three to four acres of open space per 1,000 residents is what is recommended by our State of California effecting well over 6 million people.

Today, together with the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes.

The Bush Administration can’t miss this chance to start working on an urban, national park that will benefit Latinos in California. It’s an opportunity for Bush to improve his image in the state and at the same time work with Democrat Solis in a bipartisan effort. Sounds like win-win-win to us.

We would like to see an education center, more bike trails and more river access for hikers, horseback riders, birders, mountain bikers, picnickers and all.

Likewise, to the west, the Arroyo Seco should be restored. The Arroyo Seco Foundation and North East Trees are working on a plan to make the river that runs through Pasadena, South Pasadena to Los Angeles a place of beauty instead of a concrete channel off-limits to visit.

These are projects that are not about saving a species of frog or fish but rather, about saving a quality of life for almost 2 million people. Hilda Solis, who has been tirelessly spend more time in their cars in traffic than in nature. Many have come from Mexico, as the new census figures show, living in poorer and middle-class neighborhoods of South El Monte, El Monte, Pico Rivera, Northwest Pasadena, El Sereno, Azusa and Duarte and rarely go beyond the streets where they live.

Most do not have the means to travel to Yosemite, Mammoth Lakes and other spots that are favorites of the Valley’s more well-to-do population. Hence, more than 75 percent of the people who visit the East Fork, Whittier Narrows, Marrano Beach and Santa Fe Dam are Latino.

The Bush Administration can’t miss this chance to start working on an urban, national park that will benefit Latinos in California. It’s an opportunity for Bush to improve his image in the state and at the same time work with Democrat Solis in a bipartisan effort. Sounds like win-win-win to us.

INTRODUCTION OF ABUSIVE TAX SHELTER SHUTDOWN ACT

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 3, 2001, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes. Mr. DOGGETT. Mr. Speaker, most of us can appreciate the feeling of the fellow who declared, “I am proud to be paying taxes, but I could be just as proud for half the money!”

Some taxpayers have, in fact, discovered a way to get out of half the money by exploiting abusive tax avoidance schemes, gimmicks, and tax shelters. For the millions of Americans who are paying their fair share of taxes, it is long past time to plug some of the loopholes and eliminate the tax inequities that threaten public confidence in our tax system.

Today, together with the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means and a number of my Democratic colleagues on the committee, I am introducing the Abusive Tax Shelter Shutdown Act to address these concerns.

With the Bush administration already dipping into the Medicare trust fund to pay for its many undertakings, we face a challenge. To implement a patient’s right of, to ensure that the dipping into the Medicare trust fund does not extend to an invasion of the Social Security trust fund, and to provide reasonable tax relief, we must ensure that lower tax revenues are offset set. We must secure what are known around this House as “pay-for’s” to pay for the enactment of any new initiatives.

With the bill that we are introducing today, we say: what better place to start than with the high rollers who are heating and gaming our tax system.

This new bill represents a refinement of legislation that I originally introduced in 1999. The Washington Post, the Los Angeles Times, and several other newspapers have already endorsed that initiative. The abuses that it addresses were first brought to my attention by a constituent in Austin who directed my attention to this Forbes magazine. Forbes, which proudly proclaims itself “the capitalist tool,” did a cover story called “Tax Shelter Hustlers” with a fellow in a fedora on the cover, and stated, “Respectable accountants are peddling dicey corporate loopholes.” Inside, that cover story begins, “Respectable tax professionals and respectable corporate clients are exploiting the exotica of modern corporate finance to indulge in extravagant tax dodging schemes.” Forbes reported that Big 5 accountants require state-by-state to come up with at least one new corporate tax dodge per week. The literal hustling of these improper tax avoidance schemes is so commonplace that the representative of one major Texas-based multinational indicated that he gets a cold call every day from someone hawking such shelters.

As Stefan Tucker, former Chair of the American Bar Association Tax Section, a group comprised of 20,000 tax lawyers across the country, told the Senate Finance Committee: “[T]he concerns being voiced about corporate tax shelters are very real; these concerns are not hollow or misplaced, as some would assert. We deal with corporate and other major taxpayer clients every day who are bombarded, on a regular and continuous basis, with ideas or ‘products’ of questionable merit.”

