising taxes and closing that tax gap, and will be able to close that tax gap if we can keep the programs and improve them, money that otherwise would never be collected. To this end, it would be a very bad message to send that we are not serious about closing the tax gap.

I urge my colleagues to vote down H.R. 3056.

Mr. POMEROY. We had hearing testimony on the survey that was referenced by my friend from Florida. Basically, the GAO testified that the survey was fundamentally flawed. Of 300,000 conversations that have taken place, 1,000 were the subject of the survey for getting taxpayer satisfaction, and the private debt collectors were able to pick which ones got the survey. So a 1,000 survey sample out of a 300,000 universe, with those stakeholders picking the ones that get to say it, was not deemed as credible by the GAO and not deemed as credible by the majority on Ways and Means.

With that, I yield 2½ minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, this is a cooked-up survey that was just referred to. In the words of the former IRS Commissioner, Mark Iverson, appointed by President Bush, he testified that the IRS can collect Federal taxes more cheaply, more efficiently than private companies. I rest my case.

I rise in strong support of H.R. 3056. This legislation is designed to protect taxpayers by repealing the authorization for the IRS to use private contractors to collect Federal income taxes.

Few would disagree that the collection of Federal taxes is an inherent government function. We have seen, through multiple hearings in Ways and Means, that privatizing and outsourcing this fundamental role has been a mistake on many levels. We've learned of numerous cases of harassment, not overexaggeration, on the record, abusive calling, violations of the rights of taxpayers. We've discovered that some taxpayers, many of whom were elderly, have had to endure literally hundreds of phone calls from private collectors. We listened to those phone calls. We had them on tape. Tapes are a terrible thing, you know. They don't lie.

Other cases involve people in nursing homes, those who have served in Iraq, and low-income taxpayers facing economic hardships. And as if taxpayer harassment was not enough, we have also seen that the program is inefficient. So far, privatizing tax collection has actually cost us money. Currently, we are $50 million in the hole. The IRS has spent $71 million to collect a net of $20 million. This is just like the postal department with the privatizing of providing mail throughout the United States. Now they're backing off, finally. It has been a disaster.

After paying $5.5 million in commissions to the private debt collectors, they make a commission of $5.5 million, and they can't do the job. This just doesn't make sense.

Mr. Speaker, if $70 million was spent on IRS employees instead of private contractors, statistics project that they would have collected over $1.4 billion. That's quite a difference, indeed. And taxpayers deserve more. They expect to deal with their government when they have a tax problem.

Private debt collection must end, and today we do that. I thank Chairman RANGEL and JOHN LEWIS, chairman of the Ways and Means Oversight. I thank Congressman ROTHMAN from the State of New Jersey for his persistence. I implore all of my colleagues to vote in favor of this legislation.

Mr. BRADY of Texas. Mr. Speaker, I would point out that at the Ways and Means hearings, the Government Accountability Office testified they had looked for but could not find any evidence that the private collection agency selected individuals for the survey based on their perception of what the responses would be. I would point out that the same agency testified that there were zero, no violations of any privacy rights through 51,000, and growing, cases, zero violations. And I do wish that those telephone tapes could be played here on the House floor so members of the public as well as Congress could hear the professionalism of those phone calls as they seek to identify sensitively the individuals who do owe dollars to the American taxpayers.

I will point out, too, that if these debts were so easy to collect by the IRS, why did the IRS already have four opportunities to collect them from each taxpayer before they were turned over to these agencies, who have done such a good job, a solid job of collecting them?

With that, I would yield 6 minutes to the gentleman from New York (Mr. REYNOLDS) who has not only fought on behalf of taxpayers but has a number of women and minority workers and professionals in his district who have done a wonderful job in this arena.

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

□ 1630

Mr. REYNOLDS. Mr. Speaker, I rise in strong opposition to the bill before us today. I thank the ranking member of the Ways and Means Committee for his ongoing efforts to defeat this misguided proposal and other members of the Ways and Means Committee who have also carried a strong voice, such as the gentleman from Texas.

For some Members of this body and both sides of the debate, this issue is simply about policy. We understand that. For them, it is an abstract question about whether private collection agencies or so-called PCAs should be able to play a limited, supplementary role in the IRS's efforts to collect delinquent tax debt. But for me and the area I represent in western New York, it is about both policy and much more than that. It is about jobs.

As a Member of Congress who represents rural Wyoming County in western New York, I am actually more familiar than most with the work that PCAs do. After all, the largest single private employer in Wyoming County is Pioneer Credit Recovery. It is one of only two companies nationwide that the IRS has selected to help get its important program underway.

Mr. Speaker, Pioneer Credit is a highly respected, local business that has created more than 1,400 high-paying jobs for families living in either my district or neighboring districts around Buffalo and Rochester. As my fellow members of the western New York's congressional delegation know, these jobs have been created in a region that has faced serious economic challenges. As I have listened today to this debate, sometimes you wonder just exactly who might be on that phone. These are highly trained rural folks coming from communities much like the gentleman from North Dakota has in North Dakota. It just happens to be a rural area of a large State of New York. For some people, that is their only income to the household. For some it is a supplement to farm income or manufacturing income. And I have looked at some of these people I have known for years. I have seen some of these people where I have just met them the day they went to work to have a meaningful job, after maybe a manufacturing shop closed down in Wyoming County. Or they weren't able to stay on the family farm.

But they are hardworking, decent people who subscribe to Federal and State laws that this honorable body actually has set forth in the past that deliberated and said, you will function as collectors. I know one thing about the people's House: We have had a lot of people from a lot of different backgrounds, but you know, as a small businessman myself, I promise you the only time I send out, in the days I was in business, to a private collection agency was when I couldn't collect that money for an insurance premium or commissions owed and I had no other recourse but to look in private collection. They professionally got the job done to bring back money that was owed.

As my colleague, Mr. BRADY, has pointed out, the IRS sometimes had four chances to kind of get this money and still didn't come back with it. We looked at an opportunity, could we gain over 10 years over $1 billion in order to increase the revenues or address the tax gap that my colleague from Florida talked about.

So when the IRS contract was allowed to Pioneer Credit to turn an empty warehouse in Perry, New York, into a thriving job center for newly hired employees, it has been a great economic success story for part of western New York that desperately needed it, and it began to produce the results that the Congress and the IRS expected. So as someone who has fought to give the IRS the authority to partner with these private companies in the first place, I am deeply troubled that the new majority is now threatening to deauthorize this important program just as it gets underway. If this program is allowed to continue, Pioneer Credit will be given the opportunity to compete for future IRS contracts that could create many additional jobs in the area I represent. Killing this program, on the other hand, would cost my constituents real jobs at a time when Congress should be working to expand employment opportunities, particularly in hard-hit areas that are struggling economically.

