

before the IRS will now be afforded as it should be. It would also end the use and abuse of summons by the IRS in looking for documents. Under this bill the IRS would be required to make reasonable inquiries and could not issue a summons until it has used other reasonable methods to ascertain where the information it is seeking may be.

The bill also provides for making more information available to the taxpayers. It requires the IRS to print and make available to taxpayers explanations that make sense and clarify a variety of complicated matters. Married taxpayers will be alerted to liabilities that they would be jointly liable for even though only one spouse earned the income.

A spouse who may be innocent for the mistakes of another spouse in preparing a tax return will also now be afforded relief from tax liability, interest and penalties. Now a spouse who has nothing to do with the preparation of the return is fully liable for the mistakes. This wrong and would be corrected by this bill.

Again, Mr. Speaker, it is high time we have the IRS reform that the American people have been calling for. I support this bill and urge my colleagues to vote for it.

Mr. PORTMAN. Mr. Speaker, I ask the gentleman from New York [Mr. RANGEL] if he has any additional speakers?

Mr. RANGEL. Mr. Speaker, I have no speakers at this time.

CALL OF THE HOUSE

Mr. PORTMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 576]

ANSWERED "PRESENT"—407

Abercrombie	Brown (FL)	Davis (VA)
Ackerman	Brown (OH)	Deal
Aderholt	Bryant	DeFazio
Allen	Bunning	DeGette
Andrews	Burr	Delahunt
Archer	Burton	DeLauro
Army	Buyer	DeLay
Bachus	Callahan	Dellums
Baesler	Calvert	Deutscher
Baker	Camp	Dickey
Baldacci	Campbell	Dicks
Ballenger	Canady	Dingell
Barcia	Cannon	Dixon
Barr	Cardin	Doggett
Barrett (NE)	Carson	Dooley
Barrett (WI)	Castle	Doolittle
Bartlett	Chabot	Doyle
Barton	Chambliss	Dreier
Bass	Chenoweth	Duncan
Bateman	Christensen	Dunn
Becerra	Clay	Edwards
Bereuter	Clayton	Ehlers
Berman	Clement	Ehrlich
Berry	Clyburn	Emerson
Bilbray	Coble	Engel
Bilirakis	Coburn	English
Bishop	Collins	Ensign
Blagojevich	Combest	Eshoo
Bliley	Condit	Etheridge
Blumenauer	Conyers	Evans
Blunt	Cook	Everett
Boehlert	Costello	Ewing
Boehner	Cox	Farr
Bonilla	Coyne	Fattah
Bonior	Cramer	Fazio
Bono	Crane	Filner
Borski	Crapo	Flake
Boswell	Cummings	Foglietta
Boucher	Cunningham	Foley
Boyd	Danner	Forbes
Brady	Davis (FL)	Ford
Brown (CA)	Davis (IL)	Fossella

Fowler	Linder	Rohrabacher
Fox	Lipinski	Ros-Lehtinen
Franks (NJ)	Livingston	Rothman
Frelinghuysen	LoBiondo	Royal-Allard
Frost	Lofgren	Royce
Gallegly	Lowe	Rush
Ganske	Lucas	Ryun
Gejdenson	Luther	Sabo
Gephardt	Maloney (NY)	Salmon
Gibbons	Manton	Sanchez
Gilchrest	Manzullo	Sanders
Gillmor	Martinez	Sandlin
Gilman	Mascara	Sanford
Goode	Matsui	Sawyer
Goodlatte	McCarthy (MO)	Saxton
Goodling	McCarthy (NY)	Scarborough
Gordon	McCollum	Schaefer, Dan
Goss	McCrery	Schaffer, Bob
Graham	McDermott	Schumer
Granger	McGovern	Scott
Green	McHale	Sensenbrenner
Greenwood	McHugh	Serrano
Gutierrez	McInnis	Sessions
Gutknecht	McIntyre	Shadegg
Hall (OH)	McKeon	Shaw
Hall (TX)	McKinney	Shays
Hamilton	McNulty	Sherman
Hansen	Meehan	Shimkus
Harman	Meek	Sisisky
Hastert	Menendez	Skaggs
Hastings (FL)	Metcalfe	Skeen
Hastings (WA)	Mica	Skelton
Hayworth	Millender	Slaughter
Hefley	McDonald	Smith (NJ)
Hefner	Miller (CA)	Smith (OR)
Herger	Miller (FL)	Smith (TX)
Hill	Minge	Smith, Adam
Hilleary	Mink	Smith, Linda
Hilliard	Moakley	Snowbarger
Hinchee	Mollohan	Snyder
Hinojosa	Moran (KS)	Solomon
Hobson	Moran (VA)	Souder
Hoekstra	Morella	Spence
Holden	Murtha	Spratt
Hooley	Myrick	Stabenow
Horn	Nadler	Stark
Hostettler	Neal	Stearns
Houghton	Nethercutt	Stenholm
Hulshof	Neumann	Stokes
Hunter	Ney	Strickland
Hutchinson	Northup	Stump
Hyde	Norwood	Stupak
Inglis	Nussle	Sununu
Istook	Oberstar	Talent
Jackson (IL)	Obey	Tanner
Jackson-Lee	Olver	Tauscher
(TX)	Ortiz	Tauzin
Jefferson	Oxley	Taylor (MS)
Jenkins	Packard	Taylor (NC)
John	Pallone	Thomas
Johnson (CT)	Pappas	Thompson
Johnson (WI)	Parker	Thornberry
Johnson, E. B.	Pascrell	Thune
Johnson, Sam	Pastor	Thurman
Jones	Paul	Tiahrt
Kanjorski	Paxon	Torres
Kaptur	Payne	Towns
Kasich	Pease	Traficant
Kelly	Pelosi	Turner
Kennedy (MA)	Peterson (MN)	Upton
Kennedy (RI)	Peterson (PA)	Velazquez
Kennelly	Petri	Vento
Kildee	Pickering	Visclosky
Kilpatrick	Pickett	Walsh
Kim	Pitts	Wamp
Kind (WI)	Pombo	Waters
King (NY)	Pomeroy	Watkins
Klecicka	Porter	Watt (NC)
Clay	Portman	Watts (OK)
Klug	Poshard	Waxman
Knollenberg	Price (NC)	Weldon (FL)
Kolbe	Pryce (OH)	Weldon (PA)
Kucinich	Quinn	Weller
LaFalce	Radanovich	Wexler
LaHood	Rahall	Weygand
Lampson	Ramstad	White
Lantos	Rangel	Whitfield
Largent	Redmond	Wicker
Latham	Regula	Wise
Lazio	Reyes	Wolf
Leach	Rivers	Woolsey
Levin	Rodriguez	Wynn
Lewis (CA)	Roemer	Young (FL)
Lewis (GA)	Rogan	
Lewis (KY)	Rogers	