Two years later, we have this sequel from Forbes which raises the question, “How much do you cheat your taxes?” It concludes that the marketing of push-the-edge and over-the-edge tax shelters “represent the most striking evidence of the decline in [tax] compliance” in
our country today. The “outrageous shelters” that it reports about in its cover story are literally “stealing this country’s future apart.” It raises the question that more and more taxpayers are asking: “Am I a chump for paying what I owe?”

Here is basically what this bill seeks to do: First, it seeks to stop these schemes that have no “economic substance.” That is, deals that are done not to achieve economic gain in a competitive marketplace or for other legitimate business reasons but to generate losses that offer a way to avoid the tax collector.

Second, it prevents tax cheats from buying the equivalent of a “get-out-of-jail-free” card to protect themselves in the unlikely event that they get caught. Some fancy legal opinion cannot not be administrative insurance against penalties for tax underpayments on transactions that have no economic substance.

Third, the bill increases and tightens penalties for tax dodging so that there is at least some downside risk to cheating.

Fourth, it requires the promoters and hustlers who market tax shelters to share a little of the penalty themselves with the offending taxpayer.

Fifth, it punishes the lawyers who write “penalty insurance” opinions that any reasonable person would know are unjustified.

Sixth, it penalizes those who fail to follow the disclosure rules. It recognizes that too often secrecy is the growth hormone for these complex tax-cheating shelter gimmicks.

Seventh, it expands the types of tax shelters that must be registered with the IRS, thereby facilitating tax enforcement.

Finally, it targets a few of what some might view as “attractive nuisances.” That is, tax code provisions that are particularly subject to manipulation and misuse.

Battling these shelters one at a time through years of costly litigation, has prevented the steady growth in abusive practices. Indeed, the creativity and speed with which new and more complicated tax shelters are devised is remarkable. Following judicial and administrative rulings, tax shelters are repackaged and remarketed with creative titles like sequels to bad administrative rulings, tax shelters. The economic substance doctrine has been used by an American newspaper in which he favored eliminating corporate taxation. If that is the ultimate objective, if he just waits a little while maintaining the same attitude of indifference in the face of rapidly changing economics it is possible the situation may eventually be accomplished. This will leave just a few “corporate chumps” paying anything close to their fair share.

Most taxpayers realize that if someone in the corporate towers on the street is not paying their fair share, you and I, and the others who play by the rules, must pay more to pick up the slack. And that slack, that loss of revenue to abusive tax shelters, is not estimated to exceed $10 billion per year.

And that lost revenue could be put to better use. The bipartisan leaders of the managed care reform bill in the last Congress relied upon this proposal to offset the federal revenues associated with adopting the Patients Bill of Rights. Although blocked procedurally, Representative CHARLIE NORWOOD (R-GA) got it right in telling the House Rules Committee, “There is a large difference in what you call a tax increase and stopping bogus tax shelters. That is really two different things. They aren’t just asking them to pay more taxes, we are trying to keep them from cheating the system.”

Today, we sponsors of this legislation offer a constructive way of correcting abusive tax shelters, described by former Treasury Secretary Larry Summers as “the most serious compliance issue threatening the American tax system.” Battling corporate tax cheats is not a partisan issue, it is a question of fundamental fairness. This Congress should promptly respond.

**Technological Explanation of H.R. the “Abusive Tax Shelter Shutdown Act of 2001”**

**Title I—Clarification of Economic Substance Doctrine (Sec. 101)**

**Present Law**

The Internal Revenue Code (“Code”) provides specific rules regarding the computation of taxable income, including the amount, timing, and character of items of income, gain, loss and deductions. These rules are designed to provide for the computation of taxable income in a manner that permits for a degree of specificity to both taxpayers and the government. Taxpayers generally may plan their transactions in reliance on these rules to determine the federal income tax consequences arising from the transactions.

Notwithstanding the presence of these rules, determining the claimed tax results of a particular transaction may be challenged by the Secretary of the Treasury. For example, the Code grants the Secretary various authority to challenge tax results that would result in an abuse of these rules or the avoidance or evasion of tax (Secs. 269, 466, 482, 7701(i)). Further, the Secretary can challenge a tax result by applying the so-called “economic substance doctrine.” This doctrine has been applied by the courts to stop transactions that produce tax benefits in transactions whose undertaking does not result in a meaningful change to the taxpayer’s economic position other than a purported reduction of tax. Closely related doctrines also applied by the courts (sometimes interchangeable with the economic substance doctrine) include the so-called “sham transaction” (Sec. 7701(a)), the “business purpose doctrine.” (See, for example, Kwetsch v. United States, 364 U.S. 361 (1960) denying interest deductions on a “sham transaction” whose only purpose was to create the deductions.) Also, the Secretary can argue that the substance of a tax transaction is different from the form in which the taxpayer has structured and reported the transaction and therefore, the taxpayer applied the improper rules to determine the tax consequences. Similarly, the Secretary may invoke the “step-transaction doctrine” to treat a series of formally separate actions “as a single transaction if the steps are integrated, independent, and focused on a particular result.

