

economic development if that state or local government receives federal economic development funds, and prohibits the federal government from exercising eminent domain powers for economic development purposes.

While it has not received much attention or debate in the full House of Representatives, my colleagues on the Committee on Financial Services and I have become increasingly concerned about a new proposed use of eminent domain which would be incredibly destructive to our housing markets and to Main Street investors alike.

Dozens of communities across the country are considering a vulture fund-developed investment scheme by which the municipality's eminent domain power is used to acquire underwater—but otherwise performing—mortgage loans held by private-label mortgage-backed securities and then refinance those loans through programs administered by the Federal Housing Administration (FHA).

Our housing finance system depends on private capital to take risk, make loans, purchase mortgage-backed securities, and help millions of Americans fulfill the dream of homeownership. What this eminent domain scheme considers would be incredibly destructive to the finance of homeownership and would do little more than help a few homeowners who can already afford their mortgage and line the pockets of the investors who developed this proposal. Who would invest in a mortgage knowing that their investment could be stolen just a few months or years later? Ironically, this new risk to the housing finance system would freeze the return of private capital to our markets at a time when many in Congress are looking for ways to increase the role of the private sector and decrease the federal government's footprint.

Using eminent domain in this manner will hurt Main Street investors the most. Those investors and pensioners may be invested in mortgages sitting in communities considering this plan—like Richmond, California—and not even know it. They are the ones who will suffer the most from this particular form of eminent domain.

Mr. SENSENBRENNER's legislation shines a spotlight on the abusive uses of eminent domain, including this investment scheme, and I am proud to support the bill. I believe this legislation may have the effect of defeating such a scheme. In addition, I support Chairman HENSARLING's efforts to directly target and defeat this use of eminent domain, and I look forward to future opportunities to ensure the protection of private property and the security of our housing finance system.

Mr. CAMPBELL. Mr. Speaker, I rise in support of H.R. 1944, the Private Property Rights Protection Act of 2013. Unfortunately, I was delayed in returning to Washington and, regrettably, but want to take this opportunity to note its importance.

When we hear the words "eminent domain," we often visualize the government taking a

home, an office building, or a piece of land, often for a highway or some other public infrastructure. But my colleague Mr. SENSENBRENNER articulated well in his remarks that the powers of eminent domain are sometimes used for very different purposes.

One abuse of eminent domain that I have long been publicly against is the use of eminent domain to seize mortgage notes from investors, using the courts to unilaterally restructure the terms of those loans before selling them to other investors. In this scheme, some private investors have their investments seized and incur losses while other private investors benefit. Many of the investors who will incur losses are the savers and retirees who own them through their 401(k), IRA, or pension accounts. But ultimately, this is a blatant abrogation of private property rights and undermines longstanding contract law. As a response, I have introduced H.R. 2733, which prohibits Fannie Mae, Freddie Mac, and the Federal Housing Administration from making, purchasing, or guaranteeing loans in areas where eminent domain is being used to seize mortgage notes. This legislation is also included in the Protecting American Taxpayers and Homeowners (PATH) Act.

I believe that property rights, whether real property or the financial instruments that finance them, should be protected. Doing so will give certainty to the housing finance system, which is necessary to transition from a system dominated by government-guaranteed mortgages to one based on private capital.

The Private Property Rights Protection Act of 2013 is not the only legislation to address the issue of abusive eminent domain practices. Section 407 of the Consolidated Appropriation Act of 2014, Pub. L. No. 113–76, prohibits the expenditure of federal funds to support activities that utilize eminent domain powers, unless it's exclusively for a public purpose. The schemes being considered call for the Federal Housing Administration (FHA) to guarantee the seized and restructured mortgage loans. Given that some private investors and their paid intermediaries stand to benefit, it is apparent that FHA is unable to participate in these restructuring programs, so long as eminent domain powers are used. With this provision signed into law just last month, Congress and the President have already begun to define the limits of acceptable usage of eminent domain.

I thank Mr. SENSENBRENNER for his important work on this issue.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 1944.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

TAXPAYER TRANSPARENCY AND EFFICIENT AUDIT ACT

Mr. ROSKAM. Mr. Speaker, I move to suspend the rules and pass the bill

(H.R. 2530) to improve transparency and efficiency with respect to audits and communications between taxpayers and the Internal Revenue Service, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2530

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Transparency and Efficient Audit Act".

SEC. 2. DEADLINE FOR RESPONSES TO TAXPAYER CORRESPONDENCE.

Not later than 30 days after receiving any written correspondence from a taxpayer, the Internal Revenue Service shall provide a substantive written response. For purposes of the preceding sentence, an acknowledgment letter shall not be treated as a substantive response.