□ 1413

The SPEAKER pro tempore (Mr. PEASE). On this rollcall, 407 Members

have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1997

The SPEAKER pro tempore. In the debate on H.R. 2676, the gentleman from New York [Mr. RANGEL] has 7½ minutes remaining and the gentleman from Ohio [Mr. PORTMAN] has 6¼ minutes remaining.

The Chair recognizes the gentleman from New York [Mr. RANGEL].

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

□ 1415

I rise in support of H.R. 2676. First, I would like to thank the chairman of the Committee on Ways and Means for creating an atmosphere which allowed the gentleman from Maryland [Mr. CARDIN] and the gentleman from Ohio [Mr. PORTMAN] to take the best that came out of the commission, not only to work with it in a bipartisan way, but to bring it to Members who did not serve on the commission so that they would be able to work and improve upon it.

The administration has had strong objections over the original document. This could have been played up politically that the President was trying to protect the status quo, but the Secretary of Treasury was not only involved in the meetings but encouraged to know that no Republican and no Democrat was locked in concrete except to the extent that the IRS needed improvement and it had to be done and it was going to be done now.

The Democratic Leader, the gentleman from Missouri [Mr. GEPHARDT], publicly said that they were not there, that the Democrats were not there, except to join with our Republican friends to get a bipartisan solution to a serious problem.

So, Mr. Speaker, we are here today for the first time in a long time knowing that we have taken one gigantic step forward to give some small comfort to the taxpayer that at least we, in the Congress, are providing the oversight to try to make the collection easier.

But, Mr. Speaker, we all agree that this is only a first step. We cannot give a very complicated, complex Tax Code to anybody and expect them not to have problems in its execution. If anyone abuses their rights as a public servant with the taxpayer, that person should be pulled up at the roots and got rid of. There should be no excuse for any public servant treating taxpayers in a disrespectful way. But there should be no excuse for us to talking about pulling up the IRS by the roots unless we are prepared to say we are going to pull up the Tax Code by the roots.

And I would want to say this, that if we can get this Portman-Cardin spirit

of cooperation going, let us try to do it in talking about this bus trip that is going to pull up the Code by the roots, and I ask whether or not there is an extra seat on that bus that I can join in. The only thing I would want to know is, where is the bus going, what is the itinerary, how much is it going to cost, and, most importantly, when is it going to end? This bus that has been pulling up the Tax Code by the roots has been in a bus depot for 3 years.

If we are going to do anything to correct the system, and God knows we agree it has to be simplified, let us try to do this too in a bipartisan way, the same way we have been so successful in recognizing a problem and trying to bring a resolution.

Finally, Mr. Speaker, I would want to say that I would encourage the administration to take a lesson from the books of the House of Representatives and not only just support this, but to encourage the other body not to politicize this issue.

We are moving swiftly, we are moving swiftly toward the end of our legislative business for this year. It would do us no good to compliment each other for this bipartisan effort if the other body is not on board. We all know that next year something chemically is going to take over us as we all seek reelection. I would suggest that it is more important to get this important piece of legislation passed than to give other people an opportunity to make political hay out of it.

I conclude by thanking the leadership on both sides of the aisle, again, the gentleman from Ohio [Mr. PORTMAN], the gentleman from Maryland [Mr. CARDIN], and those Members who worked so hard, not to get their names in the newspaper or to have TV interviews, but to do what was best for the country and what was best for the Internal Revenue Service, but most importantly, what was in the best interests of American taxpayers.

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

Mr. PORTMAN. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means, and, as I said earlier this afternoon, we would not be here on the floor this afternoon debating this critical issue if not for the gentleman from Texas, [Mr. ARCHER].

Mr. ARCHER. Mr. Speaker, I thank the gentleman from Ohio for yielding this time to me. But before I close, there is one person here who deserves very special recognition, and that is Bob Brockamp of Prescott, AZ, who is the personification of an IRS victim. He and his family have suffered an injustice that no one should endure.

In 1994, 93-year-old grandfather Stanley McGill mistakenly sent a \$7,000 check to the IRS. Unfortunately, by the time Bob and his family caught the error and tried to get their money back, the 3-year statute of limitations on refunds had expired, and even

though the IRS admitted that Bob's grandfather owed only \$700, not \$7,000, they would not refund the balance of the money.

Mr. McGill was senile and had made the same mistake before by adding extra zeros to checks mistakenly and overpaying his bills by thousands of dollars. But in these instances where his local hospital and pharmacy were overpaid, they sent the money back. The IRS would not.

Bob's family fought the IRS for 8 years all the way to the U.S. Supreme Court. A 3-year statute of limitations prevented the IRS from returning the money that was not theirs in the first place said the Court. And while it is too late to help Bob and his family, the bill that we vote on today allows the IRS finally to waive the statute of limitations on refunds for the sick and the disabled, ensuring that no other American will have to go through what the Brockamp family went through.

