

The Chair recognizes the gentleman from Illinois.

GENERAL LEAVE

Mr. ROSKAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1476, currently 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.

Mr. Speaker, I am happy to stand before you today as we consider H.R. 1476, the Native American Health Savings Improvement Act, a bipartisan bill introduced by Mr. MOOLENAAR of Michigan, that makes commonsense improvements to current rules surrounding health savings accounts and those who get care through the Indian Health Service.

Generally, anyone covered solely by a high-deductible health plan that meets certain requirements is allowed to make tax-free contributions to a health savings account. But for certain individuals who receive care through the Indian Health Service, this isn't the case.

Under IRS guidance, an individual who has received medical services at an Indian Health Service facility at any time during the previous 3 months is ineligible to make contributions to an HSA. This practice could discourage those who rely on care delivered at an Indian Health Service facility from participating in an HSA. This should be fixed so that these enrollees can avail themselves to the benefits of Health Savings Accounts.

High-deductible health plans and health savings accounts are critical components of consumer-driven healthcare. Together, they empower individuals and families to shop around. They unleash the power of choice and competition that are so badly needed in healthcare to lower costs and improve quality today. These are the elements we need to encourage in the system, if we are going to start bending the cost curve in the right direction, and if we want to lower barriers to these types of accounts and encourage individuals who are otherwise eligible not to forgo treatment at an Indian Health Service facility simply because of confusion over when they might be able to resume contributing to their HSA.

I urge my colleagues to join me in supporting this bipartisan legislation, and I reserve the balance of my time.

Mr. THOMPSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House has passed this bill before. It allows individuals eligible for Indian Health Service, or IHS, to participate in a health savings account if they are enrolled in a high-deductible health plan.

I support this bill. We should be talking about issues in healthcare that strengthen our healthcare system for all Americans while addressing the issues in the Indian Health Service program, and there should be no exception to that today.

Given the important role IHS plays providing primary care to our Native American population, we should be working to ensure that all participants in IHS have access to high-quality care. Reports of underfunding and resulting substandard care need to be addressed, so we make sure that all individuals that this healthcare program serves benefit from the congressional action that we take, not just those who happen to have the money to put in an HSA, to pay for an HSA.

We shouldn't overlook the important role Medicare and Medicaid play in providing healthcare to these populations. Thousands of IHS beneficiaries are also enrolled in Medicare, Medicaid, or some combination of both.

Republicans are looking to dramatically cut and undermine these critical programs. Offering IHS enrollees a savings account won't make up for damage inflicted by the cuts to Medicaid or Medicare.

Instead, we should strengthen both of these programs and coordinate care with IHS to make sure individuals are getting the best care possible.

I reserve the balance of my time.

Mr. ROSKAM. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. MOOLENAAR).

Mr. MOOLENAAR. Mr. Speaker, first, I want to thank Chairman BRADY of the House Committee on Ways and Means for his leadership of the committee, and also Mr. ROSKAM and Mr. THOMPSON for their support here on the floor today.

I also want to thank Congressman RAUL RUIZ for cosponsoring this legislation and making it bipartisan.

This legislation before us today, H.R. 1476, will improve access to health savings accounts for Native Americans who choose to receive care at Indian Health Service facilities by ending an unnecessary penalty against them.

Mr. Speaker, if you or I were to use a health savings account, we would be able to immediately make a contribution to it the day after you receive care at a doctor's office. There is no prohibition on making those contributions.

However, right now, Native Americans across the country, including my constituents, cannot do the same thing if they receive treatment from a doctor at the Indian Health Service. Instead, they are prohibited from immediately saving the money they earned and must wait for 3 months before they can make another contribution into the personal account they use to provide for their health and that of their family.

This makes no sense. Instead, this commonsense legislation eliminates the problem. If this bill becomes law, Native Americans will no longer have

to wait 3 months. They will be able to receive treatment from Indian Health Service doctors near them and save money in their HSAs whenever they want.

This is a bipartisan, patient-centered solution to a government-created problem.

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It will benefit the Saginaw Chippewas in my district as well as Tribes throughout Michigan and across the country. It will help those who work hard to save money and take care of their families.

Mr. Speaker, I thank my colleagues for their support of this legislation.

Mr. THOMPSON of California. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I thank the sponsors of this bill, and I want to give a particular shout-out to Congressman RAUL RUIZ, also Dr. RUIZ when he is not in Congress, for his cosponsorship of this bill and all the hard work that he has put into this effort.

