

Taylor	Velázquez	Weiner
Thompson (CA)	Viscosky	Welch (VT)
Thompson (MS)	Walz (MN)	Wexler
Tierney	Wasserman	Wilson (OH)
Towns	Schultz	Woolsey
Tsongas	Waters	Wu
Udall (CO)	Watson	Wynn
Udall (NM)	Watt	Yarmuth
Van Hollen	Waxman	

NAYS—178

Aderholt	Garrett (NJ)	Paul
Akin	Gilchrest	Pearce
Alexander	Gingrey	Pence
Bachmann	Goode	Petri
Bachus	Goodlatte	Pickering
Barrett (SC)	Granger	Pitts
Bartlett (MD)	Graves	Platts
Barton (TX)	Hall (TX)	Poe
Biggert	Hastings (WA)	Price (GA)
Bilbray	Hayes	Pryce (OH)
Bilirakis	Hensarling	Putnam
Bishop (UT)	Herger	Radanovich
Blackburn	Hobson	Rahall
Blunt	Hoekstra	Regula
Boehner	Hulshof	Rehberg
Bonner	Hunter	Reichert
Bono Mack	Inglis (SC)	Renzi
Boozman	Issa	Reynolds
Boustany	Johnson (IL)	Rogers (AL)
Brady (TX)	Johnson, Sam	Rogers (KY)
Broun (GA)	Jones (NC)	Rogers (MI)
Brown (SC)	Jordan	Rohrabacher
Brown-Waite,	Keller	Roskam
Ginny	King (IA)	Royce
Burgess	King (NY)	Ryan (WI)
Burton (IN)	Kingston	Sali
Buyer	Kirk	Saxton
Calvert	Kline (MN)	Schmidt
Camp (MI)	Knollenberg	Sensenbrenner
Campbell (CA)	Kucinich	Sessions
Cannon	Kuhl (NY)	Shadegg
Cantor	LaHood	Shimkus
Capito	Lamborn	Shuster
Carter	Latham	Simpson
Castle	LaTourette	Smith (NE)
Coble	Latta	Smith (TX)
Conaway	Lewis (CA)	Souder
Crenshaw	Lewis (KY)	Stearns
Cubin	Linder	Sullivan
Davis (KY)	Lucas	Tancredo
Davis, David	Lungren, Daniel	Terry
Deal (GA)	E.	Thornberry
Doolittle	Manzullo	Tiahrt
Drake	Marchant	Tiberi
Dreier	McCarthy (CA)	Turner
Duncan	McCaul (TX)	Upton
Ehlers	McCotter	Walberg
Emerson	McCrery	Walden (OR)
English (PA)	McHenry	Walsh (NY)
Everett	McHugh	Wamp
Fallin	McKeon	Weldons (FL)
Feeney	McMorris	Weller
Ferguson	Rodgers	Westmoreland
Flake	Mica	Whitfield (KY)
Forbes	Miller (FL)	Wilson (SC)
Fortenberry	Miller (MI)	Wittman (VA)
Fossella	Miller, Gary	Wolf
Foxo	Moran (KS)	Young (AK)
Franks (AZ)	Myrick	Young (FL)
Frelinghuysen	Neugebauer	
Galleghy	Nunes	

NOT VOTING—14

Capuano	LoBiondo	Rangel
Culberson	Mack	Richardson
Delahunt	Pallone	Rush
Gohmert	Pascarell	Wilson (NM)
Honda	Peterson (PA)	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes are left.

□ 1628

So (two-thirds not being in the affirmative) the motion was rejected.

The result of the vote was announced as above recorded.

□ 1630

GENERAL LEAVE

Mr. LEWIS of Georgia. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to

revise and extend their remarks on the bill, H.R. 5719.

The SPEAKER pro tempore (Ms. JACKSON-LEE of Texas). Is there objection to the request of the gentleman from Georgia?

There was no objection.

TAXPAYER ASSISTANCE AND SIMPLIFICATION ACT OF 2008

Mr. LEWIS of Georgia. Madam Speaker, pursuant to House Resolution 1102, I call up the bill (H.R. 5719) to amend the Internal Revenue Code of 1986 to conform return preparer penalty standards, delay implementation of withholding taxes on government contractors, enhance taxpayer protections, assist low-income taxpayers, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Ms. JACKSON-LEE of Texas). Pursuant to House Resolution 1102, the amendment in the nature of a substitute printed in the bill is adopted and the bill, as amended, is considered read.

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

H.R. 5719

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

SECTION 1. SHORT TITLE, ETC.

(a) **SHORT TITLE.**—This Act may be cited as the “Taxpayer Assistance and Simplification Act of 2008”.

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

(c) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title, etc.

Sec. 2. Modification of penalty on understatement of taxpayer's liability by tax return preparer.

Sec. 3. Removal of cellular telephones (or similar telecommunications equipment) from listed property.

Sec. 4. Delay of application of withholding requirement on certain governmental payments for goods and services.

Sec. 5. Elderly and disabled individuals receiving in-home care under certain government programs not subject to employment tax provisions.

Sec. 6. Referrals to low income taxpayer clinics permitted.

Sec. 7. Programs for the benefit of low-income taxpayers.

Sec. 8. EITC outreach.

Sec. 9. Prohibition on IRS debt indicators for predatory refund anticipation loans.

Sec. 10. Study on delivery of tax refunds.

Sec. 11. Extension of time for return of property for wrongful levy.

Sec. 12. Individuals held harmless on wrongful levy, etc., on individual retirement plan.

Sec. 13. Taxpayer notification of suspected identity theft.

Sec. 14. Repeal of authority to enter into private debt collection contracts.

Sec. 15. Clarification of IRS unclaimed refund authority.

Sec. 16. Prohibition on misuse of Department of the Treasury names and symbols.

Sec. 17. Substantiation of amounts paid or distributed out of health savings account.

Sec. 18. Certain domestically controlled foreign persons performing services under contract with United States Government treated as American employers.

Sec. 19. Time for payment of corporate estimated tax.

SEC. 2. MODIFICATION OF PENALTY ON UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.

(a) **IN GENERAL.**—Subsection (a) of section 6694 (relating to understatement due to unreasonable positions) is amended to read as follows:

“(a) **UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.**—

“(1) **IN GENERAL.**—If a tax return preparer—

“(A) prepares any return or claim of refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2), and

“(B) knew (or reasonably should have known) of the position,

such tax return preparer shall pay a penalty with respect to each such return or claim in an amount equal to the greater of \$1,000 or 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

“(2) **UNREASONABLE POSITION.**—

“(A) **IN GENERAL.**—Except as otherwise provided in this paragraph, a position is described in this paragraph unless there is or was substantial authority for the position.

“(B) **DISCLOSED POSITIONS.**—If the position was disclosed as provided in section 6662(d)(2)(B)(ii)(I) and is not a position to which subparagraph (C) applies, the position is described in this paragraph unless there is a reasonable basis for the position.

“(C) **TAX SHELTERS AND REPORTABLE TRANSACTIONS.**—If the position is with respect to a tax shelter (as defined in section 6662(d)(2)(C)(ii)) or a reportable transaction to which section 6662A applies, the position is described in this paragraph unless it is reasonable to believe that the position would more likely than not be sustained on its merits.

“(3) **REASONABLE CAUSE EXCEPTION.**—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply—

(1) in the case of a position described in subparagraph (A) or (B) of section 6694(a)(2) of the Internal Revenue Code of 1986 (as amended by this section), to returns prepared after May 25, 2007, and

(2) in the case of a position described in subparagraph (C) of such section (as amended by this section), to returns prepared for taxable years ending after the date of the enactment of this Act.

SEC. 3. REMOVAL OF CELLULAR TELEPHONES (OR SIMILAR TELECOMMUNICATIONS EQUIPMENT) FROM LISTED PROPERTY.

(a) **IN GENERAL.**—Subparagraph (A) of section 280F(d)(4) (defining listed property) is amended by inserting “and” at the end of clause (iv), by striking clause (v), and by redesignating clause (vi) as clause (v).

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2008.

SEC. 4. 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. 5. ELDERLY AND DISABLED INDIVIDUALS RECEIVING IN-HOME CARE UNDER CERTAIN GOVERNMENT PROGRAMS NOT SUBJECT TO EMPLOYMENT TAX PROVISIONS.

(a) **IN GENERAL.**—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end the following new section:

“SEC. 3511. ELDERLY AND DISABLED INDIVIDUALS RECEIVING IN-HOME CARE UNDER CERTAIN GOVERNMENT PROGRAMS.

“(a) **IN GENERAL.**—In the case of amounts paid under a home care service program to a home care service provider by the fiscal administrator of such program—

“(1) the home care service recipient shall not be liable for the payment of any taxes imposed under this subtitle with respect to amounts paid for the provision of services under such program, and

“(2) the fiscal administrator shall be so liable.

“(b) **DEFINITIONS.**—For purposes of this section—

“(1) **HOME CARE SERVICE PROGRAM.**—The term ‘home care service program’ means a State or local government program—

“(A) any portion of which is funded with Federal funds, and

“(B) under which domestic services are provided to elderly or disabled individuals in their homes.

Such term shall not include any program to the extent home care service recipients make payments to the home care service providers for such in-home domestic services.

“(2) **HOME CARE SERVICE PROVIDER.**—The term ‘home care service provider’ means any individual who provides domestic services to a home care service recipient under a home care service program.

“(3) **HOME CARE SERVICE RECIPIENT.**—The term ‘home care service recipient’ means any individual receiving domestic services under a home care service program.

“(4) **FISCAL ADMINISTRATOR.**—The term ‘fiscal administrator’ means any person or governmental entity who pays amounts under a home care service program to home care service providers for the provision of domestic services under such program.

“(c) **RETURNS BY FISCAL ADMINISTRATOR.**—For purposes of this section—

“(1) **IN GENERAL.**—Returns relating to taxes imposed or amounts required to be withheld under this subtitle shall be made under the identifying number of the fiscal administrator.

“(2) **IDENTIFICATION OF SERVICE RECIPIENT.**—The fiscal administrator shall, to the extent required under regulations prescribed by the Secretary, make a return setting forth—

“(A) the name, address, and identifying number of each home care service recipient for whom amounts are paid by such fiscal administrator under the home care services program, and

“(B) such other information as the Secretary may require.

“(d) **REGULATIONS.**—The Secretary may prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including requiring deposits of any tax imposed under this subtitle.”.

(b) **SERVICE RECIPIENT IDENTIFICATION RETURN TREATED AS INFORMATION RETURN.**—Paragraph (3) of section 6724(d) is amended by striking “and” at the end of subparagraph (C)(ii), by striking the period at the end of subparagraph (D)(ii) and inserting “, and”, and by adding at the end the following new subparagraph:

“(E) any requirement under section 3511(c)(2).”.

(c) **CLERICAL AMENDMENT.**—The table of sections for chapter 25 is amended by adding at the end the following new item:

“Sec. 3511. Elderly and disabled individuals receiving in-home care under certain government programs.”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid after December 31, 2008.

SEC. 6. REFERRALS TO LOW INCOME TAXPAYER CLINICS PERMITTED.

(a) **IN GENERAL.**—Subsection (c) of section 7526 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(6) **TREASURY EMPLOYEES PERMITTED TO REFER TAXPAYERS TO QUALIFIED LOW-INCOME TAXPAYER CLINICS.**—Notwithstanding any other provision of law, officers and employees of the Department of the Treasury may refer taxpayers for advice and assistance to qualified low-income taxpayer clinics receiving funding under this section.”.

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

SEC. 7. PROGRAMS FOR THE BENEFIT OF LOW-INCOME TAXPAYERS.

(a) **VOLUNTEER INCOME TAX ASSISTANCE PROGRAMS.**—Chapter 77 (relating to miscellaneous provisions) is amended by inserting after section 7526 the following new section:

“SEC. 7526A. VOLUNTEER INCOME TAX ASSISTANCE PROGRAMS.

“(a) **IN GENERAL.**—The Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of volunteer income tax assistance programs.

“(b) **VOLUNTEER INCOME TAX ASSISTANCE PROGRAM.**—For purposes of this section, the term ‘volunteer income tax assistance program’ means a program—

“(1) which does not charge taxpayers for its return preparation services,

“(2) which operates programs to assist low and moderate-income (as determined by the Secretary) taxpayers in preparing and filing their Federal income tax returns, and

“(3) in which all of the volunteers who assist in the preparation of Federal income tax returns meet the requirements prescribed by the Secretary.

“(c) **SPECIAL RULES AND LIMITATIONS.**—

“(1) **AGGREGATE LIMITATION.**—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than \$10,000,000 per year (exclusive of costs of administering the program) to grants under this section.

“(2) **OTHER APPLICABLE RULES.**—Rules similar to the rules under paragraphs (2) through (6) of section 7526(c) shall apply with respect to the awarding of grants to volunteer income tax assistance programs.”.

