

Over 123 million families will file 1040 returns this year. I have heard from many of these families. I have spoken with Montana families about their trials with the IRS. I have spoken with Montana families about the difficulty of scratching out a living on modest wages and then being forced to pay a significant amount of that on taxes.

Where does the blame lie? Federal spending is the gorilla on the taxpayer's back. The problem also lies with our Nation's Tax Code. How complicated is the Tax Code? Complicated enough to require significant revision—in fact, I think we should scrap the code for a simpler version providing equitable treatment. Here are the facts on the confusing nature of our Nation's Tax Code:

The IRS employs 96,000 workers to collect Federal taxes amounting to \$1.8 trillion and to administer the 1.5 million word income tax code.

The IRS expects to receive 120 million phone calls for assistance this year.

A new Associated Press poll finds that the percentage of Americans who say that Federal taxes have gotten too complicated is up to 60 percent.

The Federal Tax Code is so complex that about half of American families now require the services of tax professionals to file their tax returns.

The IRS estimates that taxpayers will spend an average of 11 hours preparing their 1040's this year.

At a minimum, the cost of collecting the federal income tax, including the value of the billions of hours that taxpayers spend filling forms, is at least 10 cents for every dollar of tax revenue collected.

After the hearings we held last year, I admit I continue to be dismayed over what I consider to be a continuation of the arrogant attitude conveyed by the actions of the Internal Revenue Service.

While the IRS expects taxpayers to fill out their tax forms accurately, the General Accounting Office has just released a report criticizing the agency for poor bookkeeping and failing the same sort of audit that the agency imposes of American taxpayers.

IRS management must recognize that they have a difficult job—promoting quality customer service. Not an easy task considering the historic attitude toward the IRS.

The founding of this great Nation's history begins with the Boston Tea Party—a revolt against tyrannical rule and unfair taxation. Taxes are a necessary evil but, if kept in check, important to all levels of government.

Taxes have created the world's greatest highway infrastructure, contributed to the protection of our nation's borders, and supported the most successful democratic government in history.

But waste and abuse of tax dollars have burdened the American taxpayer with one of the highest levels of taxation in recent years.

Tax collection needs to reflect its controversial history—the IRS does not have the right to use harassment and extortion as tax collection methods. In blunder after blunder, the IRS is flailing in a dismal fall from effectiveness—wasting those same taxpayer dollars they are collecting.

The IRS hearings during the 105th Congress were a very solemn wake-up call. Customer service will never be considered as an IRS attribute, but that's what the IRS needs to pound into their employees—the people who need to learn to work with American taxpayers—not against them.

Perhaps part of the blame lies with Congress. We should not be fooled by IRS reports telling us "we're working out the problems." As the representative body of our Nation, Congress must hold the IRS to a zero tolerance standard.

I have been contacted earlier this tax season, by numerous Montana constituents bearing complaints about the IRS. Most of the constituents are very disgruntled with the length of time it takes to have a resolution processed. They send me folders and files of correspondence. During the lengthy bureaucratic process, debts grow fantastically high with interest and penalties.

One of those cases involves the IRS's denial of due process of legal challenge for past tax years'. But it is not just one—it is many—too many. A fairer less complicated tax system may help to clear up some of the IRS abuses. By simplifying the tax system, one can only think we would simplify our revenue collection system.

Mr. President, tax collectors have a long history of public persecution. Today, my colleagues and I stand here not to tar and feather the tax collector, but to put an end to the abusive culture that has spread like a bacteria throughout the IRS.

TAX FREEDOM DAY

Mr. ALLARD. Mr. President, today is April 15. It is Tax Day. This is the deadline by which we must file our 1040 Form and pay any additional taxes we might owe on top of what was withheld during the year.

Unfortunately, typical Americans will work well beyond April 15, to pay their taxes. This is because Tax Freedom Day does not come until May 11.

Tax Freedom Day is the day in the year to which the typical American family must work just to pay the combined state, federal, and local tax burden. For many Americans the total tax burden now exceeds one-third of family income.

The Tax Foundation just announced today that Tax Freedom Day will move one day further into the year in 1999.

Last year it was May 10, this year it will be May 11. This is the latest day ever, and it marks the sixth straight year that Tax Freedom Day has advanced a day or more further into the year.

As the Tax Foundation has reported year after year, in a typical household the tax bill now exceeds the cost of housing, food, transportation and clothing combined.

In fact, in 1999 the federal tax burden will reach a peacetime high. Nearly 21 percent of the Gross Domestic Product—that is the wealth created in the country this year—will go to the federal government.

As we approach the end of the 20th century it is useful to look back on the history of the tax burden.

The Joint Economic Committee of the Congress estimates that in 1900, the average federal tax burden on a family was 3 percent, and the average state and local burden was 5 percent, for a combined total of 8 percent.

As the century closes the JEC estimates the average federal tax burden on a family is 24 percent, and the average state and local burden is 11 percent, for a total of 35 percent. Mr. President, we have come a very long way.

The IRS estimates that 123 million families will file their tax returns this year. The tax code is so complex that nearly half of these families require the service of some type of tax professional in order to file their tax returns.

This means that on top of the actual tax owed to the government, there is a hidden tax for millions of Americans in the form of tax-compliance and professional services fees. Even for simple tax returns, this can add another \$100 to the tax bill each year.

For small businesses the tax compliance costs run into the thousands of dollars.

Mr. President, it is time for fundamental tax reform. We should begin this process by reducing income tax rates across the board.

We should also eliminate complex and punitive taxes such as the estate and gift tax, and we should continue to build on our successful reform of the IRS by making it possible for most Americans to comply with the tax system with minimal expense and effort.

The federal government is too big, and it costs too much. We should use the budget surplus for two things, reduction of the federal debt, and tax relief.

The surplus belongs to the American people, it does not belong to the government. For decades the cost of government has risen, Tax Freedom Day has moved later and later into the year.

Mr. President, it is time for us to begin rolling back Tax Freedom Day. Let's give the American family a well earned break.

TRIBUTE TO MR. LYNN W. HENINGER, NASA DEPUTY ASSISTANT ADMINISTRATOR FOR LEGISLATIVE AFFAIRS

Mr. LOTT. Mr. President, I would like to take this opportunity to recognize the outstanding work of Mr. Lynn