Mr. Speaker, I urge my colleagues on both sides of the aisle to cast an "aye" vote for this measure, and I yield back the balance of my time.

Mr. ROSKAM. Mr. Speaker, about 22 million Americans are covered by high-deductible health plans with an HSA. These are options that are increasingly popular across the spectrum because they lower premiums and they are a vehicle to save for other healthcare expenses.

I think this is a good bill. It has been well articulated this afternoon, particularly by the bill's sponsor and by Mr. THOMPSON, and I urge its passage.

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

The SPEAKER pro tempore (Mr. JOHNSON of Louisiana). 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. 1476, 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.

#### WATER AND AGRICULTURE TAX REFORM ACT OF 2018

Mr. ROSKAM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 519) to amend the Internal Revenue Code of 1986 to facilitate water leasing and water transfers to promote conservation and efficiency, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 519

*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 "Water and Agriculture Tax Reform Act of 2018".

**SEC. 2. FACILITATE WATER LEASING AND WATER TRANSFERS TO PROMOTE CONSERVATION AND EFFICIENCY.**

(a) IN GENERAL.—Paragraph (12) of section 501(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(J) TREATMENT OF MUTUAL DITCH IRRIGATION COMPANIES.—

“(i) IN GENERAL.—In the case of a mutual ditch or irrigation company or of a like organization to a mutual ditch or irrigation company, subparagraph (A) shall be applied without taking into account—

“(I) any income received or accrued from the sale, lease, or exchange of fee or other interests in real and personal property, including interests in water (other than income derived from the sale, lease, or transfer of water to nonmembers outside the river basin or basins within which the mutual ditch or irrigation company operates),

“(II) any income received or accrued from the sale or exchange of stock in a mutual ditch or irrigation company (or in a like organization to a mutual ditch or irrigation company) or contract rights for the delivery or use of water, or

“(III) any income received or accrued from the investment of income described in subclause (I) or (II),

except that any income described in subclause (I), (II), or (III) which is distributed or expended for expenses (other than for operations, maintenance, and capital improvements) of the mutual ditch or irrigation company or of the like organization to a mutual ditch or irrigation company (as the case may be) shall be treated as nonmember income in the year in which it is distributed or expended. For purposes of the preceding sentence, expenses (other than for operations, maintenance, and capital improvements) include expenses for the construction of conveyances designed to deliver water outside of the system of the mutual ditch or irrigation company or of the like organization.

“(ii) TREATMENT OF ORGANIZATIONAL GOVERNANCE.—In the case of a mutual ditch or irrigation company or of a like organization to a mutual ditch or irrigation company, where State law provides that such a company or organization may be organized in a manner that permits voting on a basis which is pro rata to share ownership on corporate governance matters, subparagraph (A) shall be applied without taking into account whether its member shareholders have one vote on corporate governance matters per share held in the corporation. Nothing in this clause shall be construed to create any inference about the requirements of this subsection for companies or organizations not included in this clause.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2018.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. ROSKAM) and the gentleman from California (Mr. THOMPSON) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois.

**GENERAL LEAVE**

Mr. ROSKAM. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 519, currently 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 the balance of my time to the gentleman from Arizona (Mr. SCHWEIKERT), and I ask unanimous consent that he be allowed to control that time.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 519, which would provide tax-exempt mutual irrigation companies with more flexibility in respect to funding their operations, maintenance, and improvement of their water infrastructure, especially in drought-stricken areas.

Tax-exempt mutual ditch or irrigation companies are important to rural communities and to agriculture. These companies allow farmers, ranchers, and others, including water users and even some urban water users, to collaborate and pool resources to install and maintain vital infrastructure for the delivery of water.

To maintain their tax-exempt status, however, mutual ditch or irrigation companies must satisfy Tax Code requirements that the bulk of their income, which is used to fund operations and capital improvements, must be from the shareholders of these irrigation and water delivery districts.

H.R. 519 allows these companies to receive other sources of income and still maintain their tax-exempt status. The bill provides that, for the income from other sources to receive this preferential tax treatment, it generally must be used for operations and maintenance to ensure that these funds will be reinvested in irrigation infrastructure systems.

This bill would provide mutual irrigation companies with more flexibility with respect to funding their operations and maintaining improvements to their water infrastructure, especially in the drought-stricken areas, and it will facilitate more efficient water allocation in support of these rural economies.