I would also note, Mr. Speaker, that under the Democrats' PAYGO rules, proposals that reduce anticipated Federal revenues must be offset by other provisions that raise revenue. Thus their proposal to eliminate the PCA tax collection program, which is expected to net at least that billion dollars over the next decade, also requires them to raise $1 billion in new taxes somewhere else.

This bill is wrong on policy. It is wrong on job creation. It is wrong on tax hikes. I urge a ''no'' vote.

Mr. POMEROY. Mr. Speaker, the gentleman has spoken passionately about the jobs in his district, and I look forward to working with him on economic revitalization issues so vitally important to rural areas like the ones he and I both represent. But this is really not a jobs program before us. What is the best way for taxpayers to have collected what they owed? We want to collect what we are owed. We believe for every IRS employee, we are going to collect $20. For every private debt collector, the optimistic projection is you are going to collect $4. The reality has been much less than that. So when we are talking about the issue before us, what is the best way to get the money we are owed? The best way to do it is hire the personnel, train the personnel, run an IRS capable of getting its job done.

I yield 2 minutes to my friend from Nevada, Congresswoman BERKLEY.

Ms. BERKLEY. I thank the gentleman for yielding.

Mr. Speaker, I rise today in support of the Tax Collection Responsibility Act. This bill will prevent the IRS from using private debt collectors to collect Federal income taxes when current contracts have expired.

Private debt collectors have proven to be very poorly equipped for the job. This change is important to protect taxpayers' privacy. Coming from Las Vegas, I have never been a great fan of the IRS. IRS abuse in Las Vegas is legendary. The only thing worse are private debt collectors that have harassed, threatened and intimidated the taxpayers in my district and throughout the United States to collect back taxes and to also collect a hefty fee. The IRS ought to do its job of collecting taxes and Congress ought to do our job by giving them the resources the IRS needs to do its job.

The bill also proposes implementation of a 3 percent withholding requirement on government payments to vendors. This requirement will cause significant administrative and financial burdens on local governments. As a local government that spends more than $100 million per year on vendor products and services, Clark County, Nevada, would be required to withhold 3 percent of payments to businesses. Under the new requirement, companies that contract with local government would be terribly and unfairly penalized. This could result, it will result in cash flow problems for small businesses and ultimately higher prices for all consumers. This bill will postpone the 3 percent withholding requirement to give the Treasury Department time to study the impact of this provision on local governments and taxpayers before it is implemented.

Mr. Speaker, I urge my colleagues to support this important legislation for both reasons that I have stated.

Mr. BRADY of Texas. Mr. Speaker, I would point out that while the claim has been made that our taxpayers have been harassed, IRS itself has testified there is a 97 percent satisfaction rate with the process that is already in place with these private collection agencies. I must point out, too, that while a claim is made that past Congresses starved the IRS, the truth is actually the opposite. The agency last year added over 200 new field collection personnel. This year's budget will add even more agents to the IRS. This program that is being sought to be eliminated has already generated almost $6 million for more IRS agents in a collection agency.

Mr. Speaker, I would like to inquire how much time does each side have remaining.

The SPEAKER pro tempore. The gentleman has 6 minutes remaining; the gentleman from North Dakota has 11½ minutes.

Mr. BRADY of Texas. At this time, I would reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, it is my pleasure to yield 4 minutes to the bill's prime sponsor, the gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. Mr. Speaker, I thank my colleague from North Dakota for his long-time efforts on behalf of fair treatment for taxpayers in this country. I rise in strong support of this legislation, the Tax Collection Responsibility Act of 2007.

In addition to endorsing the practices that this bill provides for better collection and fairer collection for small businesses, I also believe it is high time we repeal an abusive and misguided debt collection program at the IRS. I am pleased to have worked on this issue for a number of years with my colleague from New Jersey (Mr. ROTHMAN) and others.

I think we all know that it is not a new issue to this body. We tried private tax collection in 1996 and promptly abandoned it a year later, after which time the IRS Office of Inspector General found that private contractors regularly violated the Fair Debt Collection Practices Act, jeopardized the confidentiality of taxpayers personal information, and cost the government a net revenue loss of $17 million.

Under the Republican Congress, this program was revived and came to the floor actually in a form that we did not have a chance to vote separately on it, because when the House has had an opportunity over the last 3 years to vote separately on this issue, this body on a bipartisan basis has said no to private debt collection. That bill never made it to the President's desk. But there is a good reason this House has said no to this program. That is because IRS officials themselves have acknowledged that using private debt collectors is much more expensive than having the IRS do the job. Today on the program that we are talking about, the IRS has spent $71 million and collected a net of $20 million. That is a losing proposition on its face.

Moreover, in her testimony before the Ways and Means Committee, the National Taxpayer Advocate, Nina Olson, whose job at the IRS is to look out for the fair treatment of taxpayers, recommended that we end this program and further pointed out, as others have said, that if you took the same amount of money and invested it in allowing IRS agents to collect the revenue, you would collect $1.4 billion instead of the $20 million collected so far in this program.

In addition, and I think this is an important point to make, when this Congress in the 1990s passed the IRS Restructuring and Reform Act, we specifically said that our public employees, our IRS agents, could not receive bonuses, could not receive special rewards for collecting more taxes because we want to avoid an incentive for abuse; yet that is exactly the premise this entire program is based on. It is based on bigger rewards in the sense for more taxes collected. That is what leads in turn to abusive tax practices that we have said we don't want our IRS agents to comply. In addition to the fact, the result is for every dollar collected under the private tax collection, 25 cents goes to a private company; whereas, with IRS agents, that dollar collected goes to the Federal Treasury for debt reduction and for investment in important public purposes. So it is a much better return for the taxpayer.

I would argue, Mr. Speaker, that it is very clear over the years that our repeated experiments in private debt collection have failed. If the IRS needs additional resources to collect uncollected revenues, and I think it does, we have heard from the IRS Commissioners in Republican and Democratic administrations alike, that a much better investment is to put those dollars into our public IRS agents. It results in less abusive practices. It makes sure that you also have the dollars come back where it belongs to the taxpayer and the public benefit.

Mr. BRADY of Texas. I would point out it is difficult to have an abusive program when there is 97 percent customer satisfaction and zero privacy violations and zero Fair Debt Collection Act violations. Zero. I point out as far as efficiency, you don't have to take anyone's word on this floor if this program is working. Attached to this bill is testimony that says eliminating it will cost the U.S. taxpayers $1 billion.

□ 1645

So you don't have to take our word for it. The experts who are independent, who have looked at this issue, know this is an efficient program for the U.S. taxpayers.

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

MR. POMEROY. Mr. Speaker, our information is somewhat different from the information just propounded. We believe indeed the record would show there have been 83 complaints. These complaints include taxpayers who have

received letters with another taxpayer's information inside. Now, if this isn't a taxpayer privacy violation, I don't know what is. At least one fine has been assessed, and this is in the early going of the program.

