HAPPy 100th BIRTHDy, ANASTACIo A. CISNERoZ
HOOr. HOWArD L. Berman
OF CAlorIFoNIa
IN THE HOUSE OF REPRESENTATIVES

Mr. Berman. Mr. Speaker, I rise to pay tribute to my constituent, Anastacio A. Cisneroz, who celebrates his 100th birthday on April 15, 2003 at Pico Adobe Historical Park in Mission Hills.

Born in Purandido, Michoacan, Mexico, Anastacio and his family fled to the United States in 1918 to avoid the hardships caused by the Mexican Revolution and to find a better life. Anastacio was 15 years old, and the hunger and suffering endured by his family re mains fresh in his mind.

During their journey to the San Fernando Valley, Anastacio’s mother, Refujo Armenta, and youngest brother, Perfilio, died of a particularly virulent strain of influenza which also killed millions of others. His father, brother and sister and he continued by train through Ciudad Juarez to El Paso on December 25, 1918.

In 1932 he married Jessie Menjares and purchased a home in San Fernando where he lives to this day. He has nine children, 31 grandchildren, 52 great grandchildren and 5 great, great grandchildren—5 wonderful generations.

Because of his determination, work ethic, and spirit, Anastacio thrived in the United States even though things were not always easy. In 1942, he began working for Lockheed. The hours were long and the work was hard, but Anastacio took pride in his efforts and was extremely successful. He retired with the respect and admiration of his peers and supervisors after 27 years of service.

Today, Anastacio likes to travel, work in his vegetable garden, shop in supermarkets and walk to the barbershop. He attributes his longevity to hard work, good food, sleeping well and never smoking or drinking. He says that the secret of his long life is “living with common sense.”

We respect and honor Anastacio and hopefully, we will all learn from his wisdom.

Mr. Speaker, I am proud to ask my colleagues to join me in saluting Anastacio Cisneroz on his 100th Birthday.

INTRODuCTION OF BILL TO ASIST owNERS oF CERTAIN FAmILy BUSINESSES
HOOr. Mr. UdALL
OF COLORAdO
IN THE HOUSE OF REPRESENTATIVES

Mr. Udall of Colorado, Mr. Speaker, today I am introducing H.R. 498 to make it easier for people who share ownership of an unincorporated business with a spouse to comply with the tax laws and also receive Social Security and Medicare benefits they have earned. The problem the bill addresses arises from the fact that under current law an unincorporated business—whether it is classified as a partnership for purposes of the federal income tax. That means the business is subject to complex record-keeping requirements and the owners are supposed to file a partnership income-tax return.

However, the Internal Revenue Service estimates that it can take a partnership as much as 200 hours to complete and file that kind of tax return—enough work to keep a person who works a 40–hour week busy for more than a month. And this has to be done every year. When we think of everything else they have to do to keep their businesses running, it is not surprising that many of these couples take what looks like an attractive shortcut. They do that by filing as if their businesses were sole proprietorships—a shortcut that the IRS estimates can take as little as 2 hours. But, attractive as that shortcut seems, it can lead to serious trouble.

First, of course, it is a technical violation of the tax laws, which means a couple taking that shortcut could be subject to penalties for failing to file as a partnership. But that’s not the worst part. Because spouses who own and run a business are self-employed, they need to complete self-employment tax forms to report and pay their Social Security and Medicare taxes. But to businesses were a sole proprietorship, they must report all income from the business under the name of just one spouse—and, if they do that, only that named spouse can receive credit for paying into Social Security and Medicare. That means that if the “unnamed” spouse dies, the named spouse and his or her children would not qualify for Social Security survivor benefits. And it means that the “unnamed” spouse would not qualify for Medicare.

Further, in the event of a divorce, it can be very difficult for an “unnamed” spouse to prove that he or she owns a share of the business for purposes of dividing the assets.

My bill will help couples like these to avoid these problems by enacting several recommendations outlined by Nina E. Olsen, the National Taxpayers Advocate, in her most recent annual report to Congress.