This bill also clarifies that governance matters in regard to these mutual ditch or irrigation companies may be arranged as permitted under the State laws.

This bill supports local economies, promotes more efficient use of water, helps farmers and ranchers in many arid areas, and actually is just much fairer in how these resources are maintained and the ability to maintain these districts under the understanding of the current Tax Code.

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

Mr. THOMPSON of California. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the bill before us will allow certain entities to retain their tax exemption so long as they are generally reinvesting that revenue in oper-

ations and maintenance, including capital projects.

As a farmer from California, I know well how critical water infrastructure improvements are to small irrigation districts. This change will help irrigation districts continue to invest in drought-resilient projects instead of relying on rate increases.

In States like mine, both drought-stricken and reliant on irrigation districts for water deliveries, infrastructure investment is a critical tool to help us prepare for future droughts. But we must also ensure that Federal policy changes do not create unintended consequences for water users.

Mr. Speaker, I want to thank Representative BUCK and Chairman BRADY for working with me to include guardrails in this bill that will eliminate financial incentives to transfer water among regions in a way that disadvantages agricultural enterprise, impairs water quality, or causes environmental harm. This protection against potential for abuse resulting from the policy changes in H.R. 519 should prevent undue harm to my northern California constituents.

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

Mr. SCHWEIKERT. Mr. Speaker, just sort of a quick commentary.

I want to thank the gentleman from California for his input, his observations. He has been incredibly constructive and paid a lot of attention to protecting his constituents. Those of us from arid areas, we care a lot about this.

Mr. Speaker, I yield 4 minutes to the gentleman from Colorado (Mr. BUCK).

Mr. BUCK. Mr. Speaker, I thank the gentleman from Arizona (Mr. SCHWEIKERT) for giving me this opportunity to speak on behalf of H.R. 519, the Water and Agriculture Tax Reform Act of 2018.

Mr. Speaker, I want to thank Mr. THOMPSON for his work on this and making sure that this is, in fact, a bipartisan effort and a much better bill than it started out as.

I also want to thank Chairman BRADY in the Ways and Means Committee for working with me to bring this bill to the floor. I introduced this bill last year, and Chairman BRADY has been a good partner in assisting with its passage from the committee.

Mr. Speaker, farmers, ranchers, and families, businesses, sportsmen, everyone in my district relies on water for their livelihood, but in the arid prairies of the Great Plains, water is running short. Under the blistering Colorado Sun, poorly watered crops quickly become less productive and may die altogether.

Farmers around my district tell me they are moving operations elsewhere because they don't have access to water or they simply can't afford it. Agricultural communities around the Nation will face economic crisis if farmers and ranchers cannot afford water.

H.R. 519 is a key step towards solving this problem. It offers farmers and ranchers an affordable water supply; and in doing so, it supports not only our agricultural communities, but everyone in America who relies on farms and ranches for food.

My bill seeks to help farmers by empowering them to support each other. Many farmers rely on nonprofit, member-owned cooperatives to supply their water. These mutual irrigation and ditch companies give farmers ownership in their water supply. However, current IRS regulations prohibit these nonprofits from generating more than 15 percent of their revenue from nonmember sources. If they exceed this 15 percent threshold, they lose their tax-exempt status.

H.R. 519 responds by removing caps on how much revenue these water companies can raise from nonmember sources, allowing them, for example, to sell water access for recreational use or raise funds through crossing fees. The only requirement is that this revenue must be reinvested in maintenance, operations, and infrastructure improvements, keeping water prices affordable for the members and upholding the nonprofit ideals of the cooperative. With this financial freedom, mutual irrigation and ditch companies can continue to play a vital role in supporting our Nation's farmers.

The bill also reforms the IRS treatment of member voting eligibility for cooperatives, protecting mutual associations that have complied with State law for years. By empowering nonprofit mutual irrigation ditch companies to raise revenue from nonmember sources, H.R. 519 will reduce the cost of water for cash-strapped farmers.

Mr. Speaker, I urge the House to help our rural communities and, frankly, all of America by passing the Water and Agriculture Tax Reform Act.

Mr. SCHWEIKERT. Mr. Speaker, I have no other speakers, and I reserve the balance of my time.

Mr. THOMPSON of California. Mr. Speaker, I am prepared to close, and I yield myself the balance of my time.

Mr. Speaker, I thank the sponsors of this bill, in particular Congressman BUCK for his good work working with me to ensure that we were able to take care of some concerns that we had in the original drafting of the bill.