Mr. Speaker, I will acknowledge perfection is a pretty hard standard to meet, but they have not met perfection and they have not generated the money in collection that was advertised at the beginning of this endeavor.

With that, I yield 2½ minutes to my friend the gentleman from New Jersey (Mr. ROTHMAN), who has long had concerns about this initiative and worked hard to end it.

Mr. ROTHMAN. I thank the gentleman from North Dakota for all his wonderful work on this. I want to thank Mr. VAN HOLLEN. I want to thank my chairman on the appropriations subcommittee, Mr. SERRANO, and so many people who were so outraged at this private collection of taxpayer money that is owed to the IRS.

Mr. Speaker, here's the problem. About $300 billion is owed to the American taxpayers by those income earners who refuse to pay their taxes. They admit they owe the money, but they refuse to pay. That is about $300 billion. That is the problem.

Now, what is the solution to the problem? Well, the Republicans here say, let's privatize this, give it to private people, private companies who will make a profit on collecting these tax moneys, and they will collect about $4 for every $1 we spend on them. They will collect $4. The other solution is to hire more IRS agents, and for every $1 we invest in them, we will get $20. Not the $4 that goes to the private debt collectors that they produce, but $20. We will collect five times more.

So why would we give away the taxpayers' money by letting private debt collectors collect our debts, just so we can collect five times less? They say, ''Well, we don't want to support big government.'' Well, do they want to waste all those tens or hundreds of billions of dollars by giving it to private debt collectors to collect at five times less effectiveness? It makes no sense. But this is nothing new.

Mr. Speaker, they wanted to privatize Social Security. They privatized the prescription drug program for seniors. They wanted to privatize the collection of our mail. They wanted to privatize, and they did, security contracting in Iraq, There is Halliburton, Blackwater. And they did so at Walter Reed Army Hospital.

So this ideology of the Republican Party and this President that we need to privatize everything doesn't make sense, it wastes taxpayer dollars, and in fact is an opportunity for a very select few in our society to profit at the expense of everybody else. Not only is it un-American, it is wasteful, it is wrong.

Mr. Speaker, we can do better with this solution. That is why I have been fighting for this for years, and I am so proud to support H.R. 3056. If they say the choice is do nothing or something, do it the right way and pass H.R. 3056.

Mr. BRADY of Texas. Mr. Speaker, I would point out that private debt collection is used by 40 different States, whose Governors are Republican and Democrat, and thousands of local government agencies and organizations, again, both Republican and Democrat. This isn't an issue of privatization, it is an issue of efficiency. This partnership between the IRS and private debt collectors for this group of taxpayers who are hard to collect those taxes from will yield an additional $1 billion for the American people.

With that, I reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, as part of the IRS appropriation, we fund the National Taxpayer Advocate. In her 2006 annual report, she writes, ''We are concerned that private collectors are using trickery, device and belated Fair Debt Collection Practices Act warnings to take advantage of taxpayers. We are concerned private collectors are taking advantage of taxpayers.'' That is from the National Taxpayer Advocate.

With that, I yield 2 minutes to the gentleman from New York (Mr. SERRANO), who has advanced the prohibition of this ill-advised endeavor in the Appropriations Committee.

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

Mr. SERRANO. I thank the gentleman.

Mr. Speaker, this has to be one of the worst ideas ever put forth. Just think of it: Instead of getting the IRS to collect the tax dollars, we go and tell someone else that they can collect 24 cents on the dollar, instead of hiring more folks to collect what they have been doing for so many years. So we lose 24 cents on every dollar, rather than have someone take care of this.

Now, the IRS has spent $71 million in money we have given them on this program and have collected in return somewhere between $20 and $25 million. The IRS Taxpayer Advocate, as was mentioned by the gentleman, calculated that if this money had been spent by the IRS to collect, they would have collected $1.4 billion.

Mr. Speaker, we have also heard here about the harassment tactics. Now, we can deny it as much as we would like, but when you give me an incentive of 24 cents on the dollar to collect from taxpayers, things can get out of hand. That is why senior citizens have been called 150 times in a month's time, looking for their son. My friends, these kind of tactics would make a great comeback episode for ''The Sopranos,'' and I think one might be in the works.

Mr. Speaker, the IRS can do this work. We tried to do this, as you know, in our committee, and it was defeated, basically with the minority party saying on a point of order they would pull it out of the bill. But it was our intent to do that in our bill. In addition, we put in $400 million in fiscal year 2008. With this funding, the IRS should be able to start working on these cases themselves, without outsourcing.

I know, as Mr. ROTHMAN has said, that there is a madness in this House about taking everything that American workers do and sending it somewhere else, overseas usually, and then what government employees do, they send it to another agency or to somebody else. I can't wait for the day when you decide that the whole Congress should be outsourced overseas and we should have people doing our work.

Mr. Speaker, this is a bad idea. We should pass this bill and stop this program immediately.

The SPEAKER pro tempore. The Chair would advise that the gentleman from North Dakota has 2 minutes and the gentleman from Texas has 5 minutes.

Mr. BRADY of Texas. Mr. Speaker, I would remind the Chamber that more than 40 States, not just this administration, more than 40 States, Democrat Governors and Republican Governors, use the exact same type of collection techniques, the same partnerships, to do what is right for the American people.

I would point out that we have heard claims today of literally tens of thousands of people who have been harassed by these private debt collectors, all the abuses. I would simply challenge you to name one. In this debate today, name one. Name the person, name the case where there was a privacy abuse or thousands of harassing phone calls. I would predict there will be no name mentioned.

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

Mr. POMEROY. Mr. Speaker, I would just again read from the National Taxpayer Advocate report: ''We are concerned private collectors are taking advantage of taxpayers.'' I will submit this for the RECORD.

With that, I will yield 1 minute to the gentleman from Pennsylvania (Mr. SESTAK).

Mr. SESTAK. Mr. Speaker, I rise in support of this bill for three reasons. First is the cost. As my colleagues have previously said, we should have raised from these private agencies at least $44 million to $63 million to date. In fact, it has only been $25 million, with a sum cost of $51 million.

Second is the more cost-effective way that another agency, the IRS, might do this. We know that they have collected this year alone $5.3 million from the Automated Call Service. Imagine if we had not decreased the number of IRS officers from 8,500 during the nineties down to only 5,200 today and we had put the money into them or into the Automated Call Service. That 20-to-1 return that the government gets far exceeds the 4-to-1 return of private agencies.

Third, however, after 31 years in the military, it pained me to see us outsource our security operations to

private agencies in Iraq. At times there is abuse, not dissimilar to what we hear today, such as seniors and those in Iraq being called. In fact, a senior couple was called 150 times, five times a day. Then we learned they had the wrong number.