Mr. Speaker, the U.S. Congress owes Bob and his family an apology. The last thing an ailing senior citizen and their family should have to do is worry about the IRS. Thanks to the good fight that Bob and his family waged to obtain justice, thousands of taxpayers in the future will worry no more.

And, Mr. Speaker, I am delighted the President has finally seen the light and decided to support this bill. The gentleman from Ohio [Mr. PORTMAN], the gentlewoman from Connecticut [Mrs. JOHNSON], and the gentleman from Maryland [Mr. CARDIN] worked long and hard to put it together, and, as we have heard today, they deserve much praise.

But, Mr. Speaker, in the end our task is not to thank each other for what we do today. Our thanks should go to the American people, the people who sent us here. Today's vote is a victory for all Americans who believe Washington should not change its ways to greater and greater power but should change its ways so the American people will not have to change theirs.

Congress no longer solves problems by raising taxes, as was true for too many Congresses. We now solve problems by restoring hope, power, and opportunity to the people who pay the taxes.

Mr. Speaker, I am proud to add that fixing the IRS continues a remarkably productive record for this Congress. We cut taxes and passed legislation to balance the budget, we saved Medicare from bankruptcy, and we fixed the failed welfare state. We cut the cost of the Congress of the United States by \$200 million a year, and now we are fixing the IRS. We reduced the deficit from \$203 billion in November of 1994 to \$30 billion today. More than 5 million new jobs have been created, interest rates have dropped from 8 percent to 6 percent, and the stock market has virtually doubled.

But mark my words, we are just warming up. I believe we must completely and totally get the IRS out of

the lives of every single American. We must look the IRS in the eye and say it is not their money, it is the people's money. The politicians and the IRS must stop reaching into the people's wallets, taking from them what the people have earned and what they need for themselves.

So, Mr. Speaker, the bill we will vote on today represents more than fixing the IRS. The bill is about our values, our principles, our convictions. It is about right and wrong; it is about putting taxpayers first.

As the first chairman of the Committee on Ways and Means in memory who continues to do his own tax return, and, I must say, in longhand, not by computer, I can say today to the American people, with this vote we heard them, we understand them, we know what they are going through, we are on their side. They are the producers, they make things happen, we should follow in Washington, and that is what this bill is all about. So instead of thanking each other, we should say thanks to the American people who have made this the greatest country on the face of the Earth.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, today the House considered legislation to reform and restructure the Internal Revenue Service. The House voted overwhelmingly to approve this reform legislation and I also voted for the bill. I did have concerns over a proposed shift of the burden of proof but I feel that the provision was changed enough to ensure that the Government's hands would not be tied when going after tax evaders and those who commit tax fraud.

The congressional hearings on the IRS not only opened the public's eyes to intimidation and harassment by a small number of IRS agents and supervisors, the hearings have also motivated Congress to offer a large number of bills that seek to change the way that the IRS does business.

I admit that the IRS has a few employees who abuse their power, forgetting that they are servants to the public, not masters of it. I can also personally attest to the fact that there are problems in the manner in which the IRS conducts audits and undertakes collection. However, Mr. President, I am afraid that the anti-IRS rhetoric being employed by some in Congress has unfairly attacked and tainted the majority of hardworking and honest IRS employees and is negatively affecting their morale and productivity.

Mr. Speaker, I am honored to have a large number of hardworking and honest IRS employees in my district at the IRS Mid-States Regional Office.

Mr. Speaker, those employees are not afraid of a new debate on the role of the IRS. They are not frightened by calls for reform and making their fellow workers more accountable to the taxpayers. What they are concerned about is that they are being unfairly singled out and negatively portrayed as unfit, uncaring, and unprofessional employees of the Government.

As Congress continues to consider more IRS reform initiatives, which now number between 10 and 11, we must be careful and responsible with both our words and actions. We must be sensitive to how our words affect

those who are truly committed to public service.

I have heard from some of my constituents who work for the IRS and I am truly concerned about the morale of these dedicated and good employees as a result of the extremely negative rhetoric which well-intentioned lawmakers have used to describe the operation of the agency.

Mr. Speaker, we must remember that most IRS employees want to work with—and have worked with—lawmakers to bridge the gap between the IRS and the taxpayer.

Mr. Speaker, today I rose in favor of sensible, well-thought out reform of the Internal Revenue Service but I ask that we truly focus on reform, not rhetoric.

At the same time, I stand to support those great employees at the IRS midstates regional office in Dallas. They believe in public service, customer service, and accountability to taxpayers. They are patriotic and deserving of our respect and thanks, not our rhetoric and disdain.

Mr. KILDEE. Mr. Speaker, I rise today to express my strong support for H.R. 2676, the Internal Revenue Service Restructuring and Reform Act. I believe everyone would agree that commonsense reform of the IRS has been long overdue.

Mr. Speaker, over the years, I have had many constituents call my Michigan offices to complain about problems with the IRS. In fact, each year, I work with our local IRS office to put together a tax assistance night where IRS employees actually work directly with taxpayers to address their questions.

This bipartisan legislation will set up a new citizen oversight board and make the IRS more accountable to average Americans. Most importantly, this bill will ensure that the sacred principle of innocent until proven guilty is extended to every hard-working, honest American.

This bill is the critical first step to ensuring that our tax system remains both fair and equitable to all working individuals and families. That is why I urge my colleagues to support H.R. 2676.

Mr. CRANE. Mr. Speaker, I rise in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act.

First, I would like to compliment my Ways and Means colleague, Mr. PORTMAN, who served as a cochairman of the IRS restructuring commission, for his work on this issue. I also want to thank our chairman, BILL ARCHER, for the prompt committee action on the IRS commission recommendations.