Mr. Speaker, I urge my colleagues on both sides of the aisle to vote for this piece of legislation, and I yield back the balance of my time.

Mr. SCHWEIKERT. Mr. Speaker, I yield myself such time as I may consume for a very quick closing.

In a previous life, I was the treasurer of Maricopa County. We had 3,300 taxing districts in this county. A substantial number of those taxing districts were actually just these, irrigation and water delivery. Many of them were in the rural parts of my county, but a lot of them, you would be surprised, were actually in the suburban and even some in downtown Phoenix.

I have actually had a conversation with a couple of them, one asking if they had an excess water allocation that year, could they actually sell it to the local pond, the little conservation reserve in our riverbed, and those things; and if they did so, if that amount of money exceeded 15 percent of their revenues, would they blow up their tax status.

In this case, this legislation would prevent that, but they still have to use that money to constantly improve their infrastructure, therefore, I believe, being more water economical.

So this is a good thing for our communities, particularly rural, particularly the uniqueness of those of us in the desert Southwest.

Mr. Speaker, I urge my colleagues to vote "yes," 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. 519, 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.

#### ENSURING INTEGRITY IN THE IRS WORKFORCE ACT OF 2018

Ms. JENKINS of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3500) to amend the Internal Revenue Code of 1986 to prohibit the Commissioner of the Internal Revenue Service from rehiring any employee of the Internal Revenue Service who was involuntarily separated from service for misconduct, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3500

*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 "Ensuring Integrity in the IRS Workforce Act of 2018".*

#### SEC. 2. PROHIBITION ON REHIRING ANY EMPLOYEE OF THE INTERNAL REVENUE SERVICE WHO WAS INVOLUNTARILY SEPARATED FROM SERVICE FOR MISCONDUCT.

*(a) IN GENERAL.—Section 7804 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:*

*"(d) PROHIBITION ON REHIRING EMPLOYEES INVOLUNTARILY SEPARATED.—The Commissioner may not hire any individual previously employed by the Commissioner who was removed for misconduct under this subchapter or chapter 43 or chapter 75 of title 5, United States Code, or whose employment was terminated under section 1203 of the Internal Revenue Service Restructuring and Reform Act of 1998 (26 U.S.C. 7804 note)."*

*(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to the hiring of employees after the date of the enactment of this Act.*

#### SEC. 3. NO ADDITIONAL FUNDS AUTHORIZED.

*No additional funds are authorized to carry out the requirements of this Act and the amendments made by this Act. Such requirements shall*

*be carried out using amounts otherwise authorized.*

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Kansas (Ms. JENKINS) and the gentleman from Massachusetts (Mr. NEAL) each will control 20 minutes.

The Chair recognizes the gentlewoman from Kansas.

#### GENERAL LEAVE

Ms. JENKINS of Kansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3500, currently under consideration.

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

There was no objection.

Ms. JENKINS of Kansas. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, today we are taking up H.R. 3500, the bipartisan Ensuring Integrity in the IRS Workforce Act. This bill seeks to provide additional safeguards within the IRS by prohibiting the agency from rehiring any individual previously employed by the IRS but removed for misconduct or terminated for cause.

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Before we talk more about this bill, I would like to take a moment just to thank the bill's sponsor, Representative KRISTI NOEM from South Dakota, for her tireless work on this bill.

Last Congress, a version of this bill passed the House of Representatives with overwhelming, bipartisan support. This Congress, we made some small changes to the bill to address some of my colleagues' concerns and we hope that they will continue to support the bill in its new form. We are also encouraged to see its presence in the bipartisan Taxpayer First Act, introduced by chairman and ranking member of the Senate Finance Committee just last week.

As we all know, IRS employees have access to Americans' most sensitive information, such as our Social Security numbers, home addresses, and how much we are paid. Given the magnitude of the sensitive information that the IRS holds, hiring employees of high integrity is essential to maintaining public trust in tax administration and safeguarding taxpayer information.

In 2017, work by the Treasury Inspector General for Tax Administration, or TIGTA, raised serious concerns about the IRS's continued practice of rehiring former employees with conduct and performance issues. The inspector general concluded that the IRS does not have effective hiring policies to fully consider past employee conduct and performance issues prior to making a tentative decision to rehire them.

I should note that this is the second such report that the inspector general has published. In 2014, the inspector general first alerted Congress to this