Mr. Speaker, I therefore rise in support of this bill because of the cost-effectiveness of the IRS and because of the abuses that can occur if it is not within a government agency.

Mr. BRADY of Texas. Mr. Speaker, I would point out that attached to the majority's bill that this House is considering today, according to the majority's bill, the Joint Tax Group testifies and asserts that this program, that is working today, will collect $1 billion more. You can hear every claim you want on this House floor, but their own bill says to the American public that this program will collect $1 billion more than if it were to be eliminated. That is not at dispute today.

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

Mr. POMEROY. Mr. Speaker, the cost cited assumes that not a nickel is spent on IRS capacity. Indeed, if we spend it on IRS capacity, the unrefuted evidence is that it would be a 5-to-1 return relative to private collectors.

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

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. REYNOLDS).

Mr. REYNOLDS. Mr. Speaker, this won't be the first or last time that debate on the floor comes on disagreements of policy or well-crafted rhetoric that goes to the extreme of bringing forth one's position. But I think that my colleague, Mr. BRADY, and others who have spoken in the aspect that private collection has worked in the portion that has been assigned in their mission as they get underway, that the complexity of collecting taxes of the tax gap, which, if you recognize the tax gap as a challenge of revenue, one that this Congress very quickly and gladly put forth, that $1 billion of collections through private collection agencies would be achieved, and as we now embark on that, we have listened to tough language and rhetoric, and I sat through most of those public hearings, crafting today the reflection of what they thought they heard in those hearings. I think that if we look at results as we move towards the opportunity of seeing private collection, because one thing that has been omitted, if I am not mistaken, regardless of what this body does, the other body will have a serious challenge in seeing legislation passed, and there is a Presidential veto that says that it will not occur.

So as we measure in the future the work that has been done that has been assigned to the PCAs, and we look at the aspect of a goal that all of us would have, that the IRS has tools to do their job so that collection continues, I think we will also see in short time that private collection agencies have done the mission they were asked to do in the pilot out in Iowa and in western New York, and I think as we give that a chance, not only will this legislation not be needed, but it will not see the light of day.

Mr. BRADY of Texas. Mr. Speaker, may I inquire as to the time remaining.

The SPEAKER pro tempore. The gentleman has 1½ minutes.

Mr. BRADY of Texas. I will be brief, Mr. Speaker.

We hear a lot of claims today about the efficiency of this program. But our agencies, the independent agencies, the Government Accountability Office and Joint Tax, make the point attached to this legislation that this program has worked, is working efficiently, and will save U.S. taxpayers more than $1 billion.

You will hear today about abuses. But the fact of the matter is they can name not one in any independent agency, including the IRS, the Treasury. Examination of the program has showed 97 percent customer satisfaction, zero privacy violations, and zero Fair Debt Collection Act violations, zero, no matter what is talked about.

Mr. Speaker, the truth of the matter is, the question before us today is not about privatization. This is about credibility. This majority has talked about closing the tax gap, what is owed and what is paid. Yet today we will widen that tax gap by over $1 billion. So the question is will we walk the walk, or just talk the talk about the tax gap.

This partnership between the IRS and these private collection agencies is working for the American public. We ought to let it continue to work for the American public, because we can use that $1 billion for health care, for education, for helping our veterans, for a number of important priorities in this budget.

□ 1700

And we will have some type of a financial standoff here in a few months, yet we let $1 billion escape our grasp. I urge a ''no'' vote on the bill.

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

Mr. POMEROY. Mr. Speaker, we believe private debt collection of IRS debt is a terrible idea and an important matter, which is why the majority leader will close for our side. I yield the balance of our time to the majority leader, Mr. HOYER, from Maryland.

Mr. HOYER. Mr. Speaker, I thank my friend for yielding.

First, let me respond to a point Mr. BRADY has made a number of times. The point I am referring to is if we did not spend any money on private collection, we would not collect $1 billion. We can accept that as accurate. But the assumption is that we wouldn't spend any money in the public sector to collect that money. But I will read figures that say if we did that, we would geometrically collect more than a billion dollars by a factor of two or three or four or five. I will read that figure, Mr. BRADY. But you keep reading the figure, the assumption of which is we are simply going to drop collection. We are not going to drop collection.

Today, through this important legislation, the Tax Collection Responsibility Act, this House will reiterate that the collection of taxes is a core governmental function that should not be contracted out to private companies.

But no one, no one should be mistaken. Our objection to the private collection of taxes is not simply philosophical; it is practical, as well.

First, there simply is no evidence that private tax collectors are more efficient. In fact, the opposite is true.

IRS Commissioners of both parties repeatedly have testified before Congress that IRS employees could do this work more efficiently. In fact, according to the IRS, the return on investment for IRS employees doing work similar to private collection agencies is 13:1. The private collection agency return is about 4:1, or approximately one-third as effective in the private sector as it is in the public sector. That is what the IRS Commissioners say.

Secondly, with Americans legitimately concerned about the privacy of their personal information and identity theft, I don't believe, and I hope this House does not believe, that it is good policy to turn over Social Security identification numbers and tax information to private collection companies.

Third, the National Taxpayer Advocate has raised concerns about the tactics used by private collection agencies, including intimidation and harassment. The fact is that private tax collectors are keeping 21 to 24 percent of what they collect, and are allowed to keep up to 25 percent under the law. Thus, with the compensation of private collection agencies directly tied to what they collect, they are incentivized to use aggressive tactics. Ironically, however, and let me go back to that figure, they are less effective in collecting, 13-to-1 versus 4-to-1, than the public sector.

Finally, let me say too many of my Republican friends want it both ways. On the one hand, Republican-controlled Congresses have cut the IRS workforce by 20,000 people since 1995. In fact, just this year they offered an amendment to the Financial Services Appropriations bill that would cut IRS funding by 8.9 percent; yet they come to the floor and say we are not aggressively collecting sufficient funds so we have to privatize it, contract it out. That expense, of course, is an additional expense, which, by the way, escalates more rapidly than does the public sector expense.

As I said, they complain that we must allow the government to hire private collection agencies because the IRS does not have the resources to recover all income tax that is owed. So

on the one hand, cut their resources, and then come to the floor and say they don't have sufficient resources to do the job so we will contract it out, which will require, of course, contract resources while eliminating salary resources.

I think we all know the most effective solution: We need to provide the IRS with the resources it needs to ensure that all taxpayers pay their fair share under the law, so that no taxpayer has to pay more than their fair share or have rates greater than they need to be, which would be the case if everybody paid their fair share.

Mr. Speaker, this legislation is an important step in that effort. I urge all of my colleagues, Mr. Speaker, to vote for this important bill.