Under the bill, if a couple filing a joint tax return are the only owners of an unincorporated business, they could decide what part of the business’s profits or losses each spouse would claim, and that share would be taken into account in determining their self-employment earnings. That way, each spouse could receive some credit for Social Security and Medicare. And, depending on state law, this could also facilitate more equitable divisions of property in the event of divorce.

The Taxpayer Advocate’s report indicates that while this change in the law would mean a major reduction in the record-keeping requirements applicable to many people, it would have little or no effect on federal revenues.

I am not sure how many people in Colorado stand to benefit from this bill. However, according to the IRS, it appears that more than 2,000 Colorado couples who operate ranching or farming businesses would be covered by its provisions, and that it could also assist thousands of other Colorado couples who operate other kinds of unincorporated businesses.

Mr. Speaker, I am introducing this bill not only as a Colorado Democrat but also from the most populous State, I am not surprised that the Taxpayer Advocate’s report indicates there could be as many as 2 million couples across the United States even though things were not always easy.

HONorING SERGEnt GayLE D. MIller CoopEr
HON. DJeNNIS J. KUCINICH
OF OHio
IN THE HOUSE OF REPRESENTATIVES

Mr. Kucinich. Mr. Speaker, I rise today in honor and recognition of Sergeant Gayle D. Miller Cooper, Officer in Charge of Communications, on the occasion of her retirement from the Cleveland Police Department that spans 25 years of service to the Cleveland community.

Raised in Cleveland, Sergeant Cooper graduated from John F. Kennedy High School in 1969. She attended Cuyahoga Community College and Case Western Reserve University, then joined the Cleveland Police Department in 1977. Sergeant Cooper was one of the first female officers assigned to work in zone cars—a pioneering and courageous achievement in a formerly male dominated profession. Her determination and ability to make a difference as a police officer opened doors for women who followed in her path.

Sergeant Cooper’s outstanding work and personal dedication to helping others was clearly reflected throughout her tenure of service. In 1989, she was promoted to Detective in the Unit in the 5th District. Her varied professional experience also included positions as Police Academy recruiter, instructor, and background investigator. Officer Cooper focused her commitment, courage and intellect on issues involving women and children. She became the Domestic Violence expert for the Cleveland Police Academy, and in 1993, was appointed as Detective in the Gang Unit. Later, Officer Cooper became the Juvenile Liaison Officer for the City of Cleveland. Promoted to Sergeant in 2001, she was also appointed to the position of Officer in Charge of Communications that same year.

Mr. Speaker and Colleagues, please join me in honor, gratitude and recognition of Sergeant Gayle D. Miller Cooper upon her retirement from the Cleveland Police Department. Sergeant Cooper’s commitment and courageous service on behalf of the citizens of Cleveland, have served to lift the spirits and the lives of countless individuals, families—and the entire Cleveland community.

HON. MrK UdALL
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IN THE HOUSE OF REPRESENTATIVES

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However, the Internal Revenue Service estimates that it can take a partnership as much as 200 hours to complete and file that kind of tax return—enough work to keep a person who works a 40–hour week busy for more than a month. And this has to be done every year. When we think of everything else they have to do to keep their businesses running, it is not surprising that many of these couples take what looks like an attractive shortcut. They do that by filing as if their businesses were sole proprietorships—a shortcut that the IRS estimates can take as little as 2 hours. But, attractive as that shortcut seems, it can lead to serious trouble.

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the country who could benefit from enactment of this legislation.

In short, while my bill would make only a relatively simple change in the tax laws, it has the potential to help many people and cut a lot of red tape at the same time. I greatly appreciate the expertise of my colleague’s bringing it to our attention, and I think it deserves the support of every Member of the House.

For the benefit of our colleagues, Mr. Speaker, I am attaching an excerpt from the report of the Taxpayer Advocate that explains the recommendation upon which my bill is based.

**Explanation of Recommendation**

The National Taxpayer Advocate recommends that Internal Revenue Code section 761(a) be amended to allow husband and wife co-owned businesses to elect out of Subchapter K—Partners and Partnerships. At this time, we recommend that the election be made available only to married couples who file joint income tax returns. By making the election, the business would be exempt from the application of the complex rules of subchapter K and the husband and wife would be eligible to file a Schedule C instead of a Form 1065 (U.S. Return of Partnership Income). Internal Revenue Code section 761(a) already allows certain categories of taxpayers to opt out of subchapter K, so there is precedent for this approach.