SEC. 3. TAXPAYER NOTIFICATION OF DISCLOSURES BY IRS OF TAXPAYER INFORMATION.

(a) IN GENERAL.—Not later than 30 days after disclosing any taxpayer information to any agency or instrumentality of Federal, State, or local government, the Internal Revenue Service shall provide a written notification to the taxpayer describing—

- (1) the information disclosed,
- (2) to whom it was disclosed, and
- (3) the date of disclosure.

(b) EXCEPTION.—Subsection (a) shall not apply if the Secretary of the Treasury, or the Secretary's designee, determines that such notification would be detrimental to an ongoing criminal investigation or pose a risk to national security.

SEC. 4. DEADLINE FOR CONCLUSION OF AUDITS OF INDIVIDUAL TAXPAYERS.

If any audit of a tax return of an individual by the Internal Revenue Service is not concluded before the end of the 1-year period beginning on the date of the initiation of such audit, the Internal Revenue Service shall provide the taxpayer a written letter explaining why such audit has taken more than 1 year to complete.

SEC. 5. NO ADDITIONAL FUNDS AUTHORIZED.

No additional funds are authorized to carry out the requirements of this Act. Such requirements shall be carried out using amounts otherwise authorized or appropriated.

The SPEAKER pro tempore (Mr. BENTIVOLIO). Pursuant to the rule, the gentleman from Illinois (Mr. ROSKAM) and the gentleman from Illinois (Mr. DANNY K. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ROSKAM).

GENERAL LEAVE

Mr. ROSKAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill under consideration.

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

There was no objection.

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

H.R. 2530, the Taxpayer Transparency and Efficient Audit Act, is a direct response to testimony and inquiries and news reports that the Ways and Means

Committee and other interested Members of Congress have heard about as it relates to the IRS scandal.

Part of the difficulty that American taxpayers have, Mr. Speaker, is that they feel that they are basically on their heels, that the Internal Revenue Service has all the power and has all the inertia and has all the momentum; and if you are a taxpayer and the IRS is coming after you, you feel as if, look, this is a one-way street, and they are able to target, and they are able to focus, and they are able to keep all this momentum and have us on our heels.

This is an effort to correct this problem. Every time the IRS shares a taxpayer's information, the IRS, under this bill, must send a disclosure letter to the taxpayer within 30 days of the disclosure, except in cases where it would be detrimental to an ongoing criminal investigation or to national security.

□ 1700

Whenever the IRS receives correspondence from a taxpayer, the IRS must substantively respond within 30 days, and the response can't simply be a pat on the head and an acknowledgment letter but a substantive reply. Finally, the bill creates the goal that audits should be completed within 1 year. If not, the IRS must send an explanation to the taxpayer as to why it took too long.

In a nutshell, Mr. Speaker, what we are trying to do is to put the IRS on notice that they have got an obligation to operate within certain timeframes, which is a 30-day substantive response; to finish an audit in a year and, if you can't finish it in a year, have a good explanation as to why; and then also to make sure that, if information is being disclosed to someone outside the IRS—again, outside the context of a criminal investigation or of a national security incident—the IRS has to disclose that to the taxpayer.

Now, you might be thinking, Wow, what in the world? That is against the law already, and this information shouldn't be shared outside the Internal Revenue Service. You would be right in thinking that.

The problem is we heard testimony—and it was very compelling testimony, Mr. Speaker—from a witness down in Texas, who described this experience. Her name was Catherine Engelbrecht, and she was the founder of an organization called True the Vote. This is somebody who decided to participate in public life, who decided to get organized and have a group. Lo and behold, over a period of time, once she decided that she was going to petition the Federal Government for status for her group True the Vote to be involved in election issues and ballot integrity issues, all of a sudden, she finds herself the subject of a great deal of interest from other elements of the Federal Government that have nothing to do with the tax inquiry. According to my information, she had 15 different visits from four different Federal agencies.

We may never get to the bottom of where it came from—where the leak took place—what was the theory behind it and how all of that came to pass, but we know this: we know that we can do something about it. We know that we can put limitations on the Internal Revenue Service that create a duty and an obligation and a legal sanction around which the IRS has to operate that says you cannot disclose this information and that, if this information is disclosed, you have a duty to let the taxpayer know.

Clearly, what we are trying to do with this legislation is to limit the Internal Revenue Service, not from collecting taxes, not from enforcing the law, not from doing the things that they are tasked and created by this body to do, but, instead, to do it in a limited fashion, to be wise, not to be abusive, not to be lording power over taxpayers. When it all comes down to it, let's not forget this: we have a system of taxation that is based on—what? It is based on voluntary compliance. The Federal Government does not have the ability to go about and do all of this enforcement. So a voluntary tax compliance system is presumed.