Mrs. CHRISTENSEN. Mr Speaker, I rise in strong support of 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.

I want to begin by thanking the gentleman from New York, the chairman of the Ways and Means Committee, CHARLES RANGEL, for including language to address the question of the statute of limitations for residents of the U.S. Virgin Islands.

As you know Mr. Speaker, residents of the Virgin Islands, as citizens of the United States, are required to pay Federal income tax like any other citizen living outside the United States. However, section 932 of the Internal Revenue Code, ''Code'', states that bona fide residents of the Virgin Islands are not required filing an income tax return with the IRS. Instead, they are required to file their income tax return with, and pay the applicable tax to, the government of the Virgin Islands. The amount of the liability to the Virgin Islands, determined under the ''mirror code'' system, in most cases is exactly the same amount that they would otherwise have been required to pay to the Federal Government.

In response to concerns that some U.S. citizens claimed tax benefits who neither lived nor worked in the Territory, Congress tightened the income and residency rules of the Virgin Islands Economic Development Commission, EDC, program as part of the American Jobs Creation Act of 2004.

The U.S. Internal Revenue Service subsequently initiated a comprehensive series of audits not only of individuals who participated in the Territory's EDC program, but also many taxpayers who had moved years earlier to the Virgin Islands and who did not participate in the EDC program as well as taxpayers who were born in the Virgin Islands but who had spent periods of their working life outside the Territory due to the lack of opportunities in the Virgin Islands.

In the course of these audits, the IRS reversed its long-standing administrative practice and published position, and now claims that the statute of limitations never runs for V.I. taxpayers who reasonably and in good faith file their tax returns with, and pay their tax to, the Virgin Islands Bureau of Internal Revenue, ''BIR'', as the law requires them to do. In a General Counsel Advisory Memorandum, the IRS announced its new position that it has the right to audit the returns of a V.I. taxpayer as far back as they like and, if the IRS determines under the subjective pre-Jobs Act test that the taxpayer was not a bona fide V.I. resident, that it can assess full tax and penalties even if the taxpayer has paid the correct amount to the Virgin Islands. Because the Virgin Islands statute of limitations will have run in many of these circumstances, the taxpayer will be precluded from seeking a refund of tax paid to the Virgin Islands, and thus be subject to double taxation. Moreover, since the IRS position reverses a previously issued IRS advisory memorandum and also ran counter to the general rule that persons can be audited for up to 3 years after filing a return, many taxpayers who are being audited no longer have the records to defend themselves.

The bill before us today would end this heavy handed and unfair practice and treat bona fide U.S. Virgin Islands residents who files a return in the territory in the same manner as if the return were an income tax return filed with the United States.

I urge my colleagues to support adoption of H.R. 3056.

Mr. UDALL of Colorado. Mr. Speaker, I strongly support this bill but must oppose the effort to add a provision dealing with the estate tax.

I have long supported reform of the estate tax, not its complete repeal.

I think we should change it in a way that will strike the right balance, protecting family-owned ranches, farms, and other small businesses while recognizing the need for fiscal responsibility in a time of war.

But the motion to recommit would have simply added to the bill a permanent repeal of the estate tax. I do not support that and cannot vote for it.

However, I can and will vote for the underlying bill, which will repeal the use of private debt collection companies to collect Federal income taxes, delay the application of an onerous 3 percent withholding requirement on Government payments, and discourage individuals who renounce their U.S. citizenship to avoid paying taxes.

I am a cosponsor of H.R. 695, the Taxpayer Abuse and Harassment Prevention Act of 2007. Like the bill now before the House, it would amend the Internal Revenue Code to repeal the authority of the Secretary of the Treasury to enter into contracts with private collection agencies to collect unpaid taxes. I support that because of the numerous instances in which private collection agencies have been guilty of taxpayer harassment, abusive calling, and violations of taxpayer rights, the Fair Debt Collection Act, and taxpayer return disclosure protections. I understand that right now the Federal Trade Commission has 130 complaints likely to involve the private tax debt contractors, and the Taxpayer Advocate has many more.

In addition, H.R. 3056 would delay until December 31, 2011, the application of a recently-enacted provision requiring withholding of 3 percent of the value of government payments to contractors and small businesses for goods and services. Local governments from across Colorado have contacted me to urge that the requirement be repealed—and while this delay falls short of that, it will provide additional time for Congress to consider repeal or drastic revision of the requirement.

Finally, the bill would impose an immediate tax on individuals who renounce their U.S. citizenship in order to avoid paying their taxes and enact a scaled-back version of the Treasury Department's proposal to increase penalties on failures by independent contractors to provide Form 1099 information returns. I think these are reasonable and appropriate provisions that deserve support.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H.R. 3056, the Tax Collection Act of 2007. This legislation will 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. I would like to thank my colleague, the distinguished chairman of the Ways and Means Committee, Mr. RANGEL, for introducing this legislation, as well as for his leadership in bringing this important issue to the floor today.

Mr. Speaker, this legislation strengthens Government accountability and protects taxpayers and confidential tax information. It will repeal the IRS's authority to enter into, renew, or extend contracts with private companies to collect Federal income taxes. Currently, the private debt collection program exposes taxpayers to harassment, wastes tax dollars by paying a bounty of up to 24 percent to debt collectors, and jeopardizes long-term taxpayer compliance. The collection of Federal income taxes is an inherently governmental function that should be restricted to IRS employees. Furthermore, the use of private contractors violates the special and confidential relationship between taxpayers and the Federal Government, and could jeopardize the privacy of taxpayers, possibly undermining long-term taxpayer compliance. In addition, private debt collection is an extremely inefficient way to collect Federal income taxes.

Since the authority to enter into private debt collection contracts was first granted in 2004, the Federal Government has spent $71 million to collect a net of $20 million in tax receipts. If this money was spent hiring IRS employees, the National Taxpayer Advocate estimates the Federal Government could have collected $1.4 billion. This provision is estimated to cost $1.054 billion over 10 years.

In addition, this legislation delays the application of the withholding requirement on certain governmental payments for goods and services. For payments made after December 31, 2010, the Code requires withholding at a 3 percent rate on certain payments to persons providing property or services made by Federal, State, and local governments. The withholding is required regardless of whether the government entity making the payment is the recipient of the property or services, those with less than $100 million in annual expenditures for property or services are exempt. Numerous government entities and taxpayers have raised concerns about the application of this provision. The provision would delay for 1 year, through December 31, 2011, the application of the 3 percent withholding requirement on Government payments for goods and services in order to provide time for the Treasury Department to study the impact of this provision on government entities and other taxpayers.