(b) **INCREASE IN AUTHORIZED GRANTS FOR LOW-INCOME TAXPAYER CLINICS.**—Paragraph (1) of section 7526(c) (relating to aggregate limitation) is amended by striking “\$6,000,000” and inserting “\$10,000,000”.

(c) **CLERICAL AMENDMENTS.**—

(1) Section 7526(c)(5) is amended by inserting “qualified” before “low-income”.

(2) The table of sections for chapter 77 is amended by inserting after the item relating to section 7526 the following new item:

“Sec. 7526A. Volunteer income tax assistance programs.”.

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

SEC. 8. EITC OUTREACH.

(a) **IN GENERAL.**—Section 32 (relating to earned income) is amended by adding at the end the following new subsection:

“(n) **NOTIFICATION OF POTENTIAL ELIGIBILITY FOR CREDIT AND REFUND.**—

“(1) **IN GENERAL.**—To the extent possible and on an annual basis, the Secretary shall provide to each taxpayer who—

“(A) for any preceding taxable year for which credit or refund is not precluded by section 6511, and

“(B) did not claim the credit under subsection (a) but may be allowed such credit for any such taxable year based on return or return information (as defined in section 6103(b)) available to the Secretary,

notice that such taxpayer may be eligible to claim such credit and a refund for such taxable year.

“(2) **NOTICE.**—Notice provided under paragraph (1) shall be in writing and sent to the last known address of the taxpayer.”.

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

SEC. 9. PROHIBITION ON IRS DEBT INDICATORS FOR PREDATORY REFUND ANTICIPATION LOANS.

(a) **IN GENERAL.**—Subsection (f) of section 6011 (relating to promotion of electronic filing) is amended by adding at the end the following new paragraph:

“(3) **PROHIBITION ON IRS DEBT INDICATORS FOR PREDATORY REFUND ANTICIPATION LOANS.**—

“(A) **IN GENERAL.**—In carrying out any program under this subsection, the Secretary shall not provide a debt indicator to any person with respect to any refund anticipation loan if the Secretary determines that the business practices of such person involve refund anticipation loans and related charges and fees that are predatory.

“(B) **REFUND ANTICIPATION LOAN.**—For purposes of this paragraph, the term ‘refund anticipation loan’ means a loan of money or of any other thing of value to a taxpayer secured by the taxpayer’s anticipated receipt of a Federal tax refund.

“(C) **IRS DEBT INDICATOR.**—For purposes of this paragraph, the term ‘debt indicator’ means a notification provided through a tax return’s acknowledgment file that a refund will be offset to repay debts for delinquent Federal or State taxes, student loans, child support, or other Federal agency debt.”.

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

SEC. 10. STUDY ON DELIVERY OF TAX REFUNDS.

(a) **IN GENERAL.**—The Secretary of the Treasury, in consultation with the National Taxpayer Advocate, shall conduct a study on the feasibility of delivering tax refunds on debit cards, prepaid cards, and other electronic means to assist individuals that do not have access to financial accounts or institutions.

(b) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall submit a report to Congress containing the results of the study conducted under subsection (a).

SEC. 11. EXTENSION OF TIME FOR RETURN OF PROPERTY FOR WRONGFUL LEVY.

(a) **EXTENSION OF TIME FOR RETURN OF PROPERTY SUBJECT TO LEVY.**—Subsection (b) of section 6343 (relating to return of property) is amended by striking “9 months” and inserting “2 years”.

(b) **PERIOD OF LIMITATION ON SUITS.**—Subsection (c) of section 6532 (relating to suits by persons other than taxpayers) is amended—

(1) in paragraph (1) by striking “9 months” and inserting “2 years”; and

(2) in paragraph (2) by striking “9-month” and inserting “2-year”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to—

(1) levies made after the date of the enactment of this Act, and

(2) levies made on or before such date if the 9-month period has not expired under section 6343(b) of the Internal Revenue Code of 1986 (without regard to this section) as of such date.

SEC. 12. INDIVIDUALS HELD HARMLESS ON WRONGFUL LEVY, ETC., ON INDIVIDUAL RETIREMENT PLAN.

(a) **IN GENERAL.**—Section 6343 (relating to authority to release levy and return property) is amended by adding at the end the following new subsection:

“(f) **INDIVIDUALS HELD HARMLESS ON WRONGFUL LEVY, ETC. ON INDIVIDUAL RETIREMENT PLAN.**—

“(1) **IN GENERAL.**—If the Secretary determines that an individual retirement plan has been levied upon in a case to which subsection (b) or (d)(2)(A) applies, an amount equal to the sum of—

“(A) the amount of money returned by the Secretary on account of such levy, and

“(B) interest paid under subsection (c) on such amount of money,

may be deposited into such individual retirement plan or any other individual retirement plan (other than an endowment contract) to which a rollover from the plan levied upon is permitted. An amount may not be deposited into a Roth IRA under the preceding sentence unless the individual retirement plan levied upon was a Roth IRA at the time of such levy.

“(2) **TREATMENT AS ROLLOVER.**—If amounts are deposited into an individual retirement plan under paragraph (1) not later than the 60th day after the date on which the individual receives the amounts under paragraph (1)—

“(A) such deposit shall be treated as a rollover described in section 408(d)(3)(A)(i),

“(B) to the extent the deposit includes interest paid under subsection (c), such interest shall not be includible in gross income, and

“(C) such deposit shall not be taken into account under section 408(d)(3)(B).

For purposes of subparagraph (B), an amount shall be treated as interest only to the extent that the amount deposited exceeds the amount of the levy.

“(3) **REFUND, ETC., OF INCOME TAX ON LEVY.**—If any amount is includible in gross income for a taxable year by reason of a levy referred to in paragraph (1) and any portion of such amount is treated as a rollover under paragraph (2), any tax imposed by chapter 1 on such portion shall not be assessed, and if assessed shall be abated, and if collected shall be credited or refunded as an overpayment made on the due date for filing the return of tax for such taxable year.

“(4) **INTEREST.**—Notwithstanding subsection (d), interest shall be allowed under subsection (c) in a case in which the Secretary makes a determination described in subsection (d)(2)(A) with respect to a levy upon an individual retirement plan.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to amounts paid under subsections (b), (c), and (d)(2)(A) of section 6343 of the Internal Revenue Code of 1986 after the date of the enactment of this Act.

SEC. 13. TAXPAYER NOTIFICATION OF SUSPECTED IDENTITY THEFT.

(a) **IN GENERAL.**—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

“If, in the course of an investigation under the internal revenue laws, the Secretary deter-

mines that there was or may have been an unauthorized use of the identity of the taxpayer or a dependent of the taxpayer, the Secretary shall, to the extent permitted by law—

“(1) as soon as practicable and without jeopardizing such investigation, notify the taxpayer of such determination, and

“(2) if any person is criminally charged by indictment or information with respect to such unauthorized use, notify such taxpayer as soon as practicable of such charge.”.

(b) **CLERICAL AMENDMENT.**—The table of sections for chapter 77 is amended by adding at the end the following new item:

“Sec. 7529. Notification of suspected identity theft.”.

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

SEC. 14. 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 March 1, 2008, 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 March 1, 2008, and any extension or renewal on or after such date of any qualified tax collection contract (as so defined), shall be void.

SEC. 15. CLARIFICATION OF IRS UNCLAIMED REFUND AUTHORITY.

Paragraph (1) of section 6103(m) (relating to tax refunds) is amended by inserting “, and through any other means of mass communication,” after “media”.

SEC. 16. PROHIBITION ON MISUSE OF DEPARTMENT OF THE TREASURY NAMES AND SYMBOLS.

(a) **IN GENERAL.**—Subsection (a) of section 333 of title 31, United States Code, is amended by inserting “Internet domain address,” after “solicitation,” both places it appears.

(b) **PENALTY FOR MISUSE BY ELECTRONIC MEANS.**—Subsections (c)(2) and (d)(1) of section 333 of such Code are each amended by inserting “or any other mass communications by electronic means,” after “telecast.”.

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

SEC. 17. SUBSTANTIATION OF AMOUNTS PAID OR DISTRIBUTED OUT OF HEALTH SAVINGS ACCOUNT.

(a) **IN GENERAL.**—Paragraph (1) of section 223(f) (relating to amounts used for qualified medical expenses) is amended by inserting “(and, in the case of amounts paid or distributed after December 31, 2010, substantiated in a manner similar to the substantiation required

for flexible spending arrangements)” after “account beneficiary”.

(b) **REPORTS.**—Subsection (h) of section 223 (relating to reports) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(2) by moving the text of subparagraphs (A) and (B) (as so redesignated) and the last sentence 2 ems to the right,

(3) by striking “(h) **REPORTS.**—The Secretary may require—” and inserting the following:

“(h) **REPORTS.**—

“(1) **IN GENERAL.**—The Secretary may require—”, and

(4) by adding at the end the following new paragraph:

“(2) **RELATING TO SUBSTANTIATION.**—Not later than January 15 of each calendar year after 2011, the trustee of a health savings account shall make a report regarding such account to the Secretary and the account beneficiary setting forth—

“(A) the name, address, and identifying number of the account beneficiary, and

“(B) the amount paid or distributed out of such account for the preceding calendar year not substantiated in accordance with subsection (f)(1).”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to amounts paid or distributed out of health savings accounts after December 31, 2010.

SEC. 18. CERTAIN DOMESTICALLY CONTROLLED FOREIGN PERSONS PERFORMING SERVICES UNDER CONTRACT WITH UNITED STATES GOVERNMENT TREATED AS AMERICAN EMPLOYERS.

(a) **FICA TAXES.**—Section 3121 (relating to definitions) is amended by adding at the end the following new subsection:

“(z) **TREATMENT OF CERTAIN FOREIGN PERSONS AS AMERICAN EMPLOYERS.**—

“(1) **IN GENERAL.**—If any employee of a foreign person is performing services in connection with a contract between the United States Government (or any instrumentality thereof) and any member of any domestically controlled group of entities which includes such foreign person, such foreign person shall be treated for purposes of this chapter as an American employer with respect to such services performed by such employee.

“(2) **DOMESTICALLY CONTROLLED GROUP OF ENTITIES.**—For purposes of this subsection—

“(A) **IN GENERAL.**—The term ‘domestically controlled group of entities’ means a controlled group of entities the common parent of which is a domestic corporation.

“(B) **CONTROLLED GROUP OF ENTITIES.**—The term ‘controlled group of entities’ means a controlled group of corporations as defined in section 1563(a)(1), except that—

“(i) ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each place it appears therein, and

“(ii) the determination shall be made without regard to subsections (a)(4) and (b)(2) of section 1563.

A partnership or any other entity (other than a corporation) shall be treated as a member of a controlled group of entities if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this sentence).

“(3) **LIABILITY OF COMMON PARENT.**—In the case of a foreign person who is a member of any domestically controlled group of entities, the common parent of such group shall be jointly and severally liable for any tax under this chapter for which such foreign person is liable by reason of this subsection, and for any penalty imposed on such person by this title with respect to any failure to pay such tax or to file any return or statement with respect to such tax or wages subject to such tax. No deduction shall be allowed under this title for any liability imposed by the preceding sentence.

“(4) COORDINATION.—Paragraph (1) shall not apply to any services which are covered by an agreement under subsection (1).”

“(5) CROSS REFERENCE.—For relief from taxes in cases covered by certain international agreements, see sections 3101(c) and 3111(c).”

(b) SOCIAL SECURITY BENEFITS.—Subsection (e) of section 210 of the Social Security Act (42 U.S.C. 410(e)) is amended—

(1) by striking “(e) The term” and inserting “(e)(1) The term”;

(2) by redesignating clauses (1) through (6) as clauses (A) through (F), respectively, and

(3) by adding at the end the following new paragraph:

“(2)(A) If any employee of a foreign person is performing services in connection with a contract between the United States Government (or any instrumentality thereof) and any member of any domestically controlled group of entities which includes such foreign person, such foreign person shall be treated as an American employer with respect to such services performed by such employee.

“(B) For purposes of this paragraph—

“(i) The term ‘domestically controlled group of entities’ means a controlled group of entities the common parent of which is a domestic corporation.

“(ii) The term ‘controlled group of entities’ means a controlled group of corporations as defined in section 1563(a)(1) of the Internal Revenue Code of 1986, except that—

“(I) ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each place it appears therein, and

“(II) the determination shall be made without regard to subsections (a)(4) and (b)(2) of section 1563 of such Code.

A partnership or any other entity (other than a corporation) shall be treated as a member of a controlled group of entities if such entity is controlled (within the meaning of section 954(d)(3) of such Code) by members of such group (including any entity treated as a member of such group by reason of this sentence).”

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

SEC. 19. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAX.

The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 0.25 percentage points.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. LEWIS) and the gentleman from New York (Mr. REYNOLDS) each will control 30 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. LEWIS of Georgia. Madam Speaker, I yield myself as much time as I may consume.

Madam Speaker, on Tax Day, it is so important that we bring H.R. 5719 to the floor of the House. Taxpayers must be treated fairly, and they deserve all the help we can give them.