What does that mean?

That means that the taxpayer has to have confidence that the tax-paying institution, itself, has integrity. As we know, that integrity is seriously in question, so I urge the favorable consideration of H.R. 2530.

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

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to join my colleague from Illinois in the discussion and debate of H.R. 2530, the Taxpayer Transparency and Efficient Audit Act.

Since 2010, the Internal Revenue Service's total budget has declined by 8 percent. This may not sound like much except that the number of individual tax returns has gone up by 11 percent, and the number of business tax returns has gone up by 23 percent. What happens when you combine a larger workload with fewer employees? You get more unanswered mail, more unreturned phone calls, and the closing of taxpayer assistance centers around the country.

I recently had the pleasure of welcoming the new Internal Revenue Service Commissioner, John Koskinen, to the Ways and Means Committee. He painted a very bleak picture of the challenges the agency is facing.

Over the same 4-year period that the Internal Revenue Service's budget has been slashed, the number of phone calls the agency receives has gone up by 40 percent. Over 100 million calls were placed by taxpayers to the Internal Revenue Service last year, and nearly 20 million of those calls went unanswered because the IRS did not have enough employees to answer them.

The Internal Revenue Service's ability to process taxpayer correspondence

has taken a similar hit. The IRS tries to respond to taxpayer correspondence within 45 days. During the final week of fiscal year 2013, the IRS was unable to process 53 percent of its letters within the 45-day timeframe, and the open inventory of unanswered letters stood at 1.1 million.

Mr. Speaker, the bill before us requires the Internal Revenue Service to provide written responses to taxpayers within 30 days. That is simply an impossibility given the current funding levels. The Republicans can't have it both ways.

You can't both complain about the IRS' not answering its mail within 30 days and then demand that its budget be cut at the same time.

Of course, the Internal Revenue Service would have more resources to spend on taxpayers if they were not wasting time and money responding to the Republicans' infinite document request. According to the latest letter from the Internal Revenue Service, dated February 7, 2014, over 150 IRS personnel have worked for a total of more than 79,000 hours to respond to ongoing congressional investigations. They have produced more than a half a million pages of documents, have had more than 60 transcribed interviews taken of IRS employees, and have answered questions at 14 congressional hearings.

Enough is enough. It is time for the Internal Revenue Service to get back to its primary mission of administering taxpayer services.

Mr. Speaker, I am also concerned about the provision in the bill that calls for audits to be completed within 1 year. This will create an incentive for criminals to try and delay any audit or investigation by the Internal Revenue Service to try and "run out the clock" so that they can avoid their taxes. We would not say that if you can avoid a criminal investigation for 1 year that your crime will be forgiven. So why would we say that for cheating on your taxes? Our constituents expect us to provide a level playing field when it comes to the Tax Code, and the Republicans should not tilt that playing field towards tax cheats in the pursuit of their November preelection strategy.

Finally, Mr. Speaker, I am concerned that all of this legislation designed to hurt the Internal Revenue Service instead places the burden most directly on the elderly, the poor, and the disabled. They are the ones who are most likely to need the services from the Internal Revenue Service that they can no longer find. This is not just a problem for the Internal Revenue Service or for taxpayers but also for this Congress. When our constituents cannot get the help they need and deserve from a Federal agency, they turn to us. It is not just the Commissioner who has called for more resources but also the IRS Oversight Board, the Taxpayer Advocate, and the Treasury inspector general.

I am hopeful that this Congress will listen. These are our constituents who need us.

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

Mr. ROSKAM. I yield myself such time as I may consume.

Mr. Speaker, we are accused now of wanting to have it both ways. I suppose we are guilty as charged. We have an expectation that the Internal Revenue Service is going to work well with the resources that they have been appropriated and be able to be responsive to inquiries, but it is an important distinction because we are saying that the IRS has to respond at the same level at which they demand responses from the taxpayer.

So, when you get a letter at home from the Internal Revenue Service, there is nobody who is cavalier about that. What happens? You look at that. My constituents look at that. The business owners in my district—the small businesses in my district—look at something from the Internal Revenue Service, and they say, Stop the presses. Wow, we have got to stop everything. The IRS is coming in, and we have got to deal with this. Get on top of it.

Yet we are told that the Internal Revenue Service cannot be held to that same standard, to that same level of responsiveness that the IRS demands from American citizens—demands with the ability to fine, demands with the ability to imprison if necessary, demands with the ability to take your property away through the force of liens.

I think the IRS can handle it. I think the IRS is now recognizing, hey, there is something that is going on, and the American public is recognizing that what has actually happened is that they have delegated a great deal of authority to the Internal Revenue Service. With the way our Founders created our system, Mr. Speaker, now these citizens are saying, We want to reclaim the authority. Why? Because the authority has been abused.