Mr. Speaker, this legislation stops the tax benefits for expatriates who renounce their citizenship. U.S. citizens and long-term U.S.

residents are subject to tax on their worldwide income. Taxpayers can avoid taxes by renouncing their U.S. citizenship or terminating their residence. It would immediately impose a tax on these individuals, strengthening current law to ensure that certain high net-worth taxpayers cannot renounce their U.S. citizenship or terminate U.S. residence in order to avoid paying taxes. Under this provision, high net-worth individuals will be treated as if they sold all of their property for its fair market value on the day before such individual expatriates or terminates their residency. Gain will be recognized to the extent that the aggregate gain recognized exceeds $600,000, which will be adjusted for cost of living in the future.

Finally, H.R. 3056 increases information return penalties. This provision would increase the penalties for failing to file correct returns, failing to furnish correct payee statements, and failing to comply with other information reporting requirements. If a taxpayer fails to file a correct information return before August 1, current law imposes a $50 penalty. This bill would increase this penalty to $100 per information return, with a maximum penalty of $600,000 per calendar year, $250,000 in the case of small businesses. Where a taxpayer files a correct information return after the filing date but before 30 days after the filing date, the current law $15 penalty will be increased to $25, with a maximum penalty of $200,000 per calendar year, $75,000 in the case of small businesses.

Where a taxpayer files a correct information return more than 30 days after the filing date but before August 1, the penalty for information returns will be increased from $30 to $60, with a maximum penalty of $500,000, $150,000 in the case of small businesses. The provision is a scaled-back version of the Treasury Department's proposal to increase penalties on failures to provide information returns.

Mr. Speaker, we can reduce the tax gap and make sure that taxpayers pay their fair share by having the IRS collect unpaid Federal taxes compared to private debt collectors. The American people demanded a new direction for America in the 2006 elections, and I believe that Congress must stand up for the American taxpayer. The current program's practice of giving unaccountable private contractors unfettered access to the personal financial data of American citizens poses an unnecessary and unacceptable risk.

Mr. Speaker, I urge my colleagues to join me in support of H.R. 3056, the Tax Collection Responsibility Act of 2007.

Mr. HONDA. Mr. Speaker, I rise today in support of H.R. 3056, the Tax Collection Responsibility Act of 2007. Among other provisions, this bill would repeal the authority of the Internal Revenue Service, IRS, to use private debt collection companies to collect overdue taxes.

I would also like to voice my support for an initiative being led by Senator BEN NELSON of Nebraska to provide disabled veterans and persons with disabilities with gainful employment as tax collectors. The Disability Preference Program for Tax Collection Contracts would give an incentive to private collection companies to employ people with disabilities. Despite the pending repeal of these debt collecting contracts by the IRS, I sincerely believe this initiative can provide immediate benefits to people with disabilities and be used as a model program for other services and industries to encourage similar hires.

Even after enactment of H.R. 3056, complete repeal of private debt collection authority would still take a couple of years while the existing private contracts expire. In that time, Sen. NELSON's initiative could provide disabled Americans invaluable training and experience to help continue their careers in similar services, likely with the same debt collecting company or even with the IRS. Since much of the same background scrutiny in hiring and job training are used for both the debt collection companies and the IRS, these disabled Americans would have an advantage for employment in the IRS. Additionally, under current Federal law, the disabled veterans would have right of first refusal to become IRS collectors.

The extraordinarily large number of returning disabled veterans from Iraq and Afghanistan are facing new, unexpected challenges to restoring their lives in America. These disabled veterans face an unemployment rate three times that of the general population. After their personal and their families' sacrifices for their country, it is Congress's responsibility to open doors to the largest number of jobs for the disabled, and these debt collecting jobs are exceptionally suited for people with disabilities. Even multiple amputees returning from Iraq, with only a high school education and expecting their career is over, could easily perform and excel in this profession.

Mr. Speaker, while I do not generally support the privatization of Federal tax collecting, I applaud Senator BEN NELSON's initiative to provide career paths for disabled veterans and people with severe disabilities.

Mr. PASTOR. Mr. Speaker, I rise today to talk about a proposal that would be impacted by the repeal of the Internal Revenue Service, IRS, program to collect unpaid taxes. The Disability Preference Program for Tax Collection Contracts is an initiative championed by the Senator from Nebraska, BEN NELSON. It would give an incentive to private third-party collection companies to hire people with severe disabilities and give them high-paying jobs.

The Disability Preference Program is worth supporting even under the assumption that the IRS contracting law should later be repealed. A closer look at the Disability Preference Program and the repeal of current IRS contracting law clearly shows that the two are not mutually exclusive. Until such time as a repeal is passed, workers with disabilities (including service disabled veterans) employed by contractors are gaining valuable vocational training and work experience on-the-job.

Disabled veterans and other disabled workers would most likely ''retain employment'' with the contractor through reassignment to another project within the company if the IRS contract were to expire or be terminated. Private sector collection contractors strive to lower attrition and training costs by reassigning exiting staff as projects are gained and lost.

In addition, employees assigned to the IRS contract work at the private collection contractor must pass the same level of scrutiny and background checks as IRS employees, and undergo IRS-approved project training and testing. Therefore, contractor employees will be the ''best available applicants for job opportunities with the IRS'' when the IRS hires internal collectors to do the work before or after repeal.

Under the Disability Preference Program, disabled workers would receive valuable training, certification, and job experience to seek gainful employment at private sector or government offices performing telephone collection work, and therefore would be much ''better qualified and prepared to continue a career'' in the collection industry than they otherwise would have been if the program was not available.

Although even for a temporary time period, use of this employment initiative will provide a much needed demonstration to government contracting entities that similar contracting requirements should be used to provide good job opportunities for disabled veterans and other persons with disabilities.

I strongly support enactment of the Disability Preference Program for Tax Collection Contracts.

Mr. MEEK of Florida. Mr. Speaker, I rise today in general support for H.R. 3056, which as a primary mission puts a stop to the harassing nature of private tax collection on a targeted group of American citizens, those least responsible for the ever-growing tax gap problem.

However, I rise to speak in particular about section 3 of the Chairman's mark which delays implementation of the 3 percent withholding requirement made by section of 511 of last year's Tax Increase Prevention and Reconciliation Act of 2005, also known as TIPRA.

Section 511 requires all levels of government with at least $100 million in annual procurements to withhold 3 percent of payment on most procurement contracts.

The Conference Report for the Tax Increase Prevention and Reconciliation Act of 2005 states that section 511 would impose an intergovernmental mandate not previously considered by either the House or the Senate.

The costs of this mandate on government would likely exceed the $64 million threshold established in the Unfunded Mandates Reform Act for public-sector mandates.

The costs of this mandate would also likely exceed the annual $128 million threshold established in the Unfunded Mandates Reform Act for private-sector mandates.

I am concerned this provision will seriously impact small businesses that routinely provide goods and services to the Federal, State and local governments, and those governments themselves.