This bill draws, in part, on legislation authored by myself and many members of the Ways and Means Committee. Most of the pieces of this bill enjoy bipartisan support.

This bill will assist victims of identity theft and prevent the misuse of the IRS name in schemes that defraud the public.

The bill helps low-income taxpayers by allowing IRS employees to refer them to low-income taxpayer clinics, expanding earned income tax credit

outreach, and authorizing funding for low-income taxpayer programs.

It would, once and for all, repeal the authority of the IRS to enter into private debt collection contracts. This program violates the public trust and must end.

The bill also protects elderly and disabled persons from tax liability on workers provided to them under government programs.

H.R. 5719 enhances the fairness of our tax code and deserves this House's total support.

Madam Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Madam Speaker, I yield myself so much time as I may consume.

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

Mr. REYNOLDS. Today is Tax Day, Madam Speaker, and all across the country, millions of Americans will wait patiently, or not so patiently, in line at the local post office, making sure that their taxes are postmarked by the midnight deadline.

Having recently struggled through the process of filling out my own tax forms, I share the frustrations of millions of American taxpayers, not just with the amount of taxes that we have to pay, but with the dizzying maze of forms, worksheets and calculations required by the IRS as well.

But instead of working together in a bipartisan way to simplify the process and enhance taxpayers rights, the majority has chosen to bring forward a partisan, political bill that has already drawn a veto threat from the administration, and is almost certainly “dead on arrival” in the other body.

To be sure, this legislation does contain a number of positive, pro-taxpayer provisions, most of which have already passed the House last year in an overwhelmingly bipartisan basis as part of H.R. 1677. Unfortunately for this House, and for taxpayers across the country, the majority has now abandoned that commonsense bipartisan approach that we brought to last year's bill.

Instead the majority has included a pair of highly controversial proposals that kill any hope of bipartisan cooperation, one imposing a new substantiation requirements on withdrawals from health savings accounts, and another cutting off the ability of carefully selected private businesses to assist the IRS in collecting delinquent tax debt.

Over the course of today's debate, we'll hear much more about the concerns that many Members have about the HSA provision, a provision that was not subject to a single hearing in the Ways and Means Committee, and was inserted into the bill just prior to mark-up without any real understanding of the potential consequences.

So let me take a moment to focus on the other provision of concern, the proposal to repeal the IRS's authority to work with private collection agencies

to ensure that acknowledged tax debt is actually paid.

For some Members of this body on both sides of the debate, this particular issue is simple and is simply about policy. For them, it's an abstract question about whether these private collection agencies, so called PCAs, should be able to play a limited supplementary role in ensuring that undisputed tax debts are, in fact, paid.

As we debate this particular issue yet again this afternoon, we'll hear again persuasive evidence making clear just how successful the PCA program has already been in narrowing the tax gap, and while carefully protecting taxpayers rights. And we will also hear how much additional promise this program holds for the future if it's allowed to continue.

But for me and the area I represent, Western New York, the issue is much more than an abstract policy debate. It's also about jobs. As the Member of Congress who represents rural Wyoming County in Western New York, I'm actually more familiar than most Members with the work that PCAs do. After all, the largest single private employer in Wyoming County, Pioneer Credit Recovery, is one of the only two companies nationwide that the IRS has selected to help get this important program underway.

Madam 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. And as my fellow Members of Western New York's Congressional Delegation know, these jobs have been created in a region that has faced serious economic challenges.

This IRS contract has allowed Pioneer Credit to turn an empty warehouse in Perry, New York into a thriving job center for newly hired employees. In short, it's been a great economic success story in part of Western New York that has desperately needed it.

As someone who 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 once again threatening to deauthorize this important program just as it's getting underway.

If this program is allowed to continue, Pioneer Credit will have the opportunity to compete for future IRS contracts that could create many additional jobs in the area of Western New York that 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 like to note, Madam Speaker, that under the Democrats convoluted PAYGO rules, proposals that reduce anticipated Federal revenues must be offset by other provisions that raise revenue. As a result, today's

proposal to eliminate the PCA program, a program that is currently expected to bring in more than a half billion dollars to the Federal Treasury, over the next decade, also requires them to raise Federal revenue or taxes by the same amount somewhere else. That's right. The majority is raising taxes by a half a billion dollars today in order to eliminate the very program that's helping us to collect undisputed tax debts, more effectively. Only in Washington, Madam Speaker, only in Washington.

This bill is wrong on policy, it's wrong on job creation and it's on the way to mark April 15 for America's hard-working taxpayers.

I urge a "no" vote.

I reserve the balance of my time.

Mr. LEWIS of Georgia. Madam Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. VAN HOLLEN), a member of the Ways and Means Committee.

Mr. VAN HOLLEN. I thank my colleague from Georgia and thank him for his leadership on this important issue.

Madam Speaker, I rise in strong support of this legislation, the Taxpayer Assistance and Simplification Act. It's a set of commonsense reforms designed to make the Tax Code a little more consumer friendly for hardworking Americans.

If the IRS has reason to believe that you've been a victim of identity theft, this bill says the IRS should let you know.

If you're entitled to an unclaimed refund, this bill empowers the IRS to do more to find you.

And if you need help with your taxes, this bill lets the IRS refer you to a qualified taxpayer clinic that can provide assistance.

So whether it's from eliminating nuisance paperwork to publicizing the earned income tax credit to clamping down on predatory "refund anticipation loans," this bill, time and again, sides with the taxpayer.

I'm particularly pleased that it includes legislation many of us have worked on to end the practice of bounty hunting and terminate the program of contracting out the collection of taxes to private debt collectors.

Proponents of this program say it's necessary to close the tax gap. The facts just say they're wrong. The program, to date, hasn't returned a single dime of additional revenue to the U.S. Treasury. In fact, so far as we gather here today, it's been a revenue loser, an ideological driven black hole that has sucked \$50 million out of the Treasury last year alone. And we would have been able to raise, and this is according to both Republican and IRS commissioners, we would have been able to raise \$1.4 billion in revenue from people who hadn't paid taxes if we'd simply hired more IRS agents to do the job. And that's also the testimony of the National Taxpayer Advocate at the Department of Treasury. That's the person whose job it is to look out for the

taxpayers, and she testified this is a bad deal for taxpayers. We should get rid of it.

And we shouldn't be surprised. We had a similar program in the 1990s that was ended because of abusive practices, and it failed to collect the money. Let's learn from history. Let's adopt this legislation.

Mr. REYNOLDS. Madam Speaker, I yield 3 minutes to my distinguished colleague on the Ways and Means Committee from Wisconsin (Mr. RYAN), an expert on HSAs and other matters for consideration today.

□ 1645

Mr. RYAN of Wisconsin. Madam Speaker, why are we here? We're here because it's Tax Day and the majority decided they had to have a tax bill to come to the floor to pass on Tax Day.

There are some good provisions in this bill. I want to talk about one provision that is not a good provision. That's what we call HSA substantiation. What that basically means is without a single hearing, the majority wants to bring these new red-taped complicated rules to health savings accounts so that every time somebody goes and makes a health care purchase that's under the deductible, they have to first get permission from their banker or from the government before they do it. That's essentially what substantiation does.

Now, we've heard from banks, from the credit unions, from the NFIB and the small businesses. They're all saying, we're not going to do it anymore. We're not going to offer HSAs to our clients.

Madam Speaker, the key with health savings accounts is that people can save tax free for their out-of-pocket health care savings. Why on earth would we want to bring a bill to the floor which we know will reduce the use of health savings accounts?

The goal of this Congress ought to be to make health care more accessible and more affordable. Unfortunately, this bill goes in the wrong direction. So we want to inflict all of this red tape that we don't inflict on individual retirement accounts or on home equity lines of credits on this, and this will make it harder for people to save tax free for health care. It will tie them up in red tape. It will say to the banks and credit unions that offer these things, don't offer them anymore, and more to the point, we're doing this clumsy legislating without having had one hearing in the Ways and Means Committee.

More to the point, Madam Speaker, is this. The market is already fulfilling the need to have better recordkeeping. The market is already showing us they can do this without this law. But if you impose this law, as this bill does, guess what's going to happen? People in rural America, people in some small towns, people in Janesville, Wisconsin, they won't be able to subscribe to this law. Their retailers don't have the technology that's being required here. So

you're going to leave rural America, small town America out, and only urban areas can comply with this.

This is not good legislating. This has not been seen through. No foresight. No hearings. More to the point, it's going to make it harder for people in rural and small towns to save tax free for health care. It's going to make it harder for anybody to save tax free for health care. This is going to raise health care costs, and it is going to make it harder for patients to really get control of their health care destiny.

And that is why this bill should be defeated. For this piece of policy alone, this bill should be defeated because it was not thought through. It was slammed in there at the last minute, and that is enough of a reason that on this day, on Tax Day, we should not be telling the American people, we're going to raise your taxes if you want to go buy health care. That's wrong, but that's what this bill does; and I think we should reject this bill for that reason alone.

Mr. LEWIS of Georgia. Madam Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY), a wonderful friend who is a member of the Ways and Means Committee.

Mr. POMEROY. Madam Speaker, I appreciate very much the gentleman from Georgia's leadership of the Oversight Subcommittee on the Ways and Means Committee.

A couple of things to respond to.

The matter before us involves a payoff, because unlike much of the work of my friend, the ranking member of the Budget Committee, this majority pays for things that cost the Treasury.

Now, the HSA issue he just raised involves tax-free accounts and savings accounts to be used for health care. We ask that there be some verification to show the money withdrawn was spent for health care. That's all. What drives us to this is a report that we had from one account manager that shows these funds being withdrawn for everything from body shop repair to fast food restaurants.

Mr. RYAN of Wisconsin. Madam Speaker, will the gentleman yield?

Mr. POMEROY. Sure I will yield.

Mr. RYAN of Wisconsin. As the gentleman knows, this is their money, and if they choose to withdraw their money for non-health care reasons, they pay taxes.

Mr. POMEROY. Reclaiming my time, and I only have 2 minutes, this HSA, I believe the gentleman would agree, in fact I think he said it in his comments, is for the cost of health care. It gives a tax incentive cost, a tax assistance to taxpayers for health care costs, not for body shop costs. We don't tax incentive body shop costs. So we would like to shut that abuse down.

The question is legitimately raised. Is this too onerous? Absolutely not. Many of us have flex savings accounts that are used for medical costs. Now,

all we ask is that the same verification any Federal employee uses when they make a withdrawal in their flex savings account would be used to substantiate withdrawal from the health savings account. This isn't inventing something new. We've done it. It works well.

Another feature of the bill that's drawn such objection is this business of putting out of business the whole notion of private bill collectors being loosed on our taxpayers to collect revenues owed the Federal Government.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. LEWIS of Georgia. Madam Speaker, I yield the gentleman an additional minute.

Mr. POMEROY. Madam Speaker, I refer my colleagues to the Washington Post, the front page story today, "Collectors cost IRS more than they raise."

We have had, in fact, kind of the bill collection version of the \$600 toilet seat for the old Pentagon contract procurements. This was advertised to cost very little, \$10 to \$14 million, well now up to \$70 million and counting, a multiple of what was initially advertised. That's the set-up cost. They said it was going to bring all of this money. Well, the reality is it has brought in only a fraction of the money advertised.

And so on a net basis, this whole initiative to bring in money owed us has cost us money. We've been shipping more money to contractors. This is an administration and this is a minority that loves private contractors. And if it costs the Federal Government on the net balance, it doesn't matter because they just so ideologically love private contractors.

We should pass this bill and end this failed experiment of private debt collection.

Mr. REYNOLDS. Madam Speaker, I've been listening to some of my colleagues, and I'm sure we'll have more on the Democratic side of the aisle that have been such proponents of doing away with the collection. I just want to remind some of them of a couple of things that we should look at.

First, this is money that the IRS will not go after. It is part of the goal that Congress said we will pursue to get this money, and it was going to show a \$1 billion over 10-year revenue.

Now, we have seen the start-up of PCAs, one in Iowa and one in New York, after a very clear scrutiny by the IRS and by strong oversight of the Congress. And there are start-up costs of the \$50 million, as we're beginning to see the program come under way, to pursue money that the IRS either hasn't collected, can't collect, will not collect as the PCAs are pursuing it.

And I have listened to a lot of people describe what they think they understand of a PCA, but they have never really been in tune with it. It kind of reminds me of somebody debating ATM legislation and never actually used an ATM.

Madam Speaker, I yield 2 minutes to the distinguished senior member of the

Ways and Means Committee from California (Mr. HERGER).

Mr. HERGER. Madam Speaker, as Americans send their checks to the IRS today, they have a number of concerns. There are the dozens of tax provisions that expired last year and have not yet been extended adding to economic uncertainty. There is the inefficiency of many Federal agencies resulting in waste of hard-earned tax dollars, and there are the entitlement programs that threaten to double the Federal tax burden over the coming decades if they are not reformed. All of these issues Congress should be considering this Tax Day.

