

I want to again thank Congresswoman KAREN HANDEL and Congressman TOM O'HALLERAN for their leadership on this issue.

H.R. 5440 provides important transparency regarding closure of TACs to ensure that the public is notified and provided with information on how they can get the help they need from the IRS.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Kansas (Ms. JENKINS) that the House suspend the rules and pass the bill, H.R. 5440, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1345

**RESTRICTING IMMEDIATE SALE OF SEIZED PROPERTY BY SECRETARY OF THE TREASURY TO PERISHABLE GOODS**

Ms. JENKINS of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5446) to amend the Internal Revenue Code of 1986 to restrict the immediate sale of seized property by the Secretary of the Treasury to perishable goods, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5446

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. RULES FOR SEIZURE AND SALE OF PERISHABLE GOODS RESTRICTED TO ONLY PERISHABLE GOODS.**

(a) IN GENERAL.—Section 6336 of the Internal Revenue Code of 1986 is amended by striking “or become greatly reduced in price or value by keeping, or that such property cannot be kept without great expense”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property seized after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Kansas (Ms. JENKINS) and the gentleman from New York (Mr. CROWLEY) each will control 20 minutes.

The Chair recognizes the gentlewoman from Kansas.

**GENERAL LEAVE**

Ms. JENKINS of Kansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 5446, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Kansas?

There was no objection.

Ms. JENKINS of Kansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as most of us are aware, the IRS has the ability to seize and sell a taxpayer's property to satisfy unpaid taxes.

However, given the profound impact of such a move on the taxpayer's livelihood, well-defined safeguards govern these seizures.

Nonetheless, the Ways and Means Oversight Subcommittee discovered last year that there are ways for the IRS to legally circumvent these protections.

While IRS auctions typically require a 10-day advance notice and the establishment of minimum bid requirements to ensure profits sufficient to cover the unpaid taxes, the IRS can forego these requirements by deeming seized goods as perishable.

Under current law, perishable goods are defined as those that are likely to go bad, become greatly reduced in price or value by keeping, or cannot be kept without great expense to the IRS.

If the IRS deems the goods seized to be perishable, it can sell them on the same day without any minimum bid requirements. This streamlined process can lead to seized goods being sold for significantly less than a normal auction would allow.

H.R. 5446, the bill before us, puts in place much-needed safeguards on the same-day seizure and sale of a taxpayer's property.

While we are discussing this bill today, I would like to talk a little bit about the Oversight Subcommittee's findings that led us to this point.

Last year, the subcommittee first became aware of this issue after local news reports from Dallas, Texas, brought to light the 2015 seizure of a bridal shop, including dresses and sewing machines.

These goods were then sold immediately at auction within hours of their seizure. This left the owners with no means of earning an income going forward, while not fully satisfying their tax debts.

Now, common sense would tell us that this sale was not in the best interest of the couple, whose livelihood was ruined, or the IRS, who did not fully collect the amount owed.

Further investigation by the subcommittee also found that there were at least eight other instances of small businesses being liquidated using the perishable goods designation in the past few years.

In only two of the cases did there appear to be any foods offered as part of the sale.

The subcommittee concluded that while the IRS' use of this authority is limited, when it is used, the goods sold under this designation are typically the contents of a small business and are almost never in danger of immediately going bad.

To give you an idea of what I am talking about, the IRS designated things such as sporting goods, artwork, scrapbooking materials, automotive supplies, and workout equipment as perishable.

Now, I don't know about you, but when I think of things that are likely to go bad, I think of things that we produce in my home State of Kansas, like meat or dairy products.

As a result, this commonsense bipartisan bill limits the IRS' ability to seize and immediately sell a taxpayer's property to only cases where the seized goods are actually likely to go bad.

I would like to thank the bill's sponsors, Congressman FERGUSON and Congressman CROWLEY, for all of their hard work on this issue.

Mr. Speaker, I urge my colleagues to join me in supporting this bipartisan bill, and I reserve the balance of my time.

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

Mr. Speaker, I rise in support of H.R. 5446, and I thank Mr. FERGUSON for working with our office to bring this bill to committee and here to the floor as well. And I thank the gentlewoman from Kansas (Ms. JENKINS) for managing the time on this bill. This may be one of the last things she gets to do here on the House floor, and I just want to thank her for her friendship throughout the years, as well, and working in a bipartisan way with us on occasion.

Mr. Speaker, as my colleague mentioned, this is a targeted bill to address the overzealous enforcement of existing law. These changes are needed because, as Mr. FERGUSON will point out as well, we have found ourselves in an environment where small-business owners have seen their property and products taken and sold within 24 hours.

Take, for example, as was mentioned by Ms. JENKINS, the 2015 IRS raid of Mii's Bridal and Tuxedo shop in Garland, Texas. Claiming the owners owed back taxes, the IRS agents seized \$17,000 in cash and \$650,000 in wedding dresses and equipment, like sewing machines. The agents then immediately auctioned off those items, even though their tax dispute was not settled and has not been contested.

The agency argued the expedited procedures were needed because they said the dresses, as was mentioned, were perishable goods. These were not oranges or grapefruits, they were not apples or eggs, they were dresses.

By invoking the word “perishable,” the IRS didn't have to post advance public notice of the auction or wait at least 10 days for sunlight to come in before selling the goods, as is normally required.

To say this is wrong is an understatement. Clothing, as we all know, is not really perishable. It will decay over time and when it is worn, but left to its own, it doesn't decay. It is not perishable.

And destroying an immigrant-owned business—an immigrant-owned business—within hours, that took decades to build, should never have happened in the first place.

How the IRS used civil asset forfeiture in this case goes against a bedrock principle of our country, of the

United States—the principle of due process.

In this case, the IRS acted without proper notice and outside the intent of the law. They seized property and sold it without knowing its true cost or its value.