**Economic Substance Doctrine**

The economic substance doctrine is a common law doctrine developing in transactions which, apart from their claimed tax benefits, have little economic significance. The seminal authority for the economic substance doctrine is the Supreme Court and the Second Circuit Court in Gregory v. Commissioner 293 U.S. 465 (1935) denying interest deductions on a “sham transaction” whose only purpose was to create the deductions. This bill should now effectively provide a single, unified, and economically focused approach to this problem.

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was able to deduct a substantial amount of prepaid transaction expenses. The Code allowed a deduction for the prepaid interest, the Court disallowed the deduction stating: "this provision [sec. 163(a)] should not be construed to permit an interest deduction where it objectively appears that the taxpayer has borrowed funds in order to engage in a transaction that has no substance or purpose other than obtaining the tax benefit of an interest deduction."

Likewise in Shelton v. Commissioner (91 T.C. 738 (1988)), a taxpayer borrowed money to purchase a tax shelter. The Court held at that time, the interest on the borrowing was deductible, but interest on the Treasury bills did not have to be accrued currently. The taxpayer deducted the interest on the borrowing currently and deferred the interest income. The court, as in the Goldstein case, disallowed the interest deduction because the transaction lacked economic substance. Similarly, the economic substance doctrine has been applied to disallow losses in cases where taxpayers invested in commodity straddles (Toby v. Commissioner, 661 F.2d 494 (7th Cir. 1981)).

Recently, the courts have applied the economic substance doctrine to deny the benefits of a tax shelter principally designed to create losses by investing in a partnership holding debt instruments that were sold for contingent installment notes. Both the Tax Court and the Court of Appeals for the Third Circuit held that the transaction lacked economic substance and thus disallowed the "artificial loss" (ACM Partnership v. Commissioner, 157 F.3d 231 (3d Cir. 1996). doi:10.2307/3061219 (1997)). The Tax Court opinion stated: "the transaction must be rationally related to a useful nontax purpose that is plausibly in light of the taxpayer's conduct and useful in the light of the taxpayer's economic situation and intentions. Both the utility of the stated purpose and the rationality of the means chosen to effectuate it must be evaluated in accordance with the commercial practices in the relevant industry."

Business purpose doctrine

The courts use the business purpose doctrine (in combination with economic substance doctrine) for purposes of determining whether a transaction should be disregarded for tax purposes: (1) the taxpayer was motivated by no business purpose other than obtaining tax benefits in entering the transaction, and (2) the transaction lacks economic substance (Rice v. Toyota World, 732 F.2d 89, 91 (1985)). In essence a transaction will not be treated as a tax purpose if such a purpose is substantially in excess of the present value of the anticipated economic returns to the lender. Also, the form of a transaction with a tax-indifferent party has no economic gain or income or if it results in the shifting of basis on account of overstating the income or gain of the tax-indifferent party.

EFFECTIVE DATE

The provision applies to transactions after the date of enactment.

TITLE II—PENALTIES (sec. 201)

A 20-percent penalty applies to any portion of an underpayment of income tax required to be shown on a return to the extent that it is attributable to negligence or to a substantial understatement of tax. The purpose of the penalty, an understatement is considered "substantial" if it exceeds the greater of (1) 10 percent of the tax required to be shown on the return, or (2) $5,000 ($10,000 in the case of a C corporation that is not a personal holding company).

The penalty does not apply if there was reasonable cause for disallowing any tax benefit the taxpayer acted in good faith with respect to the understatement. In addition, except in the case of a tax shelter, the substantial understatement penalty will not apply if there was substantial authority for the tax treatment of an item or if there was adequate disclosure of the item and reasonable basis for the treatment of the item. In the case of a tax shelter of a noncorporate taxpayer, the substantial authority exception applies if the taxpayer reasonably believed that the claimed treatment was more likely than not the proper treatment. For this purpose, a tax shelter means a partnership or other entity, plan or arrangement, if a significant purpose of the entity, plan or arrangement was the avoidance or evasion of Federal income tax.