One complaint I have never heard from my constituents is that the IRS doesn't ask them for enough information. Yet the legislation before us would impose burdensome new reporting requirements on 5 million Americans with health savings accounts. Although Congress has held no hearings to determine whether misuse of HSA funds is a real problem, these requirements would make HSAs less convenient for consumers and could lead financial institutions to stop offering HSAs.

Ironically, this bill would also repeal a program that collects bad tax debts. The majority's message seems to be that if you're not paying your taxes, we will let you off the hook, but if you follow the rules, we will increase your burden of compliance.

Madam Speaker, that is the wrong message to send this Tax Day. I urge a "no" vote.

Mr. LEWIS of Georgia. Madam Speaker, no one on this side of the aisle is suggesting that we all shouldn't pay our fair share.

Madam Speaker, I now yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL), a member of the Ways and Means Committee.

Mr. EMANUEL. Madam Speaker, to pick up on my colleague's comments about fairness, one of the provisions in this legislation deals with closing the loophole for KBR, a former Halliburton subsidiary, that used the Cayman Islands to avoid paying taxes. And that is, it was discovered that in fact KBR, they're a company that was doing its operations in Iraq, was not paying and consciously set up a company in the Cayman Islands, just a post office box, set up a company to avoid paying Social Security, Medicare, and unemployment insurance, which is how they became the low bid.

It is the company, by the way, I'm sure you remember this, that served contaminated water to our troops, costing the taxpayers more money to take care of the health of those troops.

They set up an operation in the Cayman Islands, and in fact, their post office was Post Office Box 847, One Capital Place, 4th Floor, Shedd Road, Grand Cayman, Cayman Islands, KY1-1103. And the reason they were the low bidder? They didn't pay their fair share.

And the truth is the American people care about two things when it comes to American taxes: Simplicity of the code and fairness. And this is an example of the unfairness of our code.

In fact, if you look at the Ugland House in the Cayman Islands, one building houses 12,000 companies who have established post office boxes or ZIP codes or modems there, and the only purpose they're there for is to avoid paying their fair share of their taxes. And one of the pieces of this legislation is, in fact, to shut down the operation so companies cannot get contracts doing government work here in the United States, paid for by the taxpayers, whose sole purpose is to avoid paying their fair share.

The company acknowledges that the reason they set up the Cayman Islands was so they didn't pay Social Security, they didn't pay unemployment, they didn't pay Medicare.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEWIS of Georgia. Madam Speaker, I yield the gentleman an additional 30 seconds.

Mr. EMANUEL. And the way this was discovered was on a worker who was laid off with 10,000 employees, went to go collect unemployment insurance and was told no, you don't have the money for that because you didn't pay insurance. He said no, I work for an American company, and then discovered, in fact, he didn't work for an American company. KBR was a company set up in the Cayman Islands for the purpose of avoiding paying their fair share of taxes, and it is right here on April 15, when Americans are facing bigger tax bills, higher costs for health care, higher costs for education, higher costs for gasoline, that in fact those companies that are servicing in Iraq pay their fair share and not use the tax code to avoid their responsibility.

Mr. REYNOLDS. Madam Speaker, I would like to yield 2 minutes to my colleague, the distinguished ranking member of the Health Committee of Ways and Means from Michigan (Mr. CAMP).

Mr. CAMP of Michigan. I thank the gentleman for yielding.

Madam Speaker, here we are on Tax Day, April 15, talking about a bill called the Taxpayer Assistance and Simplification Act. A great title, but this bill falls remarkably short.

What this Congress should be debating today is legislation to simplify and reform the tax code. The tax code is over 67,000 pages long. It takes taxpayers 6 billion hours and over \$260 billion to comply with current tax laws. That's unacceptable.

Instead of this bill, Congress needs to pass legislation to make filing tax returns simpler and fairer. While more and more Americans are demanding Congress make our tax laws easier to comply with, the Ways and Means Committee has held only one hearing on tax reform since the beginning of last year.

And just as the economy struggles in the face of problems in the housing and the credit markets, rising gas and food prices and an up-take on employment, the House Democrat budget proposes to hit families with the largest tax increase in history.

□ 1700

Instead of reforming the Tax Code and lowering the tax burden, the bill before us ignores both those questions. And while there are some good provisions in it, like I support the provision that no longer requires employees to keep track of the cell phone calls they make on their office cell phones, other measures in the bill make it objectionable.

I reject the majority's attempts to impose new administrative burdens on the use of health savings accounts. Millions of Americans are enrolled in HSAs because they provide consumers with the ability to affordably manage their own health care costs. H.R. 5719 will make it harder for people to save for their own health care.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. REYNOLDS. I yield the gentleman an additional minute.

Mr. CAMP of Michigan. HSAs already have a built-in enforcement mechanism that seeks to ensure HSA funds are spent on qualified medical expenses. If a person spends those dollars on a nonqualified expense, they're subject to individual income taxes and a 10 percent penalty. The IRS also has the right to audit HSA withdrawals.

Americans are concerned about the cost of health care. Before Congress rushes to impose new burdens on HSAs, the one innovation that helps patient-centered, individual health care, helps individuals take control of their health care, we should find out first if there really is a problem, and then, how we can fix it without restricting the ability of consumers to take greater control of their health care decision making.

I urge my colleagues to reject this flawed legislation.

Mr. LEWIS of Georgia. Madam Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER), a member of the Ways and Means Committee.

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

I find no small amount of irony listening to our friends from the other side of the aisle talk about complexity on Tax Day because for the 12 years that they were in charge there was an explosion, hundreds of thousands of additional words added to the IRS code; loopholes and complexity, not simplification.

It is absolute hogwash that there are areas that the IRS won't go after to collect and we have to use private collection agencies. They are the people who decided to underfund the IRS. Testimony before our committee was conclusive: The IRS-trained employees

collect eight times as much per person as these bounty hunters that they contract out. With the minimum of a \$70 million investment, we will raise over \$1.4 billion.

Equally specious is the argument here that we're hearing about HSAs. There are millions of Americans who have benefits, as my good friend from North Dakota pointed out, flexible savings accounts. We have them for our Federal employees. And all they have to do, however, is there is some minimal verification. What they're proposing is that we just ignore it and allow people to use it for car washes and country club memberships and rely on an occasional audit, which is much more difficult because they have cut back on the IRS. That's foolish. It works for millions of Americans with flexible benefit accounts, there's no problem doing it with HSAs.

It is time for us to move forward with these simple, commonsense efforts, steps that make the IRS more effective. More money for the taxpayers prevents inappropriate use of tax exempt money.

Mr. REYNOLDS. Madam Speaker, may I inquire as to how much time is remaining on both sides.

The SPEAKER pro tempore. The gentleman from New York has 15 minutes remaining. The gentleman from Georgia has 19 minutes remaining.

Mr. REYNOLDS. Madam Speaker, I yield myself as much time as I may consume.

Well, I just want to make sure at least the taxpayers from the countryside I come from realize that H.R. 5719, which we're considering, the Taxpayer Assistance and Simplification Act of 2008, really sounds good. It sounds real good on Tax Day, as I open my remarks by saying that taxpayers are in line now or will be until midnight tonight to have a postmarked April 15 date. But we know that this legislation will face a steep consideration of some saying "dead on arrival" in the other body. We've seen the administration have its advisers threaten veto. And yet, while there were so many things that we agreed upon in the Ways and Means Committee, Republicans and Democrats, we have a bill that brings controversy, that brings another one-House bill. It gets tough, as we move towards November of an election year, to explain that we didn't get much done, but boy did we have a lot of action on one-House bills.

I want to just share for the record here on this body what I did in the Ways and Means hearing. Because I think there's two important documents that my colleagues, as this debate goes today, and some of the consideration of what will be difficult on seeing PCAs, as the legislation may come to pass from this body, we will see difficult sledding in the other body, as well as the administration, are two reports.

The Treasury Inspector General for Tax Administration wrote one on March 26, only weeks ago, that had in-

adequate security controls over routers and switches that jeopardize sensitive taxpayer information. It was done by the Inspector General. And I want to just report, because we had it confirmed by representatives of the administration under our examination that this, in fact, has occurred and it's in the report which was submitted to the Ways and Means Committee. And it says, "Impact to the Taxpayer: Because the IRS sends sensitive taxpayer and administrative information across its networks, routers on the networks must have sufficient security controls to deter and detect unauthorized use. Access controls for IRS routers were not adequate, and reviews to monitor security configuration changes were not conducted to identify inappropriate use. A disgruntled employee, contractor or a hacker could reconfigure routers and switches to disrupt computer operations and steal taxpayer information in a number of ways, including diverting information to unauthorized systems."

Madam Speaker, that same very day, on March 26, the same Treasury Inspector General for Tax Administration issued a second report called, "The Private Collection Agencies Adequately Protected Taxpayer Data." And this information also was confirmed under examination as we made inquiries to the administration that confirmed that the reports exist, and they were well aware of these findings as well. And on page 2 of the Inspector General's report it said, "We reviewed the computer security controls over taxpayer data provided to the two current PCAs," or private collection agencies for those maybe not following the debate, "and determined that the controls were adequate. In particular, files were securely transmitted from the IRS to the contractors and adequately secured on the contractor systems. In addition work stations used by contractor collection personnel were adequately controlled to prevent unauthorized copying of taxpayer information to removable media or transfer via e-mail. The contractors also maintained adequate audit trails and performed periodic reviews, including reviews to identify unauthorized access to taxpayer data."

Now, the response from the IRS, contained also on page two of the Treasury Inspector General said, "The key IRS management officials reviewed the report prior to issuance and agreed to the results of the review."

We know that in the operation of PCAs, we are going to see the collection pursuit of \$500 million over that over the next 10 years. And we know that if this legislation prevails, there is going to be a tax increase of \$500 million to pay for this under the majority's PAYGO rules. And so as we continue the debate, make it clearly understood that the pursuit of these PCAs was on proceeds that were not collected, could not be collected, needed to be collected in order to put into the Treasury this money owed by taxpayers to the government. And that as

we look at this legislation, what has brought the controversy to uncontroversial legislation, legislation that both parties could agree to, was the adding of HSA changes and dealing with the PCAs. My colleagues need to consider the type of consequences we're seeing in what will be a misguided change on PCA legislation.

Madam Speaker, I reserve the balance of my time.

Mr. LEWIS of Georgia. Madam Speaker, I am delighted to yield 2 minutes to the gentlewoman from Nevada, my good friend, Congresswoman BERKLEY, a member of the Ways and Means Committee.

Ms. BERKLEY. I want to thank the chairman for recognizing me.

I don't have any long Treasury reports to read to you, and I'm not here to tell you what should have been, what we could have done, should have done, would have done. But I'm here to talk on behalf of H.R. 5719 because there are some important components and provisions of this bill that, when taken together, will make future tax days more fair and less strenuous for the average American taxpayer.

H.R. 5719 contains provisions to ensure that taxpayers receive all the tax benefits they're entitled to. This bill will increase outreach to help taxpayers benefit from the earned income tax credit and find unclaimed refunds, effectively lowering taxes for many Americans. I think this is a good provision.

This bill also prevents the IRS from using private debt collectors to collect Federal income taxes. Private debt collectors have proven to be poorly equipped for the job, actually costing the IRS and taxpayers 37 million more than they have collected. This change is an important move to protect taxpayer privacy. And as a taxpayer and as a citizen, I want the government and the IRS to do its job and not send this responsibility out to someone else.

I'm also very supportive of a provision to postpone implementation of the 3 percent withholding requirement on government payment to vendors. This requirement will cause significant administrative and financial burdens on local governments, unfairly penalizing companies, and raising prices on consumers. I think this is a good provision in this legislation.

The bill also helps protect taxpayers by requiring the IRS to notify individuals if unlawful use of their identity is detected by cracking down on Web sites that try to defraud people through use of the official IRS logo.

The SPEAKER pro tempore. The time of the gentlewoman from Nevada has expired.

Mr. LEWIS of Georgia. I yield the gentlelady 15 seconds.

Ms. BERKLEY. All of these taken together aren't earth-shattering and they're not going to change the way that we collect taxes in this country, but it's going to help, and it's going to help millions of our fellow Americans.

On Tax Day, let's pass something and do something positive for the American people.

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

Mr. LEWIS of Georgia. Madam Speaker, I am delighted to yield 2 minutes to the gentleman from New York, a member of the Ways and Means Committee, my good friend, Mr. CROWLEY.

Mr. CROWLEY. I want to thank my good friend from Georgia (Mr. LEWIS) for yielding me this time.

My colleagues, this is a good bill, and I ask all my colleagues to support this worthy effort.

And Chairman LEWIS, I want to thank you personally, and your staff. You went out of your way to include language that I had concerns of and wanted to include in this bill to increase the access of eligible taxpayers to the EITC, the earned income tax credit. So I want to personally thank you and your staff for your outreach to our office and including that. Ronald Reagan himself referred to the EITC as the greatest anti-poverty program in the history of our country, so I think it deserves worthy bipartisan support.