Civil asset forfeiture is a tool that the IRS and other law enforcement agencies use to go after ill-gotten funds from human traffickers, terrorists, and other serious criminal activity.

Sometimes it is a necessary mechanism. I think we all recognize that. But only when used correctly and fairly.

Seizing the goods of a small immigrant-owned business and selling them immediately at auction under the false premise that they were perishable goods is a clear example of how the law should not be used.

Passage of this measure will ensure that abuses like this never happen again. I urge swift passage of this bill to help us take at least some steps to address the abusive flaws in the civil asset forfeiture procedure and give at least this one company some modicum of justice.

Mr. Speaker, I reserve the balance of my time.

Ms. JENKINS of Kansas. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. FERGUSON), one of the leaders on this issue.

Mr. FERGUSON. Mr. Speaker, I rise today in support of H.R. 5446. This commonsense legislation makes a targeted but important reform to protect American small businesses by ensuring that the rules for seizure of perishable goods are restricted only to goods that are, in fact, perishable.

The fact that we are having to even comment or debate on the fact that a small business in Texas was destroyed by the actions of an IRS agent that determined that bridal dresses were perishable is unconscionable, and it should not happen, and it should not have happened then; and I agree with my colleague from New York that it should never happen again, and this legislation will help ensure that.

Now, I don't think we have to explain to anybody that, since these bridal gowns are not perishable, why is this bill even necessary? But it is a shame that we have had agents use this particular piece of legislation to actually leave a family destitute because of their actions of selling bridal dresses under the guise that they were perishable.

This legislation tightens up the law to eliminate the language that the IRS agents in Dallas and others across the country have used to justify their overreaching use of same-day sale provisions. H.R. 5446 makes an important step to prevent the IRS from redefining these words to suit their own purposes, threatening the livelihoods of American small businesses.

Mr. Speaker, I am proud to sponsor this legislation to strength protections for small businesses and job creators, and I encourage my colleagues to vote "yes" and do the same.

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

Mr. Speaker, once again, let me thank Mr. FERGUSON, as well as Ms. JENKINS, for bringing this bill to the floor.

I don't want anyone who may be watching this on C-SPAN and may be just waking up, turning on the television, and looking at the incredible bipartisanship that is happening here today to think they died and have gone to bipartisan heaven.

Although much of the work that we are doing today is bipartisan in nature, it really is drastically different than the way in which the Committee on Ways and Means has conducted business in the most recent past in connection with the passage of the Republican tax bill. Democrats have called that a tax scam bill.

It had absolutely no input from the Democratic side of the aisle, certainly here in the House of Representatives, in the committee, or here on the floor. Not reflective of any of the Democratic principles or values in that bill and its passage.

And as much as we are working in a very bipartisan way, this is not a reflection of my good friend Ms. JENKINS, but more a reflection, I think, of the leadership of the Republican Conference in ramming a bill through the committee without proper hearings. Not having a single Democratic amendment in that process spoke very ill of the process itself.

Nobody cares about how sausage gets made. We know that. Nobody cares how legislation gets made. Nobody cares about how sausage gets made until they taste it and it doesn't taste good. And I think that is what is happening right now with the American people.

This tax bill is falling flat on its face. This tax scam bill is falling flat on its face because it is not helping the people it was purported to be helping in the first place. The greatest bait-and-switch probably in the history of our country went on in terms of what the President talked about, the people he was going to help, the middle class and hardworking people, and instead it all basically went to the wealthiest 1 percent and the wealthiest multinational corporations in the history of mankind.

They got permanent tax relief, and the middle class and working men and women in this country got bupkis. All right? And the reality is they know what happened here. They know that 83 percent of that bill went to the wealthiest 1 percent and 17 percent to working men and women and working poor people.

That is just obscene. That is not reflective of who we are as a nation or as a country or as a people, yet that is what happened, and in no small part because it was done in such a partisan way. The bill had not a single hearing within the committee and was brought to the floor all to meet a deadline of passing it before the Christmas and Ha-

nukkah break. That was the only goal, so that my Republican colleagues could say they had achieved something, even if it was ill conceived and passed with rushed judgment.

And now we know about all the problems with the bill and all the fixes that have to take place; things that maybe could have been worked out had there been a more open process and more deliberative process and the inclusion of Democrats in that process. Just maybe.

So I don't want anyone, again, to be watching C-SPAN or maybe turning on the news tonight and learning about all the bipartisanship that is happening here on the House floor—and it is good; these are good bills that we are working on together—and say: Did I die and something happened? Has the world been righted? Am I missing something?

I want them to know: No. You are not missing anything.

□ 1400

That tax scam bill did pass, and it did go toward helping the wealthiest 1 percent and the richest multinational corporations in the history of the world, and the little guy is not getting very much at all. That is still the case. That hasn't changed. And it is sad, but it is true.

I, once again, want to thank the gentlewoman for her efforts in bringing this bipartisan bill to the floor. But let it be known that this is more of an aberration and not the norm in terms of how the committee has been conducting business, nor has the House of Representatives been conducting business in the most recent past.

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

Ms. JENKINS of Kansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to again thank Congressman DREW FERGUSON and Congressman JOE CROWLEY for their leadership on this issue.

H.R. 5446 further strengthens the safeguards in place to ensure that goods being sold immediately are limited to those that are likely to go bad.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Kansas (Ms. JENKINS) that the House suspend the rules and pass the bill, H.R. 5446, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ALLOWING OFFICERS AND EMPLOYEES OF DEPARTMENT OF THE TREASURY TO PROVIDE TAXPAYERS INFORMATION REGARDING LOW-INCOME TAXPAYER CLINICS

Mr. HOLDING. Mr. Speaker, I move to suspend the rules and pass the bill