EXPLANATION OF PROVISION

Enhanced penalty for disallowed noneconomic tax attributes

The bill increases the accuracy-related penalty for underpayments attributable to disallowed noneconomic tax attributes. The rate of the penalty is increased to 40 percent unless the taxpayer discloses to the Secretary of the Treasury or his delegate such information as the Secretary shall prescribe with respect to such transaction. No exception applies to the extent (or portion) to the imposition of the penalty will apply in the case of disallowed noneconomic tax attributes.

The enhanced penalty applies to the extent that the underpayment is attributable to the disallowance of any tax benefit because of a lack of economic substance (as provided by the bill), because the transaction was not respected under the rules added by the bill relating to transactions with tax-indifferent parties, because of a lack of business purpose or because of any rule of law disregarding meaningless transactions whose undertakings were not in the furtherance of a legitimate business or economic purpose.

Modifications to substantial understatement penalty

The bill makes several modifications to the substantial understatement penalty. First, the bill treats an understatement as substantial if it exceeds $500,000, regardless of whether it exceeds 10 percent of the taxpayer's total tax liability. Second, the bill treats tax shelters of noncorporate taxpayers the same as the present law treatment of corporate tax shelter; thus the exception from the enhanced penalty for disallowing economic returns to the lender (under section 6662(b)(2)(B)(ii)) will not apply. Third, the bill provides that the determination of the amount of underpayment shall not be less than the amount that would be determined if the items not attributable to a tax shelter or to a transaction having disallowed noneconomic tax attributes (discussed below) were treated to the extent they are attributable.
The bill imposes a penalty on any substantial promoter of a tax avoidance strategy if the strategy fails to satisfy any of the judicial doctrines that may be applied in the disallowance of noneconomic tax attributes (as described in section 201 of the bill). A tax avoidance strategy means any entity, plan, arrangement, or transaction that is of a type that the Secretary is determined (under section 201 of the bill) to be an abusive tax shelter (as defined in section 6664(d)(2)(C)(iii) or in any partnership, entity, plan or arrangement that involves the disallowance of a noneconomic tax attribute (as described in section 201 of the bill). In these cases, the penalty is equal to the greater of 50 percent of the gross proceeds derived by the promoter from each activity (sec. 6700(a)). There is no statute of limitations on the assessment of the penalty.

The amount of the penalty equals 100 percent of the gross income derived by the promoter from each activity (sec. 6700(a)). There is no statute of limitations on the assessment of the penalty. The promoter may require. The lists must generally be maintained by the promoter who has caused the failure to disclose the required information with respect to a reportable transaction.


does not apply if a penalty is imposed under section 6700 on the substantial promoter for promoting an abusive tax shelter under present-law section 201 of the bill). In these cases, the penalty is equal to the greater of 50 percent of the gross proceeds derived by the promoter from each activity (sec. 6700(a)). There is no statute of limitations on the assessment of the penalty. The promoter may require. The lists must generally be maintained by the promoter who has caused the failure to disclose the required information with respect to a reportable transaction.


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The bill imposes a penalty for failing to disclose reportable transactions in accordance with the forms and regulations prescribed by the Secretary (or as required information). (See section 6011). In February 2000, the Treasury Department issued temporary and proposed regulations under section 6011 that require corporate taxpayers to include in their tax return information with respect to certain large transactions with characteristics that may be indicative of tax shelter activity. Specifically, the regulations require the disclosure of information with respect to "reportable transactions. There are two categories of reportable transactions. The first category covers transactions that are the same as (or substantially similar to) tax avoidance transactions the IRS has identified in published guidance (a "listed" transaction) and that are expected to reduce a corporation’s income tax liability by more than $1 million in any year or by more than $2 million for any combination of years. (Treas. Reg. sec. 1.6011–4T(b)(2) and (b)(4)). The second category covers transactions that are expected to reduce a corporation’s income tax liability by more than $5 million in any single year or $10 million for any combination of years that exhibit at least two of six enumerated characteristics. (Treas. Reg. sec. 1.6011–4T(b)(3) and (b)(4)). There is no penalty for failing to adequately disclose a reportable transaction. However, the nondisclosure does not indicate that the taxpayer has not acted in "good faith" with respect to the underpayment. (T.D.8877).