For example, withholding 3 percent of payments to a primary contractor could hamper cash flows needed to meet operating expenses, pay suppliers or subcontractors, or meet payroll.

Any loss of small business involvement in government contracting is likely to have a negative effect on government costs associated with procurement contracts.

The withholding requirement would also create a new financial burden on the local governments responsible for administering withholding and forwarding these types of payments to the IRS, both in the increased need for new software and manpower, and in the likely increase in contract values as businesses seek to pass the 3 percent on to their government clients.

The 3 percent withholding was originally approved in an effort to narrow the ''tax gap.'' Like most, I believe that Congress should ferret out non-compliance to the best of our ability. Still, efforts to bridge the ''tax gap'' should

be weighed first against the potential for ''collateral damage to honest taxpayers and local governments.''

Annual procurements by Federal, State, and local governments add up to hundreds of billions of dollars, yet a one year delay, as mandated in the legislation before us, costs only $44 million, hardly the amount that would be expected if there was rampant noncompliance among contractors.

The language also requires the Department of the Treasury to study the negative affects that section 511 would have and report those to Congress.

There are too many questions left unanswered to go forward with the implementation of section 511, questions that we have a pretty good idea of the answers to.

I applaud and thank my Chairman, Congressman RANGEL, for giving this issue a spotlight on a bill that is of high priority to him.

We know that this is a starting point to full repeal of section 511 and with the continued grassroots support from the Government Withholding Coalition of private industry and the many public sector groups like the National Association of Counties, I feel confident that we will find the Ways and the Means to do away with this onerous requirement.

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

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 719, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HULSHOF

Mr. HULSHOF. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HULSHOF. I am opposed to the bill in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Hulshof of Missouri moves to recommit the bill H.R. 3056 to the Committee on Ways and Means with instructions to report the same back to the House promptly with the following amendment:

At the end of the bill, add the following:

SEC. 9. ESTATE TAX REPEAL MADE PERMANENT.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act or to amendments made by title V of such Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri is recognized for 5 minutes in support of his motion.

Mr. HULSHOF. Mr. Speaker, I rise to offer this motion to recommit to the underlying bill, the Tax Collection Responsibility Act.

The motion to recommit would actually incorporate H.R. 2380, which is a bill for which I am the original sponsor. It is a bipartisan bill, and I would hope that my colleagues on the other side of the aisle, especially those who have cosponsored the bill, would see fit to support this motion to recommit.

Since I have these few moments, and I see the distinguished chairman of the committee who may be responding, let me anticipate some points or questions perhaps and try to respond to them.

We may hear the question: Why are we doing the death tax repeal now?

Well, three times in the last session of Congress did we have the opportunity to debate this issue and vote on it. Again, this House in a bipartisan fashion voted to completely, permanently repeal the death tax.

I am not certain under the new majority that we will have that opportunity or not. There is a policy rationale for considering this measure now. One is the certainty.

As the Speaker knows, right now there is a $2 million exemption, a 45 percent rate, a very punitive rate. That exemption in 2010 goes up to a complete repeal, and there is lack of certainty, especially those family businesses that are looking to plan on how to dispose of those assets. So I think now is an appropriate time.

We may hear from my good friend, the chairman of the Ways and Means Committee, is this bill paid for. And I would suggest first of all that there is no budgetary impact in fiscal year 2009. We are looking beyond January 1, 2011, before any budgetary impact. And I would quote the chairman of the Ways and Means Committee who at least has been quoted in the paper as saying he is ready to tackle some big, tough issues, like the alternative minimum tax. The permanent death tax repeal is significantly less loss of revenue to the government than repealing the AMT.

He has talked about fairness and equity. I can think of nothing fairer than to get rid of this very punitive tax.

We may hear from the other side, as traditionally we do, this is something that only a handful of individuals face, or that this is for millionaires only. My rejoinder to that is then why is every small business group in America, whether it be the National Federation of Independent Business, whether it be every business group that represents minority interests, the Hispanic Chamber of Commerce, the African American Chamber of Commerce in the past, all have supported complete repeal, final repeal of this very punitive tax.

Let me talk a little bit about the values of this.

This is the land of opportunity, is it not? The old adage is, if you build a better mousetrap, the world will beat a path to your door. The only thing guaranteed, of course, in America is the guarantee of freedom and liberty and the opportunity to achieve whatever it is you dream about.

Let me tell you a very personal story of a dream of a young couple. A young, strapping man left home in 1956 with his new bride in tow. They had $1,000 to their name. That is what his father had given him to go make his way into the world. And so they settled in Mrs. EMERSON's district in southeast Missouri, and they worked very hard to build a farm.

Over the course of those many years, this couple had a son, an only son. That individual is the one the Chair has recognized here today.

They built this family business, a family-owned farm, 500 acres, three tractors, a used combine, the farmhouse where I grew up. And so it was, of course, the unfortunate reality of life, and that is we meet our heavenly reward. My dad passed on the anniversary of John F. Kennedy's death on November 22, 5 years ago this November. Mom survived another 17 months after that.

I am sitting there across the mahogany desk from our old, long-time family accountant who had an old adding machine with a tape in it, and he is plugging in a value for all of these assets that my parents had already been taxed on, whose assets were to help put food on the table. Suddenly I broke out in a cold sweat because I knew when he hit the total button, that figure was going to be above or below an arbitrary line, a line set by this body.

Mr. Speaker, death of a family member should not be a taxable event, and the fact is if Congress fails to do anything with the current regime, virtually every small business in America in 2011 is going to be facing this very punitive tax. I urge an ''aye'' vote on the motion to recommit.

Mr. POMEROY. Mr. Speaker, I rise to claim the time in opposition to the motion.

The SPEAKER pro tempore. The gentleman from North Dakota is recognized for 5 minutes.

Mr. POMEROY. Mr. Speaker, my friend is an articulate and forceful advocate. And we are all moved by the story of his time with the accountant, but they did not owe a tax. And basically, there is a figure missing from the motion to recommit he brings before us today, a very important figure: the cost of what the underlying motion to recommit would require. That figure is $498.8 billion. Now, we are a Nation of $9 trillion of debt, $9 trillion of debt, and they bring forward a proposal that would add another $498.8 billion, and they fail to say anything about how they are going to pay for it in their motion.

Well, obviously serious-minded legislators like my friend would not bring forward a serious proposal about repeal of the estate tax without some means of paying for it, and that is really what the heart of this motion is. It is not a real estate tax motion. This is a kill-the-underlying-bill motion.

The other side has some different priorities. Last week they were against SCHIP, expanding health insurance to uninsured kids. This week they are basically for privatizing debt collection of IRS debt. You like what Blackwater is doing in Iraq; you're going to love sending IRS debt to private bill collectors here.