My office regularly assists my constituents who have had problems dealing with the IRS and I am quite familiar with the frustrations of taxpayers dealing with this agency. Of course, opposition to paying taxes and a mistrust of government is ingrained in Americans. Before our war of independence, colonists showed their disapproval of a British tax with the Boston tea party. After the Revolution, Americans took on our newly formed government with the whiskey rebellion. While we have not witnessed similar events in recent history, the IRS is easily the most hated agency of the Federal Government. But the hatred of the IRS is not just the hatred of taxes, but a genuine fear of the seemingly unchecked power the IRS wields over taxpayers.

Congressional hearings this year have demonstrated that the IRS is an agency out of

control. Rather than serving taxpayers, IRS bureaucrats too often make Americans feel like slaves to the government. We know that IRS managers established audit goals for their employees to advance in the agency. In other words, IRS employees performance was evaluated by the amount of money extracted from taxpayers, not by dealing with the merits of each individual taxpayer's return. IRS employees came before Congress only under the condition of anonymity because they feared retribution by their colleagues. Taxpayers from all over the United States told stories of intimidation and clear abuses of power exercised by IRS agents. It is clear that many IRS employees were living up to their ignominious reputation.

To the credit of IRS employees, they do have a difficult job. The Internal Revenue Code is thousands of pages of ambiguous laws and regulations which can be interpreted, and often is, any number of ways. This is one of the reasons I have argued for so many years that Congress must scrap the current tax code and replace it with a flat tax that applies the same tax rate to all Americans simply and fairly.

Although this bill does not replace the Tax Code, I believe the reforms proposed in the bill, including the establishment of the oversight board will go a long way in addressing some of the problems at the IRS. Now, citizen board members will sit in judgment of the IRS for a change. I am also encouraged that this bill will, in many circumstances, shift the burden of proof from the taxpayer to the IRS. While thieves, murderers, and rapists are innocent until proven guilty in America, taxpayers are assumed guilty by the IRS until they prove themselves innocent. I know my Democrat friend JIM TRAFICANT has worked tirelessly on this issue and has made the point that it took a Republican Congress to actually get this provision put into law. I have proudly supported him in his efforts over the years and thank him for his work.

I also want to mention some of the other reforms in this bill. Specifically, the bill will allow taxpayers to get reimbursed for attorney's fees when they prevail against the IRS. Another provision will extend the privilege of confidentiality to conversations with tax accountants who provide the same tax advice that tax attorneys provide. The bill will also protect innocent spouses from tax liability on joint returns when they are unaware of misstatements or misreporting made by the other spouse.

Mr. Speaker, clearly the American people are eager to have these reforms. I am glad to see that President Clinton finally got that message and has agreed to support this bill. I urge all my colleagues to support H.R. 2676 and I hope that we can soon see it enacted into law.

Mr. DAVIS of Florida. Mr. Speaker, today I rise in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act, an important first step in restoring the American taxpayer's faith both in the tax system and in the ability of their government to be efficient and responsive to their needs. This legislation, stemming largely from the Kerry-Portman Commission's recommendations, represents true bipartisan cooperation to address the growing concerns of citizens and their elected representatives over the management and activities of the IRS.

H.R. 2676 makes substantial improvements to both the oversight and the management of

the IRS, incorporating increased input from the private sector while protecting the overall integrity of the agency. In addition, this bill contains provisions designed to strengthen the rights of the American taxpayer when confronted by the IRS, including a long overdue shift of the burden of proof within the U.S. Tax Court from the taxpayer to the agency. Certainly, our tax laws, like the rest of our judicial system, should be based on the presumption that a citizen is innocent until proven guilty.

While I support these much needed changes to improve the responsiveness and efficiency of the IRS, we must not forget that many of the problems this legislation seeks to remedy have their roots in the Internal Revenue Code itself, which continues to grow in complexity with each new tax law passed by Congress. Even the important tax cut passed earlier this session as part of the balanced budget agreement added hundreds of additional pages to the Internal Revenue Code. I believe our next step must be to thoroughly re-evaluate the overall Tax Code and begin a meaningful dialog on alternatives to the current system.

Mr. Speaker, I urge all of my colleagues to support the legislation before us today which will ensure that, within the current tax structure, the American taxpayer will receive fairer and more efficient treatment by the Internal Revenue Service and I look forward to working with my colleagues on both sides of the aisle in exploring options for streamlining the Tax Code.

Ms. HOOLEY of Oregon. Mr. Speaker, it's time to overhaul the Internal Revenue Service—the most inefficient and the least user-friendly Government agency in America.

If any Member of this Congress still has doubts about legislation to overhaul our Nation's tax collecting agency, they should consider two cases of IRS abuse that I have been confronted with in the last few months. The first involves a woman whose bank account was frozen because her ex-husband died owing a tax debt that he had accumulated after the couple's divorce. The second involves a single mother who is working her way through college. The IRS lost the rebate check she was owed. The check was deposited in someone else's bank account, and 8 months later she still hasn't gotten her money—let alone the interest she would have earned on the refund.

These women are representative of the myriad of miscalculations and errors which have plagued the IRS in recent years. My district is not alone in facing an out of control IRS, naturally, and the difficulties that have cost these two women money, time, and peace of mind are repeated daily with alarming regularity around the country.

Reform of this beleaguered agency can no longer be postponed, and I believe that the IRS Restructuring and Reform Act accomplishes this task in a fair, efficient and bipartisan manner. Once this bill becomes law, I am confident that taxpayers will soon be blessed with a fairer, more user-friendly Internal Revenue Service.

Mr. PACKARD. Mr. Speaker, common sense tells me that the IRS is far too large and intrusive. Consider that the IRS has more than 136,000 employees, while the INS has only 6,500 border patrol agents—about 20 times more people to take our money than to protect our borders. That is simply outrageous.