Madam Speaker, we heard in testimony last week in the Committee on Ways and Means from the Taxpayer Advocate of the United States that identity fraud against taxpayers is skyrocketing. This bill establishes some of the strongest protections for taxpayers against identity theft scams, especially those at greatest risk of fraud, our seniors and veterans filing this year to claim the economic stimulus rebate check. But my colleagues on the other side of the aisle, my Republican colleagues and the Bush Administration, are adamantly opposed to this taxpayer protection act because they're opposed to the offset that we provide.

□ 1715

No one can argue that some of my Republican colleagues philosophically oppose paying for anything and support the continuation of what I believe was 7 years of Republican economic theory of "borrow and spend." And in case you're keeping count, the results of the Republican borrow and spend credit card economic policy is a \$30,000 birth tax on every person born in this country today. In fact, in my own home, it's at \$90,000 because I have an 8-, 7-, and 2-year-old. I can't imagine that they would be very happy if they understood what the birth tax was that was placed upon them by irresponsible and reckless fiscal policies over the last 7 years.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. LEWIS of Georgia. Madam Speaker, I yield an additional minute to the gentleman from New York.

Mr. CROWLEY. Madam Speaker, that's why Democrats are trying to be responsible and we implemented the pay-as-you-go principles, meaning all new tax cuts and new spending increases need to be paid for as we move forward.

In regards to the health savings account, I really don't understand the opposition here. What we're simply asking for is accountability. We know that health savings accounts have been spent for country club membership, massage parlors, women's lingerie shops, casinos and gambling, dating and escort services.

Let's really put this all in perspective. What we're talking about is accountability in health savings accounts. We're not saying they shouldn't be used for health purposes, but they should be held accountable.

People right now, hardworking, honest, faith-loving Americans that want to donate to a charity or to their church with after-tax payments have to account for that charitable contribution before they can take a tax deduction. When it comes to health savings accounts, there is not that requirement. And we're talking about pretax dollars on health savings accounts. There's something wrong here. I wish my Republican colleagues would better understand it. It's simply absurd that they don't support simple accountability.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. LEWIS of Georgia. I yield to the gentleman an additional minute.

Mr. CROWLEY. It is simply absurd to me that my Republican colleagues can't understand that we're simply asking for accountability, that we're not looking to eliminate them, that if they are using it for legitimate health purposes, that's fine.

Now, I did note that the HSA, the Health Savings Account Council, says that the IRS has the authority to audit these accounts. Are they suggesting that the IRS audit every health savings account to make sure that health savings accounts are being used for health reasons? I daresay that the IRS is looking at probably more often than not the charitable contributions that hardworking Americans make and making sure that those are legitimate charities before they're able to deduct them from their taxes.

So what we are looking for is a little balance here in terms of what really are legitimate tax savings purposes in health savings accounts. That's really simply what the Democrats are looking for.

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

I have listened very carefully to my friend and colleague from New York as he sees his views.

I thought maybe I might for the record just outline that I have a copy of a letter that numerous groups sent in opposition to this legislation, primarily due to HSAs, to both Chairman RANGEL and Ranking Member MCCRERY. And it leads off with the NFIB and goes down to the National Taxpayers Union, and it has the U.S. Chamber and it has the Retail Industry

Leaders Association, the National Retail Federation, the National Restaurant Association, the National Association of Manufacturers, and so many others. And I will make it available in case some of my colleagues haven't seen it.

This isn't something Republicans on this side of the aisle just kind of dreamed up that there are problems that make this legislation controversial with HSA legislation or with the PCAs. It's well documented by the experts that are using the program.

I also think, rather than some of my colleagues interpreting what the administration may have for support or rejection of the legislation, maybe I should read into the RECORD exactly what the Statement of Administration Policy is on H.R. 5719 so that we all know what the administration's concerns are.

And for the record: "The administration strongly opposes H.R. 5719, the so-called 'Taxpayer Assistance and Simplification Act of 2008.' The bill includes provisions that would impose new administrative burdens on the trustees of health savings accounts. These new burdens on HSA administrators are unnecessary for efficient tax administration, inconsistent with the flexibility purposely afforded HSAs at their inception, and could undermine efforts by employers, individuals, and insurers to reduce health care costs and improve health outcomes by empowering consumers to take greater control of health care decision making. If H.R. 5719 were presented to the President with these provisions, his senior advisers would recommend he veto the bill.

"Also, the administration strongly opposes provisions of the bill that would repeal the current statutory authorization for the Internal Revenue Service private debt collection program. As of February 2008, over 98,000 cases have been referred to contractors, representing over \$910 million in delinquent accounts. Terminating this program would result in a loss of \$578 million in revenue over the next 10 years, according to Congress' Joint Committee on Taxation. These are tax dollars that are legally owed to the government and are otherwise very unlikely to be collected by the IRS due to workload demands. As noted in previous Statements of Administration Policy, the administration strongly opposes elimination of this program, which is not consistent with the administration's commitment to a balanced approach toward improving taxpayer compliance and collecting outstanding tax liabilities. If H.R. 5719 were presented to the President with these provisions, his senior advisers would recommend that he veto the bill."

That is a Statement of Administration Policy on the record relative to this.

Mr. REYNOLDS. I now would yield to my colleague from New York for a question.

Mr. CROWLEY. Thank you.

Madam Speaker, I note that the gentleman made reference to the fact that the legislation, or at least the interpretation of the administration, that the legislation places onerous responsibilities on the trustees of the HSAs.

Where in the legislation does it say that?

Mr. REYNOLDS. Well, I will ask you to look that up, and at a later time I will yield and you can point it out in my record.

Mr. CROWLEY. Will the gentleman continue to yield?

Mr. REYNOLDS. One more time.

Mr. CROWLEY. I just would point to the record that, in fact, it is not the responsibility of the trustees but of the individual who opens an HSA account that we're placing the burden on, that they prove that the HSA account is for legitimate medical purposes.

Mr. REYNOLDS. Reclaiming my time, Madam Speaker, I thank the gentleman.

I just think it's important we look at this. First, I heard the debate coming from the majority, from the gentleman, that outlined his interpretation of why the administration was opposed to the bill. I listened carefully. I made a decision to read into the RECORD exactly what the administration's policy position was on this so that it was no longer an interpretation from a Member of Congress but exactly in written word what the administration said relative to this bill.

And I think while we're looking at other aspects of this legislation, we do know the following: That the administration is going to veto this legislation, that we also know it has difficult sledding in the other body. And it has in the past because there's a track record, that it appears just with PCA alone, let alone some of the concerns that have been put forth in the letter that I read from earlier on HSAs, that we now have another one-House bill being trumped up and laid out on Tax Day.

And I will say the majority is superb in showmanship. We seem to be able to move legislation to the floor on significant days. Today is tax legislation on Tax Day, April 15.

But I also know that the public is not going to be confused by the fact that while we trump up an extravaganza of legislation on special days, today tax legislation on April 15, that the voters are going to take a real hard look at what really got done, what has gotten through, what was made better for America. And, again, we have another one-House bill that just, sadly, had too much partisanship in it and fell away.

Madam Speaker, I reserve the balance of my time.

Mr. LEWIS of Georgia. Madam Speaker, I would like to note that the NFIB has endorsed and supported H.R. 5719. Passage of H.R. 5719 will be considered a key vote for the NFIB.

Madam Speaker, I would like to yield 2 minutes to the gentleman from New

Jersey (Mr. ROTHMAN), a member of the Appropriations Committee.

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

Mr. ROTHMAN. I thank the chairman for the time.

Madam Speaker, I rise today in strong support of H.R. 5719, the Taxpayer Assistance and Simplification Act of 2008.

Let me tell my colleagues that this bill simply closes a lot of loopholes that were created when my Republican friends controlled this Congress in the majority years ago and it also addresses some of the disastrous Bush administration policies that were adopted by my friends the Republicans when they were in the majority. But they're no longer in the majority this year.

Let me tell you what this is all about. My Republican friends and the Bush administration love to privatize. They wanted to privatize Social Security. Remember that? They wanted to privatize prescription drugs, and they got away with it, and that's why it's so expensive and convoluted. They wanted to privatize health care at Walter Reed Hospital, and you know the disasters that happened there. Trying to privatize the delivery of the United States mail; privatize security in Iraq by letting private contractors handle these things for the U.S. Army. Blackwater and Halliburton, sound familiar?

Well, one of the things that this bill that we're passing today in the House will do will be to eliminate one of the disastrous Bush and Republican policies that they inserted in a 2004 bill. That policy was where they slashed the number of IRS tax collectors, and then they said, oh, my gosh, we can't collect enough taxes; so you know what we'll do? We'll privatize the collection of taxes. This was after they removed the number of IRS tax collectors. They said we'll hire private folks to collect taxes, but we'll pay them eight times more than it would cost a Federal Government employee.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. LEWIS of Georgia. Madam Speaker, I yield the gentleman an additional 1 minute.

Mr. ROTHMAN. I thank the gentleman.

So can you imagine, Madam Speaker, they slashed IRS collectors from people who owed taxes, slashed the tax collectors, and wanted to privatize it and pay eight times more to their friends in private industry to do it. Eight times more. It only took now when the Democrats are in control of the House that we are able now to pass this bill today to end that program.

And when my friend from New York on the other side of the aisle says, well, you know, it's only a one-House bill because the Senate won't approve this, ask yourself why that is. Because there are only 51 Democrat Senators in the Senate, and you need 60 votes in the Senate to overcome a filibuster. We

only have 51 Democrats in the Senate. We can't get 9 Republicans to get rid of this ridiculously wasteful program of privatizing tax collection. So it's like that terrible story of the kid who kills his parents and pleads for mercy from the Court because he's an orphan. They slashed the tax collectors. Then they gave it to their cronies. Now they say they can't get Republicans to help us fix this problem that they created. Fortunately, the House has a majority that will.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. LEWIS of Georgia. Madam Speaker, I yield the gentleman another 30 seconds.

Mr. ROTHMAN. So do you get, my colleagues, the hypocrisy? They slashed the tax collectors, paid eight times more to this private contractor cronies, and then when we get a Democratic majority in the House to pass this to eliminate this wasteful program, they say it won't pass the Senate. Because the Republicans in the Senate won't do it, and we need them to add up to the 60 votes to avoid the Republican filibuster, which they expect to do, to filibuster getting rid of this privatization of tax collection.

I urge the passage of this bill.

Mr. REYNOLDS. Madam Speaker, I think I heard my colleague when he said that Democrats are in the majority in this body, Democrats are in the majority in the other body, but it's the Republicans' fault that this legislation isn't going to happen.

Now, I have explained a lot of tough, challenging things to my constituents, but I don't think they're going to buy that. It's just another one-House bill that is going to the other body and going to see death. It isn't going to see the light of day.

□ 1730

Now, moving to my colleague from New York who asked me the question. I didn't think I could provide the answer to his question quite as soon as I could, and saving him looking it up, because I assume as he went off the floor, he might be looking up this. I want to go back again to the statement of administration policy. The bill includes provisions that would impose new administrative burdens on the trustees of health savings accounts. That is what the administration said in their veto threat.

Now on the bill as reported out of committee by the majority, page 22, line 7, 8 and 9 to my colleagues, says the trustee of the health savings account shall make a report regarding such account to the Secretary and account beneficiary setting forth. So I want everyone to know, including my colleague who asked the question, it is clear in your bill that you set forth that the HSA trustees would have new administrative burdens.

I reserve the balance of my time.

Mr. LEWIS of Georgia. Madam Speaker, I am pleased to yield 2 min-

utes to the gentleman from Georgia, a member of the Financial Services Committee, my friend, Mr. SCOTT.

Mr. SCOTT of Georgia. To my distinguished colleague from Georgia, I want to commend you on your excellent leadership on this very, very important and timely piece of legislation. A lot has been said here today. The two points of contention that the other side has brought have been in two areas. And let me just speak to those directly so that we can get to the facts of the matter.

Now the other side says that they are opposed to the health savings accounts compliance. Now, what we are saying on our side is this: The health savings accounts are set up for the purpose of helping our constituents with health care services. Now if that is the case, then it is very important that we set up a mechanism so that we can check the abuses of that. They are not set up for them to go and to use those accounts for massage parlors, for country clubs, for other issues and areas, and escort services.

So it is important for us to be able to simply do this. The bill simply requires the reporting of a holder of the health service account of any funds used for nonhealth care purposes in order to reduce the tax gap. That's simple.

Now, ladies and gentlemen, the American people are holding on by their fingernails in this terrible economy. And you may laugh and scorn about this being April 15. Of course it is April 15. And it is a day that the American people's minds are totally focused on their personal finances. And it is important that this House of Representatives respond in a way that responds to that interest. And so we are closing the gap.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEWIS of Georgia. Madam Speaker, I am pleased to yield an additional 1 minute to the gentleman from Georgia.

Mr. SCOTT of Georgia. So it is very important. And let me get to the other area very quickly, and that is the area of these private contractors. We have received complaint after complaint after complaint from your constituents and our constituents who have been abused by calls. Let me give you one example of an elderly couple that was called 150 times, Madam Speaker, including five times in one day, asking for a taxpayer. And it comes to find out that they are innocent.