Amending IRC §761(a) to allow a husband and wife co-owned business to elect out of subchapter K would not require an additional amendment to Internal Revenue Code section 6301 regarding filing partnership returns. Treasury Regulations currently state that a taxpayer who has made an election to be exempt from subchapter K is not required to file a partnership return except in the year of the election. In the election year, the taxpayers would only need to file a partnership return with the election statement. All income and deductions would then be reported on a Schedule C in the election year and for all subsequent years.

If this proposal is enacted into law, we recommend that the IRS design a form to supplement Schedule C for married co-owners who choose to opt out of subchapter K. It could be called Schedule C–MC (for “Married Couple”). The business entity’s income and expenses would be reported on Schedule C–MC, and profit (or loss) would then be allocated between the husband and wife on Schedule C–MC.

The supplemental form would serve three important purposes. First, the amount of income allocated to each spouse— thus carried to separate Schedules SE—would be shown on the form.

Second, the form could be used to record each spouse’s respective interest in the business. This could become important if, for example, one spouse dies and the value of his or her interest needs to be determined for purposes of computing the estate tax.

Third, the form could be designed to allow the business to make certain tax elections that are available to the entity level. This issue arises because even if a business co-owned by a husband and wife is excluded from the definition of a partnership for purposes of the business income tax, it remains a partnership for all other purposes of the Code. The principal significance of partnership classification outside the context of subchapter K is that a partnership may make certain tax elections available only to an entity and not to individuals. For example, a partnership may make an election to expense rent paid on business assets. We see no reason to prohibit husband-and-wife-owned partnerships that elect out of subchapter K from making tax elections of this nature.

In sum, our legislative proposal would reduce the tax compliance burden on many husband-and-wife-owned businesses, would facilitate the coverage of both spouses under the Social Security and Medicare systems, and, depending on state law, could facilitate more equitable divisions of property in the event of divorce. The revenue impact of the proposal should be negligible. Regardless of how the net earnings from the business are reported—either as a flow-through item from the partnership return or as net earnings from Schedule C—the income tax liability of the husband and wife generally will be the same. Social Security and Medicare receipts generally will also be the same.

**Paying Tribute to Joe Coors**

Mr. McINNIS. Mr. Speaker, it is with a heavy heart that I rise today to honor the memory of Joe Coors—a man of unmatched dedication to his family, his community, and his beliefs. Joe died recently at the age of 85, and as his family mourns this loss, I would like to take this opportunity to acknowledge his life before this body of Congress and this nation.

Joe is a legend in my home state of Colorado and indeed across America. His grandfather, Adolph Coors, founded the Coors brewery in 1873. Joe began his career as a chemical engineer when his grandfather’s company in Golden, Colorado was a small operation producing 300,000 barrels a year. He returned to Golden to begin working at the brewery in 1946, helping to develop the signature Coors cold-filtration process and eventually pioneering use of the aluminum can and the nation’s first large-scale recycling program. When Joe was elected to Baseball’s Hall of Fame in 1982, the baseball world celebrated Joe as chief operating officer in 1988 after 41 years of service, Coors had grown into the nation’s third-largest brewer.

In addition to his role as a business leader, Joe was an active American citizen. In the 1970s he helped to found the Heritage Foundation, an influential think-tank and actively worked for other conservative groups and causes. Among the organizations he supported were the Independent Institute in Golden, Colorado and the Mountain States Legal Foundation, a public interest law firm. In the late 1960s, Joe served for 6 years on the Board of Regents for the University of Colorado. Throughout his life, Joe boldly fought for what he believed in; never for recognition but simply because he thought it was right.

Mr. Speaker, we are all terribly saddened by the loss of Joe Coors though we take comfort in the knowledge that our grief is overshadowed by his legacy of success and accomplishment. His life is the very embodiment of the American dream, and I am deeply honored to be able to stand before this body of Congress and this nation to recognize Joe’s life and many accomplishments.