Today, the House will consider the IRS Restructuring and Reform Act. This legislation will enact 28 new protections that enhance taxpayer rights when citizens become involved in IRS dispute and will effectively shift the burden of proof from the taxpayer to the IRS in court proceedings. By leveling the playing field between honest citizens and an out of control Government agency, the American taxpayers come up the big winners.

Mr. Speaker, all people want is a fair system. In America, that should never be too much to ask for. Nobody should be made to feel like a criminal for trying to do the right thing. The IRS has terrorized everyone from retirees, homemakers, single-parent families, and even a Little League girls softball team. We need to put an end to that.

Republicans hope this is the first step toward a comprehensive overhaul of the current Tax-Code and elimination of the IRS altogether. We are now clearly on our way to eliminating the IRS and its code altogether. More and more inside-the-beltway critics, including the President, are simply getting out of the way as Republicans move this agenda forward. Those who have defended the IRS in the past realize this is a battle they just can't win. I encourage all of my colleagues to support the IRS Restructuring and Reform Act.

Mr. BENTSEN. Mr. Speaker, I rise today in support of H.R. 2676, legislation to reform the Internal Revenue Service and better protect the rights of taxpayers. I am proud to be a cosponsor of this legislation. The need for this legislation could not be more clear after the recent Senate Finance Committee hearings that exposed IRS practices that are abusive to taxpayers and simply unacceptable for a Government agency. These hearings rightly angered most Americans, including myself. They added to the finding of the National Commission on Restructuring the IRS that found the agency to be woefully mismanaged and plagued by computerization problems and poor customer service.

These hearings and the commission's findings make it imperative that Congress act quickly to reform the IRS to improve its management, make it more customer-friendly, and better protect the rights of taxpayers.

This legislation shifts the burden of proof from taxpayers to the IRS in disputes in civil tax court proceedings. Last year, approximately 30,000 cases went to tax court. Under the legislation, taxpayers would still be required to back up claims with documentation, but the court would no longer presume that the IRS is correct when the facts are in dispute.

It also creates an independent 11-member board to oversee IRS management and develop strategy for the agency. The board would be made up of eight members from the private sector, the Treasury Secretary, the IRS commissioner, and a representative of the IRS employees union.

It expands the existing Taxpayer Bill of rights by creating 28 new taxpayer protections. These rights will allow taxpayers to sue the IRS for up to \$100,000 in damages if IRS agents are negligent when trying to collect taxes; makes it easier for an innocent spouse to escape liability for taxes owed by the other spouse or an ex-spouse; make more cases eligible for resolution in a tax version of small-claims court; provide funding for clinics to help low-income taxpayers; and extend the attor-

ney-client confidentiality privilege to accountants and others authorized to practice before the IRS.

These protections build on the existing Taxpayer Bill of Rights, which Congress enacted in 1996 with my support. The 1996 law created an Office of Taxpayer Advocate at the IRS to investigate taxpayer complaints about IRS enforcement actions. That law also raised the penalties for IRS employees who recklessly and intentionally disregard the Internal Revenue Code when dealing with taxpayers.

The legislation also places new limits on penalties to taxpayers for repayment of back taxes. It reduces the maximum penalty for 25 percent of the unpaid amount, plus interest, to 9.5 percent for taxpayers who reach a payment agreement with the IRS. Another change would equalize interest penalties for underpayment and overpayment of taxes. Currently, the IRS charges taxpayers a higher interest rate as a penalty for underpayment than the IRS itself pays when it owes taxpayers for overpayments. This is unfair and should be changed. Together, these changes will save taxpayers more than \$1.2 billion over 5 years.

The IRS has the critical job of enforcing our tax laws and raising revenue, but there is no reason why it cannot treat taxpayers more like customers and less like potential criminals. Government employees, including those at the IRS, are providing an honorable service to the public, but they must always remember it is the public for whom they work. That is what we do with this legislation Congress is about to approve.

Mr. GALLEGLY. Mr. Speaker, I would like to express my strong support for restructuring the Internal Revenue Service.

We have heard time and again the horror stories taxpayers have experienced at the hands of this ruthless agency. H.R. 2676 levels the playing field between taxpayers and the IRS and reins in its ominous power. The Portman-Archer reform bill protects the taxpayers and restores their rights.

Holding the IRS accountable to the taxpayers is a complete reversal from how the system currently operates. This legislation prohibits IRS employees and IRS units from being evaluated based on enforcement results, but rather requires evaluations be based on the quality of taxpayer service they provide. Moreover, H.R. 2676 creates an independent board to oversee the IRS, taking control from political appointees at the Treasury Department and giving the board real power and authority to hold the IRS accountable for a change.

The reforms also include the unprecedented shift of the burden of proof from the taxpayer to the IRS, and, it enhances taxpayer rights with 28 new protections when citizens become involved in disputes with the IRS.

Mr. Speaker, fixing the IRS is no simple task, but this legislation is the first step in protecting taxpayers and the complete overhaul of our tax system. It's time the IRS was accountable to the American public, not the other way around.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997. It is time to make the Internal Revenue Service as accountable to the taxpayer as the taxpayer is to the IRS.

Millions of Americans are still talking about the recent IRS hearings on Capitol Hill, where

the abusive activities of the Internal Revenue Service were revealed. These activities included collection quotas and "financial status" audits, utter lack of service, and the personal and economic devastation of innocent and decent taxpaying citizens.

The American people heard from IRS agents testifying behind privacy screens with their voices altered telling about which innocent taxpayers they selected for audits, namely, those who didn't have the resources to fight back. We also heard how just getting a question answered could become a tiresome process for a taxpayer. And furthermore, that only 21 percent of the calls the IRS receives are even answered, and, of those, too many are answered incorrectly. In 1993 alone, the IRS gave 8½ million wrong answers to taxpayers trying to comply with Byzantine tax regulations.