Again, the GAO found out that debt collectors were placing over 1 million calls to innocent people just to reach 35,000 taxpayers. The Federal Trade Commission had 130 complaints as of last year giving unaccountable private tax collectors the right to look into and examine personal financial information of our taxpayers. It is wrong.

Now let me tell you this, that the commissioner of the IRS himself, Mr. Douglas Sherman, has asked for this legislation. Madam Speaker, I just sim-

ply say that if the IRS is asking for this, that they could do a better job, they are the ones who we are holding responsible. We should make sure we pass this legislation and let the IRS do their job of collecting the taxes and not hand it off to these private bounty hunters.

Mr. REYNOLDS. Madam Speaker, may I inquire on the amount of time left, please.

The SPEAKER pro tempore. The distinguished gentleman from New York has 1 minute remaining. The distinguished gentleman from Georgia has 6½ minutes remaining.

Mr. REYNOLDS. I reserve the balance of my time.

Mr. LEWIS of Georgia. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from North Dakota, (Mr. POMEROY), a member of the Ways and Means Committee.

Mr. POMEROY. I thank the chairman for yielding.

I want to begin my remarks by commending the fine job Mr. REYNOLDS has done today. He has indicated that this legislation uniquely affects him because many of the people at the Pioneer Call Center, a private debt collector hired to collect this debt, are in his district. And I think we all recognize he has done a fine job in fighting for that business activity in his district today. He has given it everything he has, and I commend him for the job he has done.

But the reality in the policy context is summed up in a simple headline in today's Washington Post, "Collectors Cost IRS More Than They Raise." Why in the world would we want to continue with an arrangement like that? But there are many other parts of this bill that are simplifying the process and are helpful to taxpayers. And that is why we have the support of the American Institute of Certified Public Accountants, the National Association of State Auditors, Comptrollers and Treasurers, the National League of Cities, U.S. Conference of Mayors, Citizens for Tax Justice, National Consumer League, Consumer Federation of America, and a late-breaking one. In fact, this organization has been mentioned on both lists, the NFIB.

Mr. REYNOLDS has indicated they were opposed to the bill. This is probably a development that broke later than Mr. REYNOLDS' information. But in fact, they are for the bill and indicate in a "key vote alert" that they will be scoring this as a key vote. They indicate that the "provisions in this legislation seek to enact simpler tax rules and reduce the paperwork burden associated with tax compliance."

They talk about a few provisions. One of them is that right now we have an onerous paperwork requirement on employers providing cell phones to employees for business purposes. I commend my Republican colleague on Ways and Means, SAM JOHNSON, for bringing this to our attention. I was pleased to cosponsor legislation with him now included in the bill that

makes this paperwork requirement go away.

The SPEAKER pro tempore. The time of the gentleman from North Dakota has expired.

Mr. LEWIS of Georgia. Madam Speaker, I yield the gentleman an additional 1 minute.

Mr. POMEROY. I thank the gentleman for yielding.

And so including the Pomeroy-Johnson or the Johnson-Pomeroy bill in this I think was an important feature to the NFIB deliberation that this is indeed lessening paperwork requirements on small employers, and therefore they support it. They do cite a couple of other provisions, another provision of this legislation amending a recent change to the Tax Code that helps tax preparers better assist their clients by changing an established higher standard of reporting for preparers. That creates a potential conflict of interest between clients and themselves. That is addressed in this legislation.

And they also talk about the legislation including a 1-year delay of the implementation of the 3 percent withholding requirement by Federal, State and local governments on payments for goods and services which puts both an administrative burden on all parties involved and a strain on the daily operating cash flow of small businesses. There are other provisions, as well, but I appreciate the NFIB's laying them out as they have done on this letter.

In balance, this is a bill designed to help taxpayers. That is why we passed it out of the Ways and Means Committee. That is why it is before us on Tax Day. We urge its adoption.

Mr. REYNOLDS. Madam Speaker, I am prepared to close if the gentleman is. I would proceed and then have you close if you are ready.

Mr. LEWIS of Georgia. Madam Speaker, we are ready to close.

Mr. REYNOLDS. I thank the gentleman from Georgia who has done a magnificent job of managing his time, and I've enjoyed working with him.

Madam Speaker, today represents yet another missed opportunity on the floor of this House. We could have approached the issues of taxpayer rights and tax simplification in a bipartisan way just as we did last year. But with the election season now in full swing, the majority seems more interested in staging political theater than in actually getting something done for hard-working, middle-class taxpayers. This House and this country deserve more, especially on April 15, Tax Day. I urge a "no" vote.

I yield back the balance of my time.

Mr. LEWIS of Georgia. Madam Speaker, I want to thank the gentleman from New York. I enjoyed working with him on this bill. There being no more speakers, I will close, Madam Speaker.

Madam Speaker, H.R. 5719 is good. It is good. It is good for the taxpayers. And today, when so many people are

filing their tax return, we should let them know that we are looking out for them, giving them protections they need and support that they deserve.

This is a good bill. This is a necessary bill.

The private debt collection program is an insult to the American taxpayers and our Federal tax system. It violates the public trust, and this bill will bring it to an end. It must end.

I urge all of my colleagues to support this important bill.

Mr. BRALEY of Iowa. Madam Speaker, today the House considers legislation related to the burdens placed on everyday taxpayers—the Taxpayer Assistance & Simplification Act. This bill includes a number of good provisions, of which I am supportive. However, the bill also includes a provision which would cost Eastern Iowa hundreds of jobs. While there are various, well-thought-out taxpayer protections in this bill, they do not outweigh the negative impact this bill would have on jobs in the First District. For this reason, I intend to oppose H.R. 5719.

Currently, the Internal Revenue Service is allowed to contract with outside agencies for assistance in collecting overdue taxes. After a rigorous competitive bidding process for these contracts, an Eastern Iowa company was fortunate enough to receive one of the contracts, and has been hard at work ever since. While nobody likes to defend the tax man, the fact is, this company employs more than 625 people in Waterloo and another 200 in West Des Moines.

Unfortunately, the bill on the floor today includes a provision that would threaten these Waterloo and West Des Moines jobs. This provision would disallow any future contracts, which could directly result in the loss of hundreds of Iowa jobs. As the Representative of Iowa's First District, I cannot support the elimination of these jobs.

While I intend to vote against this bill due to this provision, I would like to stress my support for other provisions in this bill:

I am supportive of the provision in this bill that requires the IRS to notify taxpayers who may have had their identity stolen. It is unfortunate that the IRS does not already provide this notification, and I believe that protecting the identities of American taxpayers should be a primary goal of government.

I am supportive of the provisions in this bill that strengthen additional protections against identity theft, by increasing the penalties for those who mislead our citizens in order to steal private information. Identity theft is a very serious problem, and I am glad Congress is working to help protect Americans from this growing epidemic.

I am supportive of the provision in this bill that ensures elderly and disabled individuals receiving in-home care are not subject to employment tax provisions. This is a much-needed change that helps protect our senior citizens and disabled citizens.

I am supportive of the provision in this bill to establish a grant program to expand and improve income tax assistance programs to provide services to taxpayers. I am also glad to see that the bill allows IRS employees to refer taxpayers needing assistance with tax cases to taxpayer clinics. As an ardent supporter of tax simplification, this provision ensures help is available to those having trouble

with the very complicated process of filing taxes. Just last night I passed H.R. 3548, the Plain Language in Government Communications Act, out of the House. This bill would greatly simplify income tax forms and documents, but until my bill becomes law, these taxpayer assistance clinics will continue to provide valuable services to taxpayers as tax day approaches.

I am supportive of the provision in this bill that requires the IRS to notify taxpayers if they are potentially eligible for the Earned Income Tax Credit. This is a good tax credit that should be utilized by everyone who qualifies, and I believe the IRS should help make sure that those who are eligible receive the full benefit.

I am supportive of the provision in this bill that looks into the feasibility of providing tax refunds on debit cards. This could create a more convenient process of receiving tax refunds for many taxpayers.

I am supportive of the provision in this bill which delays the requirement that Federal, State, and local governments withhold 3 percent from many government payments for goods or services. This 3 percent withholding is bad for small businesses and creates a bureaucratic mess, and I believe this withholding should be eliminated. I am also a cosponsor of H.R. 1023, which would completely repeal the 3 percent withholding.

I am supportive of the provision in this bill that eliminates the requirement for individuals and small businesses to keep onerous records of calls made on cell phones to substantiate business use of such devices. I have heard from employers in Iowa's First District about the administrative burden that this creates, and I am glad Congress is reducing this burden.

I am supportive of closing the loophole that allows foreign subsidiaries of U.S. companies, performing services as American companies, to avoid paying taxes. This loophole results in a higher tax burden being placed on America's working families, so I am glad this bill takes this action.

Finally, I am supportive of the provision that helps protect against predatory lending by barring the IRS from providing certain services to companies that offer refund anticipation loans, if the IRS determines that the company charges predatory rates.

Again, I believe that many of the provision in the Taxpayer Assistance & Simplification Act will help protect American taxpayers and simplify the process of filing taxes. However, these good parts of the bill do not outweigh the direct, negative impact that the bill would have on jobs in Iowa's First District, which is why I oppose this legislation.

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise today in support of H.R. 5719, "Taxpayer Assistance and Simplification Act of 2008", introduced by my good friend from New York, Representative CHARLES RANGEL.

COST AS COMPARED TO THE WAR IN IRAQ

This bill is estimated to cost \$22 million dollars over the next 10 years. Before my Republican colleagues balk at this number I want to remind them over the past year, the Administration requested a total of \$195.5 billion for FY 2008 emergency war funds at three times—in its original FY 2008 request in February 2008, in an amendment for Mine Resistant Ambush Program (MRAP) vehicles on July 31, 2008, and in an amended request to cover

additional costs submitted on October 22, 2008. Thus far, we have appropriated \$90.4 billion for war-related costs of the Defense Department, State/U.S. Agency for International Development, USAID, and the Veterans' Administration including funds in both regular and emergency appropriations acts. As of the enactment of the FY 2008 Consolidated Appropriations, this brings the total for funds appropriated to date to \$700 billion for the wars in Iraq, Afghanistan and enhanced security.

Let me be clear, we must support our troops and we must defend our Nation, but at a time when this country's economy is spiraling downward, this tax bill will impact Americans regardless of their political affiliation providing assistance at time when they most need it.

SUMMARY OF H.R. 5719

Taxpayer Assistance and Simplification Act of 2008—Amends the Internal Revenue Code to: (1) modify penalty provisions for tax return preparers who take an unreasonable position in the preparation of a tax return causing an underpayment of tax; (2) eliminate certain restrictions on the tax deduction for employee use of cellular telephones; (3) exempt recipients of home care services from liability for employment taxes for payments made to home care service providers; (4) authorize the Secretary of the Treasury to make grants for volunteer income tax assistance programs; (5) require written notice to taxpayers of eligibility for the earned income tax credit; (6) place restrictions on information relating to refund anticipation loans; (7) require the Secretary to notify a taxpayer of any unauthorized use of such taxpayer's identity (suspected identity theft) uncovered during an tax investigation; (8) repeal the authority of the Internal Revenue Service, IRS, to enter into private debt collection contracts; (9) extend the period during which the IRS may return property seized in a wrongful tax levy; and (10) increase penalties for failures to provide correct tax information and to file partnership or S corporation tax returns.

This bill delays until 2012 the 3 percent withholding requirement on government payments to contractors providing goods and services. It also directs the Secretary of the Treasury to conduct a feasibility study on alternative means of delivering tax refunds. H.R. 5719 seeks to expand the prohibitions against the misuse of Department of the Treasury names and symbols to include misuse on an Internet domain address.

PROGRAMS FOR THE BENEFIT OF LOW-INCOME TAXPAYERS

There are parts of this tax bill that help the working poor and our elderly, making this tax bill truly live up to its name of being one of Taxpayer Assistance . . . not just a credit to the top 2 percent of Americans. This bill would authorize an annual \$10 million grant for Volunteer Income Tax Assistance, VITA, programs, increasing the annual aggregate limitation authorized on grants to qualified low-income taxpayer clinics to \$10 million.

This bill would allow IRS employees to refer taxpayers needing assistance with tax cases to qualified low-income taxpayer clinics so they can get the help they need. Many people are struggling with how to manage complicated tax cases when they can barely afford to pay their mortgage. This portion of the bill will alleviate the fear that is sometimes associated with IRS tax cases particularly among people who cannot afford legal counsel.

ELDERLY AND DISABLED INDIVIDUALS RECEIVING IN-HOME CARE

This bill would make the administrators of State and local government programs liable for paying the employment taxes on amounts paid by government programs to in-home care workers provided to elderly and disabled persons. This is yet another provision of the bill that benefits our most vulnerable populations.