The bill imposes a penalty for failing to disclose the required information with respect to a reportable transaction (unless the failure was due to reasonable cause and not due to willful neglect). The amount of the penalty is equal to the greater of (1) five percent of any increase in Federal income tax which results from a difference between the taxpayer's treatment of the items attributable to the reportable transaction and the proper tax treatment of such items, or (2) $100,000. If the failure to disclose relates to a listed transaction (or a substantially similar transaction), the percentage rate is increased to 10 percent of any increase in tax for such transaction (or $10,000).

The penalty for failure to disclose information with respect to a reportable transaction is in addition to any accuracy-related penalty that may be imposed on the taxpayer. (T.D.8877).
A promoter of a confidential corporate tax shelter is required to register the tax shelter with the IRS (sec. 6111(d)). Registration is required not later than the next business day after the promoter acquires the tax shelter if the promoter extends the offer to potential users. For this purpose, a confidential corporate tax shelter includes any entity, plan, arrangement or transaction (1) a material purpose of which is the avoidance or evasion of Federal income tax for a direct or indirect participant that is a corporation, (2) that is offered to any potential participant under conditions of confidentiality, and (3) for which the tax shelter promoters may receive aggregate fees in excess of $100,000.

The penalty for failing to timely register a confidential corporate tax shelter is the greater of $10,000 or 50 percent of the fees payable to any promoter with respect to offerings prior to the date of late registration unless due to reasonable cause (sec. 6077(a)(3)). Intentional disregard of the requirement to register increases the 50-percent penalty to 75 percent of the applicable fees.

**EXPLANATION OF PROVISION**

The bill deletes the requirement that a direct or indirect participant must be a corporation for the provision to apply. The provision increases the present-law registration requirements to include a promoter of any confidential tax shelter (regardless of the participant). The penalty for failing to timely register a confidential tax shelter remains unchanged (i.e., the greater of $10,000 or 50 percent of the fees payable to any promoter with respect to offerings prior to the date of late registration).

**EFFECTIVE DATE**

The provision applies to any tax shelter interest that is offered to potential participants after the date of enactment.

**TITLE III—LIMITATIONS ON IMPORTATION AND TRANSFER OF BUILT-IN LOSSES**

**1. Limitation on importation of built-in losses (sec. 301)**

**PRESENT LAW**

Under present law, the basis of property received by a corporation in a tax-free incorporation, adjustment for gain or loss recognized by the transferor (Secs. 336(b) and 361(a) and (b)). If a person or entity that is not subject to U.S. income tax transfers property with an adjusted basis higher than its fair market value to a corporation that is subject to U.S. income tax, the “built-in” loss would be imported into the U.S. tax system, and the transferee corporation would be able to recognize the loss in computing its U.S. income tax.

**EXPLANATION OF PROVISION**

The bill provides that if a net built-in loss is imported into the U.S. in a tax-free organization from a non-U.S. taxpayer, the basis of all properties so transferred will be their fair market value. A similar rule will apply in the case of the tax-free liquidation of its foreign subsidiary. In the case of a transfer by a partnership (either domestic or foreign), this provision applies as if the properties had been transferred by each of the partners in proportion to their interests in the partnership.

**EFFECTIVE DATE**

The provision applies to transfers after the date of enactment.

**2. Disallowance of partnership loss transfers (sec. 302)**

**PRESENT LAW**

Under present law, if a partner contributes property to a partnership, generally no gain or loss is recognized. The exception is where the participating interest is transferred at a time when a built-in loss exists (i.e., the value of the property is less than the adjusted basis). Under these rules, if a partner purchases an interest in a partnership with a built-in loss, the loss will be recognized, but not to exceed the partner’s adjusted basis in the partnership interest (Sec. 731(a) and (b)). In the case of a liquidation of a partner’s interest, the basis of the property distributed in the liquidation is equal to the partner’s adjusted basis in its partnership interest (reduced by any money distributed in the transaction) (Sec. 732(b)). In a distribution other than in liquidation of a partner’s interest, the basis of the property is equal to the partner’s adjusted basis in the distributed property is equal to the partnership’s adjusted basis in the property immediately before the distribution, but not to exceed the partner’s adjusted basis in the partnership interest (reduced by any money distributed in the same transaction) (Sec. 732(a)).