Mr. Speaker, we all recognize that there are thousands of hardworking employees at the IRS that do their job well. But while it is understandable that extracting \$1.5 trillion from American taxpayers by enforcing a tax code thousands of pages long is no easy task, the bottom line is that the IRS' mistreatment of taxpayers must be stopped.

Mr. Speaker, the solution to curbing IRS abuses has two parts.

First, the IRS must be reformed. H.R. 2676 is the first comprehensive reform legislation of the Internal Revenue Service since 1952. This bill will restructure the IRS by forming a nine-member oversight board, made up of private citizens, with real authority to hold the IRS accountable for change.

New taxpayer rights would be enacted, including the right to sue for negligence, collect legal fees and be notified of the reasons for an audit. The Taxpayer Advocate's Office also would be strengthened, and, most significant, the burden of proof in tax disputes would be shifted from the taxpayer to the IRS. Taxpayer service would become a top priority of the IRS and the practice of evaluating employees and IRS offices on collection results would be prohibited.

Second, now is the time to begin a national debate on reforming the current tax system by making it fairer and simpler. Put bluntly, we need a system that the American people can comprehend. Several competing plans have already been proposed. They include plans for a flat income tax, a retail consumption tax or a value-added tax. This most important debate must be taken directly to the American people to get their ideas and suggestions for change.

Mr. Speaker, for 60 years Washington patched together a tax code so complex that it threatens the basic fairness of the system. Through the many loopholes built into the code, individuals pay vastly different amounts in taxes, and, in some cases, pay no taxes at all. For this very reason, the American people have become cynical about our tax system. Genuine tax reform and simplification, and comprehensive reform of the IRS, is the only way to restore faith in a system that has for too long been unworthy of our trust.

Mr. CALVERT. Mr. speaker, I rise today in support of HR 2676, legislation to restructure and reform the Internal Revenue Service. I believe this is the most important issue currently being debated in households and businesses throughout the country. This is an enormous task for Congress, but one I believe we are ready, willing and able to tackle.

Ever since this issue became a national debate, I have heard from many constituents about their experiences with the IRS. To no one's surprise, the stories were filled with fear and anguish and anger. I did not hear one positive story. This has only reinforced my belief that the IRS is an agency that abuses its power and takes advantage of honest citizens. We have allowed our current system to become monstrous, unmanageable, and in some cases corrupt, and it is up to us to end the IRS as we know it and scrap the current tax code.

The legislation before us today is straightforward and non-partisan. This is not the debate about choosing between a flat tax or a national sales tax. It is not about whether we are Republicans or Democrats. This about representing our constituents and responding to their requests for help. It is unconscionable that criminals in this country are innocent until proven guilty, but taxpayers are not. HR 2676 will change this practice and finally hold the IRS accountable to taxpayers and force the IRS to bear the burden of proof when conducting an audit.

I am committed to improving the tax code and reforming the IRS. HR 2676 is much needed legislation that will benefit every American and I will be voting in favor of this much needed reform. I urge my colleagues on both sides of the aisle to do the same.

Mr. PORTER. Mr. Speaker, I am pleased that the House is considering legislation to reform the Internal Revenue Service. It is clear that abuse of taxpayers has occurred at the IRS and I believe that Congress should legislate changes to ensure this abuse does not continue. However, I also believe it is important that Congress take some responsibility for the adversarial attitude that exists at the IRS toward taxpayers. Two decades ago there was a very real concern in Congress that a growing number of individuals were negligent in paying their taxes. Based on this concern, Congress encouraged the IRS to step up its efforts to see that taxpayers were complying with the law. While Congress did not direct the IRS to harass or intimidate taxpayers, there was a certain degree of pressure placed on the agency to produce results. Unfortunately, this resulted in a culture at the IRS which tolerates abuse of authority. I believe that this bill will effectively correct this behavior and send a clear message that Congress does not condone or tolerate unfair treatment of taxpayers. I encourage my colleagues to join together and support H.R. 2676.

Mr. FAZIO of California. Mr. Speaker, I am proud to be a strong supporter of this legislation that will bring the first comprehensive reform of the IRS since 1952. This bill brings badly needed accountability, continuity, and expertise to this troubled agency.

I have heard from several of my friends and neighbors that have told me horror stories of mishandled cases and IRS agents that have acted inappropriately. There were also the inexcusable examples of abuse that were exposed in both the Senate and House hearings. All of these stories act to echo the call for reform.

This bipartisan legislation gives a comprehensive solution to the problems at the IRS by shifting the burden of proof in Tax court hearings from the taxpayer to the IRS and includes several provisions that will strengthen taxpayers' rights in dealing with the IRS. The

bill also creates a new system of oversight that will help bring about lasting change throughout the organization.

The shifting of the burden of proof to the IRS will allow the taxpayer to be innocent until proven guilty in disputes that come before the U.S. Tax Court if the taxpayer has cooperated by providing the IRS access to all relevant information and documents. By changing the burden of proof this provision acts as a cost saving measure that will encourage the IRS to settle more cases before proceeding with a costly trial.

Other provisions of this bill that work to strengthen taxpayers rights include: provisions which protect an innocent spouse from being held liable for the tax liability that are caused by mistakes made by the other spouse on tax returns; allow taxpayers to sue the government for up to \$100,000 in civil damages caused by negligent IRS employees who have violated the law; prohibit politically motivated audits; provide for grants to low income taxpayer clinics to help needy Americans in their disputes with the IRS; and encourages electronic filing of tax returns.

This bill reflects true compromise and I am proud to support it.