□ 1715

Because they aren't going to prevail on the debate itself, they want to keep the vote from happening at all, which is what the underlying motion to recommit does, sends it promptly back to the Ways and Means Committee, which means the underlying bill is not before the House for a vote.

Mr. Speaker, to further use the time in our opposition to the motion to recommit, it is my honor to yield to the chairman of the Ways and Means Committee, Mr. RANGEL from New York.

Mr. RANGEL. Mr. Speaker, I came to the floor to hear the gentleman from Missouri (Mr. HULSHOF) who's an outstanding member of the Ways and Means Committee and I appreciate his contribution to the committee. I was moved by his story of the hardship that he felt as a result of the estate tax.

What the heck that has got to do with collecting debts that is owed to the Internal Revenue, I have no idea. If you're suggesting that we kill the bill that eliminates bounty hunters from working on commission and unfairly leaning and putting pressure on people who owe the Federal Government, that's one thing. If you want us to just substitute that and take back to the committee your idea about what we should do with the estate tax, well, you know as well as I do that we have to find out how much money do we lose, where do we raise the money, and do it in a Republican-Democratic fiscal fashion to say, hey, I want to reduce taxes here and raise it someplace else, maybe on the kids, maybe on a little tobacco, maybe whatever makes you feel good, but don't kill something with a parliamentary motion. It's not the right thing to do.

I think the subject matter that you discuss does warrant some discussion, someplace, at some time, but to imply that we should report back promptly, how promptly should we deal with the question of estate tax or estate tax repeal? Where do we get the half a billion dollars? These are things that I think should be in another day and another time.

Right now, we're talking about a great bill that if you kill this bill through a parliamentary procedure, which is all we're talking about, then the small business people that have been collecting government taxes, they're going to get hit. The citizens that we have in the Virgin Islands that are treated unfairly with the statute of limitations, they're going to get hit.

And the people who really believe that if you have to deal with your government, if you have to deal with the Treasury Department, if you have to deal with the Internal Revenue, for God's sake, deal with a civil servant whose mortgage payment is not dependent on how much money he can get out of you. Deal with someone that's been trained by the United States Government to collect money that's owed to the United States Government and not some company that has been created to fill the need because some people believe that the private sector can always but always do it best.

I do hope that when the committee has something to discuss as important as estate tax, why not discuss estate tax when it's time to do it.

Mr. POMEROY. Mr. Speaker, I yield back my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. HULSHOF. 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. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage of the bill.

The vote was taken by electronic device, and there were—yeas 196, nays 212, not voting 23, as follows:

[Roll No. 959]

YEAS—196

Aderholt
Akin
Altmire
Bachmann
Bachus
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
Emerson
English (PA)
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Kagen
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Mahoney (FL)
Manzullo
Marchant
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
McNerney
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Space
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—212

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Lantos
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Markey
Marshall
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stupak
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—23

Alexander
Baker
Bean
Boren
Calvert
Carson
Cubin
Cummings
Everett
Hastert
Jindal
Johnson (IL)
Johnson, E. B.
Larsen (WA)
Maloney (NY)
Miller, Gary
Nunes

Peterson (PA) Rogers (KY) Sutton
Reichert Simpson Wilson (OH)

□ 1742

Messrs. CARNEY, LOEBSACK, MELANCON, MURPHY of Connecticut, ROTHMAN, CUELLAR and Ms. SCHAKOWSKY changed their vote from ''yea'' to ''nay.''

Mr. KAGEN and Ms. GIFFORDS changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. RYAN of Wisconsin. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 232, noes 173, not voting 26, as follows:

[Roll No. 960]

AYES—232

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blumenauer
Boswell
Boucher
Boyda (KS)
Brady (PA)
Brown, Corrine
Butterfield
Capito
Capps
Capuano
Carnahan
Carney
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Gerlach
Giffords
Gillibrand
Gohmert
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kind
Klein (FL)
Kucinich
LaHood
Langevin
Lantos
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Manzullo
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Rogers (MI)
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shimkus
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOES—173

Aderholt
Akin
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Boyd (FL)
Brady (TX)
Braley (IA)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Castle
Chabot
Coble
Cole (OK)
Cramer
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Lincoln
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gilchrest
Gingrey
Goode
Goodlatte
Gordon
Granger
Graves
Hall (TX)
Hastings (WA)
Heller
Hensarling
Herger
Herseth Sandlin
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Lampson
Latham
Lewis (CA)
Lewis (KY)
Linder
Lucas
Lungren, Daniel E.
Mack
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCrery
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Moran (KS)
Musgrave
Myrick
Neugebauer
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Tanner
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Young (AK)
Young (FL)

NOT VOTING—26

Alexander
Baker
Bean
Boren
Calvert
Cardoza
Carson
Cubin
Cummings
Doggett
Everett
Hastert
Jindal
Johnson (IL)
Johnson, E. B.
Kilpatrick
Larsen (WA)
Maloney (NY)
Miller, Gary
Nunes
Peterson (PA)
Reichert
Rogers (KY)
Simpson
Sutton
Wilson (OH)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1750

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, due to a family health emergency, I was unable to be present for rollcall votes 949–958 on Tuesday, October 9, through Wednesday, October 10, 2007. Had I been present, I would have voted in the following manner: ''yea'' on rollcall votes 949, 950, 951, 952, 953, 954, 955, 958, 960; ''nay'' on rollcall votes 956, 957, 959.

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, due to offical business in the 13th Congressional District of Michigan, I was unable to attend to two votes. Had I been present, I would have voted ''nay'' on the motion to recommit H.R. 3056, the Tax Collection Responsibility Act of 2007, and ''aye'' on final passage of H.R. 3056, the Tax Collection Responsibility Act of 2007.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. RES. 618

Ms. CLARKE. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H. Res. 618.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2095, FEDERAL RAILROAD SAFETY IMPROVEMENT ACT OF 2007

Mr. WELCH of Vermont, from the Committee on Rules, submitted a privileged report (Rept. No. 110–371) on the resolution (H. Res. 724) providing for consideration of the bill (H.R. 2095) to amend title 49, United States Code, to prevent railroad fatalities, injuries, and hazardous materials releases, to authorize the Federal Railroad Safety Administration, and for other purposes, which was referred to the House Calendar and ordered to be printed.

AMENDMENT PROCESS FOR RULES COMMITTEE CONSIDERATION OF H.R. 2102, FREE FLOW OF INFORMATION ACT OF 2007

(Mr. WELCH of Vermont asked and was given permission to address the House for 1 minute.)

Mr. WELCH of Vermont. Mr. Speaker, the Rules Committee is expected to meet the week of October 15 to grant a rule which may structure the amendment process for floor consideration of H.R. 2102, the Free Flow of Information Act of 2007.

Members who wish to offer an amendment to this bill should submit 30 copies of the amendment and a brief description of the amendment to the