A partner’s basis in the partnership’s undistributed properties are not required unless the partnership has made the election under section 754 to make basis adjustments (Sec. 754(a)). The concept of “basis” under this provision is affected by the date of distribution. The partner’s adjusted basis in its properties is decreased by a like amount; likewise, to the extent the adjusted basis of the distributed property is increased (recognized), the partner’s adjusted basis in its properties is increased by a like amount. Under these rules, a partnership with no election in effect under section 754 may distribute property with an adjusted basis lower than the distributee partner’s proportionate share of the adjusted basis of all partnership property and leave the remaining partners with a smaller net built-in gain or a larger net built-in loss than before the distribution.

**DESCRIPTION OF PROVISION**

**Contributions of property**

Under present law, a partner does not adjust the basis of partnership property following the transfer of a partnership interest unless the partnership has made a one-time election under section 754 to make basis adjustments (Sec. 743(a)). If an election is in effect, adjustments are made with respect to the transferee partner in order to account for the difference between the transferee partner’s proportionate share of the adjusted basis in the partnership’s basis in its partnership interest (Sec. 743(b)). These adjustments are intended to adjust the basis of partnership property to reflect the result of a direct purchase of the property by the transferee partner.

Under these rules, if a partner purchases an interest in a partnership with an existing built-in loss, the transferee partner’s basis in the property is the aggregate of the partner’s proportionate share of the adjusted basis of the partnership property (Sec. 732(a)). Thus, for example, assume that partner A sells his partnership interest to B for its fair
The second day, on Monday, the Bible
unlike other days of that first week, on
week of creation, where we note that,
days are considered most propitious:
ferred the following prayer:
Congregation, Baltimore, Maryland, of-
loss of $20.
ship for $10, A and B would each recognize a
the XYZ stock were then sold by the partner-
basis of partnership assets of $70. Thus, the part-
greater than 10 percent of the adjusted basis
their fair market value.
adjustments under section 734 are required in the
case of a distribution with respect to which
there is a substantial basis reduction. A sub-
stantial basis reduction means a downward
adjustment to the partnership assets (had a
section 754 election been in effect) greater
than 10 percent of the adjusted basis of the
assets.
Thus, for example, assume that A and B
each contributed $25 to a newly formed part-
tnership and C contributed $50 and that the
partnership purchased LMN stock for $30 and
XYZ stock for $70. Assume that the value of
each stock declined to $10. Assume LMN
stock is distributed to C in liquidation of its
partnership interest. As under present law,
the basis of LMN stock in C's hands if $50. C
would recognize a loss of $40 if the LMN
stock were sold for $10.
Under the bill, there is a substantial adjust-
ment because the $20 increase in the adjusted
basis of asset 1 (sec. 734(b)(2)(B)) is
greater than 10 percent of the adjusted basis
of partnership assets of $70. Thus, the part-
nership would be required to decrease the
basis of XYZ stock (under section 734(b)(2))
by $20 (the amount by which the basis LMN
stock was increased), leaving a basis of $50. If
the XYZ stock were then sold by the partner-
ship for $10, A and B would each recognize a
loss of $20.

EFFECTIVE DATE
The provision applies to contributions,
transfers, and distributions (as the case may
be) after date of enactment.

RECESS
The SPEAKER pro tempore. There
being no further requests for morning-
hour debates, pursuant to clause 12,
rule I, the House will stand in recess
until 10 a.m.
Accordingly (at 9 o'clock and 22 min-
utes a.m.) the House stood in recess
until 10 a.m.

AFTER RECESS
The recess having expired, the House
was called to order by the Speaker pro
tempore (Mr. ISAKSON) at 10 a.m.

PRAYER
Rabbi Mitchell Wohlberg, Beth Tfiloh
Congregation, Baltimore, Maryland, of-
ered the following prayer:
I come from a tradition where Tues-
days are considered most propitious;
weddings, moving to a new home, good
things are to take place on Tuesday.
It goes all the way back to the first
week of creation, where we note that,
unlike other days of that first week, on
the second day, on Monday, the Bible
does not tell us "and God saw that it
was good," while on the next day, the
first Tuesday, two times it says, "and
God saw that it was good."

According to the Talmud, this is be-
cause on the second day of the week
the waters were parted. That symbol-
izes the division. That is no good. On
the first Tuesday, the third day of the
week, the waters were brought to-
gether again, and that symbolizes unity,
and that is doubly good.