Mr. ADAM SMITH of Washington. Mr. Speaker, I rise today in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act. As a proud cosponsor of this bill, I also want to thank the Commission chaired by Congressman PORTMAN and Senator KERREY, along with Chairman ARCHER and the Ranking Member of the Ways and Means Committee, Mr. RANGEL, for bringing us to where we are today.

I was disheartened to find that more than 150 people have contacted my office this year looking for help with the IRS. Most of those individuals are honest, hard-working people who don't mind paying their fair share of taxes, they just want the IRS to be more helpful. Sometimes the IRS has made mistakes and admitted wrongdoing, yet the agency won't correct them and adjust the taxpayer's bill. Other times, the taxpayer simply has questions and can't get a straight answer from the IRS.

Mr. Speaker, one of my primary goals in Congress is to help restore people's faith and trust in their government. Without public confidence in our democracy, it is impossible to lead this nation into the next century. This bill to reform the IRS to make it more accountable and customer-friendly is one important step Congress must take in order to regain some of the public's trust in government.

This bill will make the IRS more accountable by creating an outside oversight board with real power to perform consistent, ongoing oversight of IRS management and practices. It will make it easier for a taxpayer to comply with tax laws because when they request information or ask questions, they will be able to get answers. Furthermore, Congress will finally be forced to provide the oversight it has been so delinquent in doing.

Mr. Speaker, I urge all of my colleagues to support H.R. 2676. It is a good bill, and a very important step toward restoring the public's trust in our government.

Mr. STARK. Mr. Speaker, I rise in opposition to H.R. 2676 which is before the House today.

Though it is true that certain provisions in the bill are good—the Taxpayers Bill of Rights

and the electronic filing of tax returns—there is not enough good in this bill to warrant support for it today. Some provisions are repetitions of current law or can be accomplished without change in law.

However, there are some serious flaws included the bill which prevent it from achieving the underlying goal of modernizing the IRS and improving taxpayer service.

OVERSIGHT BOARD

The creation of the IRS board is most troublesome. The Government should seek the expertise of private sector individuals in advisory capacity; however, private sector individuals should not make key decisions on critical aspects of IRS management, operations, and taxpayers service. The IRS must be directly accountable to the administration with strict oversight by the Congress. The board adds a layer which reduces accountability, not enhances it.

This board is not only unwise but likely to be ineffective. A private sector board meeting once a month and without ability to hire staff of its own will not ensure a better managed IRS, or a more accountable IRS.

There is a peril to privatization without clear rules on conflict of interest and ethics but that is what we have before the House for consideration today. I challenge my colleagues to explain how the union representative is supposed to navigate the conflict of interest laws; how can one person vote on key management decisions while continuing to represent workers on a daily basis?

During committee consideration, I offered an amendment to impose clear prohibitions on private sector board members so that they could not represent a client against the IRS and so the one year post-employment restrictions would apply to board members. The committee rejected this clear amendment in a roll call vote of 14 to 23.

The language on ethics and conflicts of interest that miraculously appears in the bill today is unclear and vague in its requirements for private sector board members. As a criminal provision, it is grossly inadequate.

BURDEN OF PROOF

The shift in the burden of proof is an idea that sounds taxpayer friendly but will result in a far more intrusive IRS.

Former Republican Commissioner Fred Goldberg stated before Ways and Means that "of necessity, the IRS would be forced to resort to far more aggressive techniques in auditing taxpayers and developing cases."

This change is a bad idea which will result more record keeping requirements, more revenue agents, more audits, more tax litigation.

INFLUENCING IRS AUDITS

Lastly, it is intriguing that the bill imposes criminal sanctions on the President, Vice President, and Cabinet officials for requesting that the IRS conduct or terminate an audit of a specific taxpayer.

My Republican colleagues stated that they knew of no such abuse by the executive branch but they failed to apply the same criminal laws to Members of Congress. Did my Republican colleagues want to reserve the right to ask for audits—or pull the plug on audits—with impunity?

Mr. Speaker, the flaws in this bill are too serious to merit its enactment into law. I urge my colleagues to vote no on H.R. 2676.

Mrs. FOWLER. Mr. Speaker, I rise today in support of reforming the IRS. We are often

cautioned around here against throwing babies out with bathwater. In the case of the IRS, we are fast approaching the point of throwing out the water, the tub and everything else.

A complicated Tax Code, coupled with an out-of-control bureaucracy bent on punitive enforcement instead of efficient collection has created a situation that this Congress must address. Today's legislation is a starting point.

It is going to take time to overhaul the Tax Code. In the meantime, I think we all agree that the abuses at the IRS must stop today. This bill does just that. It levels the playing field between the taxpayer and the tax collector, it makes customer service a priority not an anomaly, and it puts in place some common sense management reforms at the agency itself.

This is a good first step, Mr. Speaker, in our mission to create a fairer tax system for all Americans. I urge my colleagues to support the bill.

Mr. CHABOT. Mr. Speaker, I rise in strong support of the Internal Revenue Service Restructuring and Reform Act.

I want to single out for special recognition, my colleague from Ohio, Mr. PORTMAN, for the tremendous work he has done over the last several months on this critical issue. We in Cincinnati greatly appreciate his tireless efforts on behalf of all American taxpayers.

The legislation before us this afternoon is taxpayer-friendly. It makes a number of important reforms in the areas of IRS daily operations, congressional oversight, and I think most importantly, taxpayers' rights. The legislation recognizes the time-honored American understanding that one is innocent until proven guilty by shifting the responsibility of proving one's case in tax liability disputes from the individual taxpayer to the Internal Revenue Service. This, I believe most taxpayers would agree, is a reform long overdue.