You are going to be limited, Internal Revenue Service, based on this legislation and other legislation because you abused this.

This is not about the poor. This is not about the elderly. This is not about the disabled. Those arguments are not very persuasive. This is about the limitation of the long arm of the Federal Government being able to hold you to account and my constituents to account to a standard that they are unwilling to live by themselves. That is just wrong.

So do we want it both ways? Yes, we do. We want the Internal Revenue Service to be wise with the money that has been allocated to them, and we want them to be forthcoming and helpful when it comes to responding in the same way to which they have been responded.

Now, my distinguished colleague from Illinois has mentioned the consternation and hand-wringing that has come upon the Internal Revenue Service. Here is a fairly simple remedy, Mr. Speaker:

The Internal Revenue Service can be forthcoming. They can say, Here is the information, to the chairman of the Ways and Means Committee, that you have requested. The chairman of the Ways and Means Committee has requested documentation, particularly about Lois Lerner, who is at the heart of this investigation.

Has the Internal Revenue Service been forthcoming to give Lois Lerner's emails? The answer is "no." It is difficult. It is one excuse after another. "We are looking." "We are searching." It is all of these sorts of "the dog ate my homework" responses.

Here is the simple remedy:

If it has taken too much time, if it is that big of a problem, if it is taking all of this energy that they want to devote to helping taxpayers that, instead, they are spending devoting to defending themselves in an investigation, save a lot of time—print out the emails, and send them to Chairman DAVE CAMP. That is how they can save time, and that is how they can save money.

By golly, we have got to get to a point where this agency is under control and is doing the right thing by those who have entrusted them with a great deal of authority.

I reserve the balance of my time.

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, I have no further requests for time and am prepared to close. I will end with just two things.

I certainly appreciate the instructions as well as the passion from my colleague from Illinois, and I want every agency of our government to be as efficient as it possibly can and should be.

One of the things that we have learned is that you can't get blood out of a turnip.

□ 1715

You can squeeze it; you can tease it; you can do everything to it that you want to, but it will still end up being blood.

The other thing that I will end with is this month we celebrate African American History Month. I am reminded of something that Frederick Douglass said:

In this world, we may not get everything that we pay for, but we most certainly must pay for everything that we get.

I maintain that we must have the adequate resources that are needed for employees to do their jobs in a timely and efficient manner. And so I appreciate the comments of my colleague. I appreciate his passion.

I yield back the balance of my time.

Mr. ROSKAM. Mr. Speaker, I want to thank my colleague from Illinois (Mr. DANNY K. DAVIS) for his willingness to come and debate this issue. I appreciate his admonition about Frederick Douglass and that whole notion that we need to pay for what we get, and I think that that is a good word on which to end.

In other words, the American public has an expectation that they are going

to get something, and they are paying for it. They are paying for it in taxes that, in some cases, are confiscatory—a very, very high tax burden—and they are voluntarily complying with the Tax Code. And toward that end, they have the expectation that they are going to be treated courteously, that they are going to be treated with respect, and that they are not going to be subsequently targeted by some other Federal agency completely unrelated to their inquiring.

So I urge the passage of H.R. 2530, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ROSKAM) that the House suspend the rules and pass the bill, H.R. 2530, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROTECTING TAXPAYERS FROM INTRUSIVE IRS REQUESTS ACT

Mr. ROSKAM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2531) to prohibit the Internal Revenue Service from asking taxpayers questions regarding religious, political, or social beliefs.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2531

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Protecting Taxpayers from Intrusive IRS Requests Act".

SEC. 2. PROHIBITION ON QUESTIONS REGARDING RELIGIOUS, POLITICAL, OR SOCIAL BELIEFS.

(a) IN GENERAL.—The Internal Revenue Service shall not ask any taxpayer any question regarding religious, political, or social beliefs.

(b) SENSE OF CONGRESS REGARDING EXCEPTIONS.—It is the sense of Congress that—

(1) any exceptions to subsection (a) which are provided by later enacted provisions of law should identify the specific questions which are authorized, the class of taxpayers to which such questions are authorized to be asked, and the circumstances under which such questions are authorized to be asked, and

(2) if the Commissioner of the Internal Revenue Service determines that asking any class of taxpayers a question prohibited under subsection (a) would aid in the efficient administration of the tax laws, such Commissioner should submit a report to Congress which—

(A) includes such question in the verbatim form in which it is to be asked,

(B) describes the class of taxpayers to whom the question is to be asked, and

(C) describes the circumstances that would be required to exist before the question would be asked.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. ROSKAM) and the gentleman