In this spirit, we pray: Almighty God,
may a unity of purpose bring together
all the esteemed Members of the
United States House of Representa-
tives. Let all its Members realize that
we can disagree without being dis-
agreeable, that we can walk shoulder
to shoulder without seeing eye to eye
on every subject.

Together let us pray for the day
which will witness the prophetic dream
of a world in which none shall hurt,
none shall destroy, for the Earth will
be filled with the knowledge of Thee as
the waters cover the sea.
And let us say Amen.

THE JOURNAL
The SPEAKER pro tempore. The
Chair has examined the Journal of the
last day's proceedings and announces
that the House is in order.
Pursuant to clause 1, rule I, the Jour-
nal stands approved.

PLEDGE OF ALLEGIANCE
The SPEAKER pro tempore. Will the
gentleman from Nevada (Mr. GIBBONS)
com e forward and lead the House in the
Pledge of Allegiance.
Mr. GIBBONS led the Pledge of Al-
egiance as follows:
Pledge of Allegiance to the Flag of
the United States of America, and to the
Republic for which it stands, one nation under God,
indivisible, with liberty and justice for all.

WELCOME TO RABBI MITCHELL
WOHLBERG
(Mr. CAR D IN asked and was given
permission to address the House for 1
minute and to revise and extend his re-
marks.)

Mr. CAR D IN. Mr. Speaker, I feel
privileged to know Rabbi Mitchell
Wohlberg. Since 1978, he has been the
spiritual leader of Beth Tfiloh
congregation, the largest Orthodox Jewish
congregation in Baltimore, the con-
gregation of which I am a member.

Let me tell the Members a little bit
about Rabbi Wohlberg. I have known
Rabbi Wohlberg for many years and
have often sought his guidance and
counsel. He is a spellbinding speaker,
and is famous for his thoughtful ser-
mons that are able to clarify com-
licated issues.

Rabbi Wohlberg is also known for his
involvement in the Jewish communal
life. He has been a board member at
The Associated Jewish Community
Federation of Baltimore; a member of
the executive committee of the
Rabbinical Council of America, and is a
recipient of the humanitarian award
for the Louis Z. Brandeis District of the
ZOA.

He comes from a committed and
unique family where his father (of
blessed memory) was and his two
brothers were and also are Rabbis, all
ordained by the Yeshiva University.
Rabbi Wohlberg is a driving force
behind the Beth Tfiloh School, an out-
standing Jewish day school in Balti-
more.

I know all my colleagues will join me
in thanking Rabbi Wohlberg for offer-
ing this morning's opening prayer.

PRIVATE CALENDAR
The SPEAKER pro tempore. This is
the day for the call of the Private Cal-
endar. The Clerk will call the first bill
on the Private Calendar.

NANCY B. WILSON
The Clerk called the bill (H.R. 392)
for the relief of Nancy B. Wilson.
Mr. COBLE. Mr. Speaker, I ask unan-
imous consent that the bill be passed
over without prejudice.

The SPEAKER pro tempore. Is there
objection to the request of the gen-
tleman from North Carolina?
There was no objection.

RITA MIREMBE REVELL
The Clerk called the Senate bill (S.
560) for the relief of Rita Mirembe
Revell (a.k.a. Margaret Rita Mirembe).
There being no objection, the Clerk
read the Senate bill, as follows:
S. 560
Be it enacted by the Senate and House of Rep-
resentatives of the United States of America in
Congress assembled,

SECTION 1. PERMANENT RESIDENT STATUS FOR
RITA MIREMBE REVELL (A.K.A. MARG-
ARET RITA MI REMBE).
(a) IN GENERAL.—Notwithstanding any
other provision of law, for the purposes of
the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Rita Mirembe Revell
(a.k.a. Margaret Rita Mirembe) shall be held
and considered to have been lawfully admit-
ted to the United States for permanent resi-
dence as of the date of enactment of this
Act, upon payment of the required visa fees
not later than 2 years after the date of enact-
ment of this Act.

(b) REDUCTION OF IMMIGRANT VISA NUM-
BERS.—Upon the granting of permanent resi-
dence to Rita Mirembe Revell (a.k.a. Mar-
garet Rita Mirembe), the Secretary of State
shall instruct the proper officer to reduce by
the appropriate number, during the current
or next following fiscal year, the total num-
ber of immigrant visas that are made avail-
able to natives of the country of the alien's
birth under section 203(a) of the Immigration
and Nationality Act (8 U.S.C. 1153(a)) or, if
applicable, the total number of immigrant

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