Mr. Speaker, today's legislation is a great step in the right direction. We are bringing the IRS under control. Next we must bring taxes under control. While we have taken the first steps and have legislated tax relief for working American families, that relief will not come soon enough nor will the tax cuts be large enough. The President and his free-spending allies in the Congress have seen to that. But, notwithstanding the objections of our liberal friends, we must move forward with those efforts. The American people are taxed too much. And they will not be satisfied until we take even larger steps to relieve them of some of that burden. The fruits of labor belong to the working people, not to the government. And we will be failing in our duties to those hard-working taxpayers unless we step up our efforts to provide them with substantial tax relief.

I urge support of the legislation and I encourage my colleagues to supplement this important tax reform measure with tax reduction legislation in the very near future.

Mr. BALLENGER. Mr. Speaker, I rise today to express my full support for H.R. 2676, the IRS Restructuring and Reform Act. In addition, I wish to praise Chairman BILL ARCHER and our colleagues on the Ways and Means Committee for bringing to light endless injustices against the American taxpayers. H.R. 2676 implements the recommendations of the year-long National Commission on Restructuring the IRS and provides taxpayers new protec-

tions and rights to address many of the abuses spotlighted in congressional hearings. Our colleagues ROB PORTMAN and BEN CARDIN also deserve recognition for their sponsorship of this commission and their tireless advocacy of its recommendations.

I believe it is important to remind our constituents that it was the Republican-led Congress which made possible this major reform initiative and the implementing legislation we have before us today. H.R. 2676 proposes the first major reform of the IRS since 1952. For three years, Republican committee heads with responsibility for the budget and oversight of this federal agency have worked to advance this reform agenda. After weeks of congressional hearings and outrage expressed by the American people, the media finally began reporting on the dark side of this Federal agency. And, after weeks of resistance to the major recommendations of the National Commission on Restructuring the IRS, and following the endorsement of reform efforts by the leader of the House Democrats, President Clinton—and the defenders of the status quo in his administration—decided they had to join this bandwagon for reform. The good news in this debate is that a presidential veto of these important reforms appears less likely.

Let me repeat, this legislative priority never would have been identified or pursued had it not been for the landslide 1994 congressional elections which swept Republicans into control of the legislative branch of our Federal Government. I am proud that we have made protection of the American taxpayers and tax relief the hallmarks of our leadership. As I have stated before, congressional Republicans need time to review the legislative mistakes of the past 40 years of Democrat control of the Congress. We have been working quietly to build the case for major reforms of the Federal Government, and today we are seeing the fruit of our efforts.

The recent congressional oversight hearings on IRS management problems gave the victims of IRS harassment human faces and gained the national spotlight for this important issue. These hearings also generated a great deal of interest among my constituents in the 10th Congressional District of North Carolina. In addition to a stream of calls and letters urging my support in general for a package of IRS management reforms, the owner of a small business came by one of my district offices with a letter she wanted me to pass along to Chairman ARCHER.

With painstaking detail, my constituent outlined what she and her family—and employees—earlier faced at the hands of overzealous IRS agents. The agents harassed her 77-year-old parents who are in poor health and, on one occasion, delayed her mother's departure for a doctor's appointment. The agents even followed her mother to a store once and prevented her from exiting her car while they hurled questions at her. The taxpayer's daughter suffered problems at school, resulting in medical problems for both of them. After her employees were contacted by phone and in person by agents at their homes, many were scared and considered looking for other work. I agree with my constituent that these agents appeared to be on a mission to destroy her. Although the issue was business taxes, these Federal employees seemed willing to destroy her personal reputation in order to collect the taxes. Regrettably, she could identify with the

financial and emotional stresses which the witnesses had shared earlier with the congressional panel and the viewing public.

I am certain my colleagues all can attest to similar battles which consumed their constituents' lives and resources, and in some cases threatened their health. While some IRS districts have been charged with especially egregious collection actions, it seems that the taxman has spread the pain fairly evenly to constituents in every congressional district.

The situation of another constituent illustrates what I believe to be the single biggest problem with agency procedures used to settle outstanding tax liability. Taxpayers who owe back taxes to the IRS, have reached a payment agreement and comply with the terms of the agreement, are still subjected to ongoing penalties. Penalties in this instance have more than doubled the original outstanding tax burden. This is ridiculous! When an agreement is negotiated with the IRS and signed, further penalties should be eliminated. By ending these penalties, I also believe taxpayers would have greater incentive to enter into payment agreements. I agree with my constituents that the IRS should first and foremost provide "customer service," be guided by common sense regulations, and treat all taxpayers with simple human decency.

I believe the solution to the problems with our tax system begins with the enactment of H.R. 2676, the IRS Restructuring and Reform Act. The IRS Restructuring and Reform Act would:

First, create an 11-member IRS Oversight Board, with 8 members who are not Federal officers or employees. This board will have real authority to oversee the IRS and will bring private sector expertise to the agency.

Second, encourage the use of electronic (or paperless) filing which should dramatically reduce the high error rate of IRS employees who input incorrect numbers from paper 1040 forms.

Third, create a Taxpayer Bill of Rights 3, which will provide 28 new protections for taxpayers that will enhance their rights when they become involved in disputes with the IRS. These protections:

Shift the burden of proof from taxpayers to the IRS in court proceedings when a taxpayer has fully cooperated during administrative proceedings; allow recovery of up to \$100,000 for negligent IRS collection actions; allow taxpayers to recover attorneys' fees when they prevail against the IRS; give taxpayers easier access to the tax court's equivalent of a "small claims court;" expand the ability of "innocent spouses"—often divorced women—to be relieved from liability for additional taxes which the IRS determines are owed on a joint return filed during the couple's marriage; and require that taxpayers are given a reason for any audit.

Fourth, expand the oversight role by Congress of the agency.

As a taxpayer myself, I feel these changes in IRS management and procedures are long overdue. I welcome the opportunity to speak to this issue on behalf of my constituents. I urge my colleagues to join with me today in voting for the IRS Restructuring and Reform Act of 1997.

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

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution

