TUCSON CITIZEN

HON. RAÚL M. GRIJALVA

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. GRIJALVA. Madam Speaker, I rise to pay tribute to the Tucson Citizen which is closing after 138 years.

The Arizona Citizen was founded in 1870, by John Wasson, a newspaper man from California, with help from Richard McCormick, the territory's governor and later territorial delegate to Congress. In 1976, Gannett Co., Inc. bought the newspaper and changed its name from the Arizona Citizen to the Tucson Citizen.

The closure of the Tucson Citizen is a great loss for the community of Southern Arizona. As the state's oldest newspaper, the Tucson Citizen has been a part of Arizona's history. During its existence, the Citizen reported on Arizona's biggest stories, among them the 1881 gunfight at the OK Corral and the 1934 arrest of bank robber John Dillinger.

The Tucson Citizen has been a place that Tucsonans turned to for local news. The stories published reflected the diverse community and the stories that impacted multiple generations.

Losing the Tucson Citizen is losing a piece of history and losing a bit of family.

For the past several decades, the Tucson Citizen has been a family affair. Many a reporter, assignment editor and publisher worked in the same newsroom as their previous relatives. This newspaper worked hard to connect our present with our past and another voice will be lost when the doors finally shut forever.

From the beginning, there have been individuals dedicated to keeping the public informed, communities educated, and discourse alive and well. Throughout its existence, the Tucson Citizen has worked to provide our community with accurate information. A desire for good journalism is vital to fostering a more enlightened public. I ask to recognize the Tucson Citizen for its contribution to Southern Arizona.

TRIBUTE TO MR. KEVIN COOK

HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. SIMPSON. Madam Speaker, I rise today to pay tribute to Mr. Kevin Cook, former Clerk of the House Appropriations Subcommittee on Energy and Water Development, who recently retired after ten years of honorable service for the U.S. Congress and over thirty years of service with the federal government. During my time serving as a Member of this Subcommittee. I had the distinct pleasure of working with Mr. Cook and benefiting from his knowledge and counsel on budgetary, policy and oversight matters.

Mr. Cook devoted his career to serving in the federal government and spent almost three decades working for various federal agencies and for Congress. Mr. Cook started his career as a geologist for the U.S. Forest Service before spending over 20 years as a hydrologist, water resources planner, project manager and physical scientist for the Army Corps of Engineers. Mr. Cook came to the House of Representatives in 1998, where he served as Science Advisor and Counsel for the House Energy and Commerce Committee and then as a Professional Staff Member, the Majority and then the Minority Clerk for the House Energy and Water Development Subcommittee on Appropriations, where I had the honor of working closely with him.

As clerk for the Subcommittee, Mr. Cook oversaw appropriations for the Department of Energy, the Civil Works programs of the Army Corps of Engineers, the Bureau of Reclamation, as well as a number of related agencies. In this role, he oversaw appropriations and conducted oversight of these programs and worked diligently to uphold the interest of the taxpayer to ensure that our taxpayer dollars were spent efficiently and effectively. I was a frequent beneficiary of his guidance and expertise, as I know were the Chairman, Ranking Member and the other members of the Subcommittee.

Madam Speaker, I believe that we owe much of our effectiveness as Members to the hard work and dedication of the staff. Kevin Cook exemplifies the highest ideals of public service and served the Committee and the federal government with honor, integrity and enthusiasm. We will miss his expertise and counsel greatly—his knowledge and understanding of the issues at hand will be difficult to match. Thank you, Kevin, for your many years of service to the federal government, the United States Congress and our nation.

RESTORE BALANCE TO TAX TREATMENT OF CHARITABLE VEHICLE DONATIONS

HON. WILLIAM D. DELAHUNT

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. DELAHUNT. Madam Speaker, in 2004, the Congress enacted changes in the federal tax code intended to address real and perceived abuses related to charitable donations of vehicles. Those changes, while well-intended, have had unanticipated and serious consequences. Over the last four years, charitable vehicle donations have plummeted. The steep decrease in revenue has forced many charities—in my state and across the country—to reduce services to their beneficiaries.

The adverse impact on charities is especially alarming in the context of the recession currently gripping the nation. The economic downturn has exacerbated demand for charitable services. But the changes enacted in 2004 are strangling the charitable contributions on which those services depend.

I have introduced legislation to refine those changes in ways that restore better balance to this provision of the tax code and fulfill the original intent of Congress: to promote charitable donations. Every car and truck donated to charity, moreover, would help stimulate sales of new automobiles—at a fraction of the per-transaction cost of any auto bailout proposal.

Before 2005, a taxpayer could deduct the fair market value (FMV) of vehicles donated to charity. Under Section 170 of Title 26 of the U.S. Code, a donor could claim the FMV as determined by well-established used car pricing guides, as long as the FMV was under $5000. However, there was concern that some taxpayers were gaming the system by claiming excessive deductions, and that there was insufficient IRS oversight to detect or police these problems.

In its FY2005 budget request, the Administration proposed reforming the rules governing vehicle donations by allowing a deduction only if the taxpayer obtained a qualified appraisal for the vehicle. However, the Congress rejected that proposal and went much further. The tax code changes included in the American Jobs Creation Act of 2004 (P.L. 108–357) limited deductions over $500 to the actual proceeds of sale of the vehicle by the charity—regardless of appraised value. Only if the charity actually keeps and uses the car (rather than sells it for the resulting revenue) can the donor deduct its FMV.

The rules took effect for tax year 2005. Today, a taxpayer with an older used car in poor condition can call many charities nationwide to have the vehicle towed at no cost and then claim a $500 deduction. However, a taxpayer with a newer-model car in good condition has no idea what deduction will be allowed until the vehicle is actually sold. That sale may not occur until months later, forcing the donor to roll the dice on the final deduction amount.

During congressional debate, proponents argued that the changes would not add new burdens on vehicle donors or adversely impact charitable giving. To the contrary, evidence abounds that the changes have seriously disrupted charitable giving and forced many charities to curtail services to low-income beneficiaries.

Two recent government reports have concluded that charitable vehicle donations have dropped significantly since federal tax law changed four years ago. In March 2008, a Government Accountability Office (GAO) study of 10 national charities over the two years after the law changed found that vehicle donations had dropped by 39 percent and that the resulting charitable revenues decreased by 25 percent. In May 2008, the Internal Revenue Service documented that the number of vehicles donated in 2005, the first year after the rules changed, decreased by 67 percent and that their value fell by over 80 percent.

To feel informed enough to decide whether to donate a vehicle, taxpayers need a reasonable degree of certainty about the resulting deduction. Otherwise, alternatives such as a private sale or dealer trade-in become more attractive. This is clearly not what the Congress intended.

The objective of the original 1986 car donation provision in the federal tax code was to encourage charitable donations and to help charities develop new ways to generate contributions. The 2004 amendments have undermined that goal without improving IRS enforcement. As a result, charities and their beneficiaries are suffering.

The change has affected not only the number of donations, but also the quality of donated vehicles. News articles from across the country reflect plummeting donation rates and the precipitous decline in revenue of non-profit community organizations. The news coverage itself has exacerbated the problem. Potential donors concerned about the changes are discouraged further by the perception of the new burdens associated with the amended rules.