CONCLUSION

Madam Speaker, I urge my colleagues on both sides of the aisle to examine this bill in its entirety and recognize that it benefits all Americans. I fully support what Representative RANGEL and the Committee on Ways and Means has done to alleviate some of the burden on taxpayers.

Mr. UDALL of Colorado. Madam Speaker, I rise in support of this very timely and important measure. Its enactment will make a number of worthwhile changes in the current tax laws and the policies of the Internal Revenue Service, IRS.

To protect people against identity theft, it will require the IRS to notify a taxpayer if IRS finds that someone else may have made unauthorized use of the taxpayer's identity.

It will increase both the civil and criminal penalties that can be imposed on those who use misleading websites that imitate to seek to get personal information. This is important because people are losing thousands of dollars in tax refunds to such frauds.

It will strengthen IRS outreach to make sure that people know that they are entitled to tax refunds or to payments under the Earned Income Tax Credit, EITC. It would also permit the IRS to refer these taxpayers to low income tax clinics and increase funding for those clinics, and strengthen taxpayer protections from "predatory" providers of refund anticipation loans. And it clarifies that the IRS can use its website to publicize unclaimed taxpayer refunds.

To help small businesses, the bill will eliminate the outdated requirement to maintain and submit detailed call records to substantiate business use of employer-provided cell phones.

Of great importance to State and local governments—including every county in Colorado—it will delay for one year the imposition of a 3 percent withholding requirement on government payments for goods and services made after December 31, 2010.

Further, to protect all of us, the bill includes the "Fair Share Act," which closes a loophole that now allows government contractors to avoid paying Social Security and Medicare taxes.

An example of how the current law could permit this was recently reported in the press account of how a company operating under Federal contracts for reconstruction work in Iraq has listed the people doing that work as being employees of a subsidiary company based in the Cayman Islands. As a result, while people formally employed by the company with the Federal contract would be subject to the 15.3 percent payroll tax for Social Security and Medicare (half technically paid by the employer, the other half technically paid by employees), that is not the case with people who are counted as working for a foreign company. This is not fair or just. It should not be permissible, and this bill would stop it by closing the loophole.

In addition, the bill would strengthen accountability and protect taxpayers by repealing

the authorization for the Internal Revenue Service to use private contractors to collect Federal income taxes.

Just today, the press is reporting that this program, while perhaps well-intentioned, has cost the government—that is, the taxpayers—some \$37 million more than the total amount of taxes it has collected, while the contractors have collected commissions of up to 24 percent for their efforts. The program has been marked by harassment, abusive calling, and violations of taxpayer rights and disclosure protections. The Government Accountability Office has reported that debt collectors placed over one million calls, many to innocent people, trying to reach 35,000 taxpayers and the Federal Trade Commission reports that as of last year it had received 130 complaints and the National Taxpayer Advocate has counted many more. The House has already twice voted to end this private collection program, and we should do so again today.

Madam Speaker, some have criticized this bill because it includes measures to implement the requirement that taxes be paid on funds withdrawn from a Health Savings account for purposes other than those related to health care. I think the purpose of these provisions is appropriate, but it may be that they could be more finely-tuned in order to achieve that purpose in a better way—something that may occur as the legislative process proceeds. In any event, I am not convinced that whatever shortcomings there may be in that or other parts of the bill are sufficient to outweigh the benefits of the rest of the legislation.

Overall, this is a good bill that will help the taxpayers and our country, and I urge its passage.

Mr. KNOLLENBERG. Madam Speaker, I rise today to express my opposition to H.R. 5719, the Taxpayer Assistance and the Simplification Act of 2008. While this bill has some good provisions, such as the delayed implementation of the 3-percent withholding on Government contracts, the bad provisions simply outweigh the good. Specifically, I am troubled by the section that would alter reporting requirements for Health Savings Account, HSA, owners.

This bill would require individuals using HSAs to provide exhaustive documentation of their medical expenses in order to qualify as a tax-exempt expense. More than 5 million Americans are taking advantage of these accounts, and approximately 25 percent of HSA owners had no health insurance prior to their participation. Currently, every HSA account holder must file specific tax forms to provide details about spending from the account. We must expand this program so we can help families afford healthcare coverage and bring healthcare costs down. Requiring unnecessary and duplicative paperwork is not the right way to accomplish this goal.

HSAs are a very valuable asset to many of my constituents. The manufacturing industry is one of the premier sources of jobs in my district, and most of these manufacturing entities are small in nature. In fact, approximately 93 percent of the more than 1,500 manufacturing firms in my district employ less than 100 people. Employees of these small businesses are the primary beneficiaries of HSAs. In a time when the cost of health care is sharply rising, it is crucial for us to promote the use of innovative health care products such as HSAs, helping families afford the health care they

need. I am concerned that we will inevitably deter these families from utilizing HSAs by adding such draconian reporting requirements for HSA owners. This will ultimately increase the cost of health care for a large number of my constituents who currently take advantage of this valuable product.

It is also worth noting that the best assistance we could provide to taxpayers is to protect them from the largest tax increase in American history. Sadly, many of my colleagues are more interested in dealing with minutia in the Tax Code rather than addressing the looming massive tax hike. Families in my district in Michigan, home of this country's worst economy, simply cannot afford to pay any more in taxes. A tax increase of this size would devastate families struggling with sky-high unemployment, the mortgage crisis, and rising gas prices. It would add insult to injury to ask them to pay more to this Government as well.

A tax increase of this scope would also be devastating for job providers and small businesses. This Congress should be doing everything it can to be helping our economy by creating jobs and encouraging growth. Dramatically raising taxes would do just the opposite.

Madam Speaker, implementing the largest tax increase in American history is a slap in the face to all the families currently struggling to make ends meet. It has been made abundantly clear today who stands with working families and who stands with wasteful Washington spending. I, for one, stand with the hard working men and women of Michigan and across this great land.

Mr. CANTON. Madam Speaker, I rise today to oppose a provision in this bill that will discourage the use of HSAs. HSAs are a new and innovative product in the health insurance field. Their glowing track record promises a tremendous breakthrough in the effort to expand and improve health care. In 3 short years, we have seen these accounts grow to cover 4.4 million people, and will likely reach 6 million when the new numbers come out next month.

For those Americans who need health care most, HSAs are working. Of HSA applicants, 43 percent did not indicate previous insurance when they signed up, and 66 percent of HSA account holders are families with children. HSA users have demonstrated a greater likelihood to seek preventive care, something we have always strived to achieve across the entire health arena. And, one-third of small employers who now offer HSAs did not previously offer insurance.

We need to be looking for bipartisan ways to help people get access to affordable health care, not take it away from them.

Mr. CARSON of Indiana. Madam Speaker, I rise today in strong support of H.R. 5719. It is fitting that we are debating a bill that provides much needed assistance for low and moderate income taxpayers. The Taxpayer Assistance and Simplification Act recognizes the need for enhanced financial literacy for those individuals by authorizing an annual \$10 million grant for the Volunteer Income Tax Assistance programs and increases the authorization levels for grants targeted to qualified low-income taxpayer clinics to \$10 million.

These free taxpayer assistance programs walk these individuals through what can be a daunting tax preparation process and alert them to assistance they may be eligible for.

A provision of particular importance to me and the taxpayers in the 7th Congressional District is a requirement for IRS to notify taxpayers of potential eligibility for the Earned Income Tax Credit for all open tax years and directs the IRS to notify individuals who have not filed a return, but who may be eligible for the credit based on previous return information.

In Indianapolis, there are tens of thousands of individuals who qualify for the credit who do not claim it. This credit assistance is critically needed by many families in my district.

As an advocate for financial literacy I am pleased to lend my support to this legislation that enables organizations to better reach out to those low income individuals who have been hit so hard during this turbulent time in our economy. I thank Chairman RANGEL and my colleagues on the Ways and Means Committee for their hard and thoughtful work on this bill.

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

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

Pursuant to House Resolution 1102, 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. HERGER

Mr. HERGER. Madam Speaker, I have a motion to recommit at the desk.

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

Mr. HERGER. 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. Herger moves to recommit the bill H.R. 5719 to the Committee on Ways and Means with instructions to report the same back promptly with the following amendment:

Add at the end the following new sections:

SEC. 20. DENIAL OF TAX EXEMPT INTEREST WITH RESPECT TO BONDS OF SANCTUARY STATES AND CITIES.

(a) IN GENERAL.—Paragraph (1) of section 103(c) (defining State or local bond) is amended by adding at the end the following new sentence: "Such term shall not include any obligation of a State or political subdivision thereof, if such State or political subdivision has in effect a policy (whether statutory or otherwise) specifying that employees of such State or political subdivision are not required to notify Federal officials of an alien who may be unlawfully present in the United States."

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

SEC. 21. EFFORTS TO ADMINISTER EARNED INCOME TAX CREDIT.

The Secretary of the Treasury shall increase the efforts of the Internal Revenue Service to ensure, to the extent possible, that aliens unlawfully present in the United States are not allowed a credit under section 32 of the Internal Revenue Code of 1986 (relating to earned income).

Mr. HERGER (during the reading). I request unanimous consent that the reading be dispensed with.

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

Mr. LEWIS of Georgia. I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

The Clerk continued to read.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California is recognized for 5 minutes in support of his motion and a Member in opposition to the motion will be recognized for 5 minutes.

The Chair recognizes the gentleman from California.

Mr. HERGER. Madam Speaker, Federal law requires local governments to cooperate with the Department of Homeland Security's Immigration and Customs Enforcement. Local law enforcement authorities may turn over individuals who have been apprehended if the police believe they are not legally present in the United States.

Unfortunately, many local governments flaunt this requirement and openly boast that they refuse to cooperate with the Federal Government in helping to enforce our immigration laws establishing an irresponsible precedent and frustrating our shared goal of having safe and secure borders.

As you know, taxpayers all across the country subsidize local governments through a provision of Federal law that permits States and localities to issue debt that is exempt from Federal taxes.

□ 1745

The motion presents the Members of Congress with a simple question: Is it reasonable to put some strings on this subsidy?

If adopted, the motion would clarify that the Federal tax subsidy does not apply to new debt issued by States or localities that declare themselves by statute or other manner to be a sanctuary city for illegal immigrants. In other words, having self-helped themselves out of helping the Federal Government address the growing burden of illegal immigrants, then they should not expect American taxpayers to subsidize their debt.

Madam Speaker, on April 15, we are reminded again about the many Americans who are playing by the rules, yet still feel the squeeze on their family budgets, particularly at tax time. Isn't it only fair that we ask our city mayors and county boards to do the same?

This brings me to the second piece of our motion to recommit. Many American families benefit from the Earned Income Tax Credit. It has helped millions of low-income families help make ends meet, though its cost to the Treasury is not insubstantial. Studies have often showed that the earned income tax credit is overclaimed by as much as 30 percent. In other words, many of those who receive the benefit are not actually entitled to it.

As the underlying bill includes a provision directing the IRS to conduct outreach to inform individuals that they may be eligible for the earned income tax credit, the motion would add language directing the IRS to improve its efforts to identify individuals who may be ineligible for the EITC on account of their citizenship status.

Madam Speaker, I encourage all of my colleagues to vote for this motion to recommit. While I am greatly concerned about the message sent by the underlying bill that somehow we are going to take away an effective tool to ensure we all pay our fair share of taxes, this motion helps correct that wrong-headed tilt by trying to prevent tax benefits from going to illegal aliens and cities and States who shelter them from our immigration laws.

I urge passage of the motion.

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

Mr. POMEROY. Madam Speaker, I rise in opposition to the motion to recommit.

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

Mr. POMEROY. Madam Speaker, we have just obtained the motion in terms of trying to sort through the tax provisions, with an eye, among other things, to wondering whether or not people holding bonds of municipalities could suddenly find themselves with taxes they didn't think they were going to have when they bought these bonds.

Trying to work our way through these, one word jumped out on this motion to recommit that really has shut down all further analysis by us, and that is the word "promptly," because this is yet another one of those motions to recommit that is designed for one purpose and one purpose only, and that is to kill the bill they are trying to attach it to. That is because this would take the Taxpayer Assistance and Simplification Act that we want to pass than April 15th and pack it off back to the Ways and Means Committee, dispensing any possibility of passing it off the floor today. It is a procedural move by the minority to try and stop us from moving forward with this legislation.

What is unfortunate about that is there are taxpayers that are going to be benefited, benefited substantially, by this legislation, small businesses that right now are subject to IRS audit exposure if they are not keeping detailed call records on cell phones that they give their employees. We want to take this relief away through this motion to recommit? I don't think so.

We go through so many positive, taxpayer-friendly provisions in this bill, provisions that have received the support of so many diverse organizations, from the League of Cities, Association of Mayors, NFIB and Consumers Federation of America, it would take that and take it off the table today, preventing the House from moving this forward.

Now, you think, why? What is the motive behind a motion like this? Why would they not want this taxpayer bill to move forward? Well, my friends, you can find it on the front page of today's Washington Post. Basically, they are trying everything they can to preserve private bill collectors hired by the IRS to chase after taxpayers.

So here on Tax Day, April 15th, we are trying to stop private bill collectors from going after taxpayers on behalf of the IRS, an endeavor that has cost taxpayers millions and brought in not enough by any measure to cover the cost; a forgone revenue opportunity of \$81 million, testified by the Taxpayer Advocate, if we simply took the money we sent to these private contractors and hired employees to go ahead and collect that debt. But they are so completely convinced that they have got to pull every trick out of their hat to try and stop our efforts to rein in these private bill collectors that they brought this motion to recommit.

I would yield such time as I have remaining to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I thank the gentleman.

I perused the motion to recommit by Mr. HERGER. I think it is interesting, the other side has pointed out we have chosen today, Tax Day, to bring this bill to the floor. It is also interesting they take this motion to recommit the same day that the Pope has arrived here in the United States, who is with the President right now at the White House; the same Pope who has decried the xenophobic nature of some of the legislation that has been coming out of this House by the other side of the aisle.

I think it is interesting to note that no illegal aliens will be hurt by this motion to recommit. In fact, it will be the elderly woman who relies upon her opportunities to buy these bonds for their income later in life. I would also point out it is quite possible that New York State and California, the States of two of the gentleman here today, could potentially be hurt by this motion to recommit.

I think it is foolhardy. It obviously is an attempt to kill the bill by requiring it be promptly reported back to committee, and therefore the attempt is clear, once again to use anti-immigrant rhetoric to kill the bill and to use "promptly" to kill the bill.

I urge my colleagues to reject this motion to recommit and to vote for the underlying legislation.

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

PARLIAMENTARY INQUIRY

Mr. PRICE of Georgia. Madam Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Will the gentleman please state his parliamentary inquiry.

Mr. PRICE of Georgia. Madam Speaker, isn't it true the Chair has

ruled multiple times on the fact that a bill reported promptly out of the House may return to the House floor at the discretion of the committee, and the fact that the Ways and Means Committee brought this to the floor, it could easily do so within a relatively short period of time, a matter of days?

The SPEAKER pro tempore. As the Chair reaffirmed on November 15, 2007, at some subsequent time, the committee could meet and report the bill back to the House.

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 yeas appeared to have it.

Mr. HERGER. Madam 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 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of the bill, if ordered; and suspension of the rules with respect to H.R. 5517.

The vote was taken by electronic device, and there were—yeas 210, nays 210, not voting 12, as follows:

[Roll No. 189]

YEAS—210

Aderholt	Crenshaw	Hill
Akin	Cubin	Hobson
Alexander	Davis (KY)	Hoekstra
Altmire	Davis, David	Hulshof
Bachmann	Davis, Tom	Hunter
Bachus	Deal (GA)	Inglis (SC)
Barrett (SC)	Dent	Issa
Barrow	Donnelly	Johnson (IL)
Bartlett (MD)	Doolittle	Johnson, Sam
Barton (TX)	Drake	Jones (NC)
Bean	Dreier	Jordan
Biggert	Duncan	Kanjorski
Bilbray	Ehlers	Keller
Bilirakis	Ellsworth	King (IA)
Bishop (UT)	Emerson	King (NY)
Blackburn	English (PA)	Kingston
Blunt	Everett	Kirk
Boehner	Fallin	Kline (MN)
Bonner	Feeney	Knollenberg
Bono Mack	Ferguson	Kuhl (NY)
Boozman	Flake	LaHood
Boren	Forbes	Lamborn
Boustany	Fortenberry	Lampson
Brady (TX)	Fossella	Latham
Brown (GA)	Foster	LaTourrette
Brown (SC)	Fox	Latta
Brown-Waite,	Franks (AZ)	Lewis (CA)
Ginny	Frelinghuysen	Lewis (KY)
Buchanan	Gallely	Linder
Burgess	Garrett (NJ)	LoBiondo
Burton (IN)	Gerlach	Lucas
Buyer	Giffords	Lungren, Daniel
Calvert	Gilchrest	E.
Camp (MI)	Gillibrand	Mahoney (FL)
Campbell (CA)	Gingrey	Manzullo
Cannon	Goode	Marchant
Cantor	Goodlatte	Marshall
Capito	Granger	Matheson
Carney	Graves	McCarthy (CA)
Carter	Hall (TX)	McCaul (TX)
Castle	Hastings (WA)	McCotter
Chabot	Hayes	McCrery
Coble	Heller	McHenry
Cole (OK)	Hensarling	McHugh
Conaway	Herger	McIntyre

McKeon	Putnam	Smith (NJ)
McMorris	Ramstad	Smith (TX)
Rodgers	Regula	Souder
Mica	Rehberg	Space
Miller (FL)	Reichert	Stearns
Miller (MI)	Renzi	Sullivan
Miller, Gary	Reynolds	Tancred
Mitchell	Rogers (AL)	Terry
Moran (KS)	Rogers (KY)	Thornberry
Murphy, Patrick	Rogers (MI)	Tiahrt
Murphy, Tim	Rohrabacher	Tiberi
Musgrave	Roskam	Turner
Myrick	Royce	Upton
Neugebauer	Ryan (WI)	Walberg
Nunes	Sali	Walden (OR)
Paul	Saxton	Walsh (NY)
Pearce	Schmidt	Wamp
Pence	Sensenbrenner	Weldon (FL)
Petri	Sessions	Weller
Pickering	Shadegg	Westmoreland
Pitts	Shays	Whitfield (KY)
Platts	Shimkus	Wilson (SC)
Poe	Shuler	Wittman (VA)
Porter	Shuster	Wolf
Price (GA)	Simpson	Young (AK)
Pryce (OH)	Smith (NE)	Young (FL)

NAYS—210

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

NOT VOTING—12

Culberson	Honda	Radanovich
Cummings	Mack	Richardson
Delahunt	Pallone	Rush
Gohmert	Peterson (PA)	Wilson (NM)

□ 1821

Ms. ESHOO, Messrs. ALLEN, BRADY of Pennsylvania, NADLER and Mrs. DAVIS of California changed their vote from “yea” to “nay.”

Messrs. BURGESS, SOUDER and TERRY changed their vote from “nay” to “yea.”

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRIES

Mr. WESTMORELAND. Madam Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may state his parliamentary inquiry.

Mr. WESTMORELAND. Madam Speaker, is it not true that you are the deliberator and the decider of rules in this House?

The SPEAKER pro tempore. The Chair rules on questions of order. Does the gentleman have a parliamentary inquiry?

Mr. WESTMORELAND. Madam Speaker, further parliamentary inquiry. Is it not the job of the Speaker to interpret the rules of this House?

The SPEAKER pro tempore. Does the gentleman have an inquiry to state? Would the gentleman please state that inquiry.

Mr. WESTMORELAND. Madam Speaker, is it not true that under rule XX of this House, that it says that no votes will be kept open to change the outcome of that vote; is that true?

The SPEAKER pro tempore. As the Chair advised on March 11, 2008, a challenge to the Chair's actions under clause 2 of rule XX may be raised collaterally.

Mr. WESTMORELAND. Madam Speaker, further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may state his inquiry.

Mr. WESTMORELAND. Madam Speaker, as a parliamentary inquiry, and I beg your pardon, but I don't believe this is a hard question to answer.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. WESTMORELAND. The parliamentary inquiry, Madam Speaker, is this: Is the Speaker the deliberator and the decider if the rules of this House are being followed?

The SPEAKER pro tempore. The Chair rules on questions of order.

Mr. WESTMORELAND. Ma'am, I don't know how else to put it other than maybe a point of order.

The SPEAKER pro tempore. The gentleman may state his point of order.

Mr. WESTMORELAND. The point of order is: Is the Speaker of this House the deliberator and the decider if the rules of this House are being followed?

The SPEAKER pro tempore. The Chair has recognized the gentleman for

a point of order. Would the gentleman please state his point of order.

Mr. WESTMORELAND. The point of order is: Is it the Chair's responsibility to rule on a point of order?

The SPEAKER pro tempore. The gentleman has stated a parliamentary inquiry. The Chair does rule on points of order.

Mr. WESTMORELAND. Madam Speaker, I make a point of order that the electronic vote just completed violated clause 2(a) of rule XX which provides in part “a recorded vote by electronic device shall not be held open for the sole purpose of reversing the outcome of such vote.”

The SPEAKER pro tempore. As the Chair advised on March 11, 2008, a challenge to the Chair's actions under clause 2 of rule XX may be raised collaterally.

Mr. WESTMORELAND. Madam, I am raising that point.

The SPEAKER pro tempore. The Chair has just ruled.

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. REYNOLDS. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 238, noes 179, not voting 14, as follows:

[Roll No. 190]

AYES—238

Abercrombie	Courtney	Harman
Ackerman	Cramer	Hastings (FL)
Allen	Crowley	Hereth Sandlin
Altmire	Cuellar	Higgins
Andrews	Cummings	Hill
Arcuri	Davis (AL)	Hinche
Baca	Davis (CA)	Hinojosa
Baird	Davis (IL)	Hirono
Baldwin	Davis, Lincoln	Hodes
Barrow	Davis, Tom	Holden
Bean	DeFazio	Holt
Becerra	DeGette	Hooley
Berkley	DeLauro	Hoyer
Berman	Diaz-Balart, L.	Inslee
Berry	Diaz-Balart, M.	Israel
Bishop (GA)	Dicks	Jackson (IL)
Bishop (NY)	Dingell	Jackson-Lee
Blumenauer	Doggett	(TX)
Boren	Donnelly	Jefferson
Boswell	Doyle	Johnson (GA)
Boucher	Edwards	Jones (OH)
Boyd (FL)	Ellison	Kagen
Boyd (KS)	Ellsworth	Kanjorski
Brady (PA)	Emanuel	Kaptur
Brown, Corrine	Engel	Kennedy
Butterfield	Eshoo	Kildee
Capito	Etheridge	Kilpatrick
Capps	Farr	Kind
Capuano	Fattah	Klein (FL)
Cardoza	Feeney	Kucinich
Carnahan	Filner	Lampson
Carney	Foster	Langevin
Carson	Frank (MA)	Larsen (WA)
Castor	Giffords	Larson (CT)
Chandler	Gilchrest	LaTourette
Clarke	Gillibrand	Lee
Clay	Gonzalez	Levin
Cleaver	Gordon	Lewis (GA)
Clyburn	Green, Al	Lipinski
Cohen	Green, Gene	LoBiondo
Conyers	Grijalva	Loeb sack
Cooper	Gutierrez	Lofgren, Zoe
Costa	Hall (NY)	Lowey
Costello	Hare	Lynch

Mahoney (FL)
Maloney (NY)
Markey
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
Pascrell

NOES—179

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Braley (IA)
Broun (GA)
Brown (SC)
Brown-Waite,
Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Davis (KY)
Davis, David
Deal (GA)
Dent
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Ferguson
Flake
Forbes
Fortenberry

Pastor
Payne
Perlmutter
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
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 (NJ)
Smith (WA)
Snyder
Solis

Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

Westmoreland
Whitfield (KY)

Culberson
Delahunt
Gohmert
Honda
Johnson, E. B.

Wilson (SC)
Wittman (VA)

Mack
Pallone
Paul
Peterson (MN)
Peterson (PA)

Young (AK)
Young (FL)

Radanovich
Richardson
Rush
Wilson (NM)

Hall (NY)
Hall (TX)
Hare
Harman
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseht Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Loeback
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel
E.
Lynch
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Marshall
Matheson
Matsui
McCarthy (CA)

McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMorris
Rodgers
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Nunes
Oberstar
Obey
Olver
Ortiz
Pascrell
Pastor
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Petri
Pickering
Pitts
Platts
Upton
Poe
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Rahall
Ramstad
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Salazar
Sali

Sánchez, Linda
T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Tsongas
Petri
Pickering
Pitts
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman
Schultz
Waters
Watson
Watt
Waxman
Weiner
Rodriguez
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield (KY)
Wilson (OH)
Wilson (SC)
Wittman (VA)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—14

□ 1833

Mr. CRENSHAW changed his vote from “aye” to “no.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TEXAS MILITARY VETERANS POST OFFICE

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill, H.R. 5517, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. DAVIS) that the House suspend the rules and pass the bill, H.R. 5517.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 413, nays 0, not voting 18, as follows:

[Roll No. 191]

YEAS—413

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baird
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Bartlett (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Broun (GA)
Brown (GA)
Brown (SC)
Brown, Corrine
Brown-Waite,
Ginny
Buchanan

Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Capuano
Carnahan
Carney
Carson
Carter
Castle
Caster
Chabot
Clarke
Clay
Clever
Clyburn
Coble
Cohen
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.

Dingell
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Fallin
Farr
Fattah
Feeney
Ferguson
Filmer
Flake
Forbes
Fortenberry
Fossella
Foster
Foxy
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez

Cardoza
Chandler
Courtney
Culberson
Delahunt
Dicks

NOT VOTING—18

Gohmert
Honda
Linder
Mack
Pallone
Paul
Peterson (PA)
Radanovich
Rangel
Richardson
Rush
Wilson (NM)