Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. EXON, Mr. FAIRCLOTH, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GLENN, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HARKIN, Mr. HATCH, Mr. HATFIELD, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KEMPTHORNE, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. KYL, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. ROBB, Mr. ROTH, Mr. SANTORUM, Mr. SARBANES, Mr. SHELBY, Mr. SIMON, Mr. SIMPSON, Mr. SMITH, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THOMPSON, Mr. WARNER, and Mr. WELLSTONE):

S. Res. 157. A resolution commending Senator Robert Byrd for casting 14,000 votes; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FEINGOLD:

S. 1078. A bill to amend the Consolidated Farm and Rural Development Act to require the Secretary of Agriculture to make tourist and other recreational businesses located in rural communities eligible for loans under the business and industry loan program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL COMMUNITY TOURISM ACT OF 1995

• Mr. FEINGOLD. Mr. President, I rise today to introduce S. 1078, the Rural Community Tourism Act of 1995, and discuss an issue of importance to rural America and, in particular, to the economy of rural Wisconsin. This legislation would amend current law to allow the Secretary of Agriculture to promote tourism and recreation in rural communities. Specifically, it would amend the Consolidated Farm and Rural Development Act to require the Secretary of Agriculture to make tourist and other recreational-type businesses located in rural communities eligible for guaranteed loans under the Rural Business and Cooperative Development Service's [RBCDS] Business and Industry [B&I] Loan Guarantee Program within 90 days after the enactment of this legislation. This is an issue that I became aware of and especially interested in after a constituent approached me last year at my Rusk County listening session held in Ladysmith, WI, to express his frustration at a problem tourist resort owners were having in securing financing for rural development. The constituent owns a tourist lodge in northern Wisconsin and was interested in obtaining funding from the RBCDS's B&I Program. The B&I program was established by the Rural Development Act of 1972 with the aim of improving America's rural economy by creating, developing, or financing business, industry, and employment in rural America. After inquiring about obtaining such funding, the constituent was informed that tourist resorts were prohibited from receiving funding under the B&I program.

That did not make too much sense to me especially since tourism can certainly play a significant role in the development of rural areas, so I contacted the agency about the program. When the B&I program was first established in 1972, no restrictions were placed on guaranteeing loans to tourist or other recreational-type businesses located in rural communities. However, on July 6, 1983, the Rural Development Administration revised its internal lending policy relative to the B&I Program and placed restrictions on the program's regulations by prohibiting such funding to tourist or recreation facilities.

I was advised that the agency was currently reviewing their loan guarantee policy. I urged them to consider changing their internal lending policy to allow guaranteed business and industry loans to be made to recreational-type businesses located in rural areas. In fact, a General Accounting Office report released in July 1992, on the patterns of use in the B&I Program came to the same conclusion. It suggests that the underutilization of the program is due, in part, to the restrictions placed on using B&I funds for activities related to tourism, and recommends revising the B&I Program regulations to allow the selective use of loan guarantees for these activities.

By all indications, the agency seems to be leaning in favor of making this change to the B&I Program—a change that would reflect the kind of rural development needs in communities such as those in northern Wisconsin, and indeed in communities across rural America. Although my office has been in regular contact with the agency about this policy change, I am told that they are still reviewing it—almost a year after we first contacted them about this matter. However, rural America and, in particular, rural Wisconsin communities simply do not have the luxury to wait until Federal agencies finally decide to act.

Mr. President, rural America is at a crossroads in terms of converting from traditional resource-based economies which are becoming less economically viable, to other types of activities which also make a substantial contribution to better living in these areas. Tourism can certainly play a major role in improving the quality of life in many rural communities and, in fact, rural tourism should be recognized for what it truly is—a legitimate means to enhance economic development in, and the competitiveness of, rural America. Nationally, tourism is a $400 billion a year industry, and is a $5.6 billion industry in Wisconsin alone.

Tourism can, and does, create jobs which help to improve the economic climate in rural communities and provide lasting community benefits. However, without economic assistance to help stimulate growth in rural development, successful transition to tourism may prove difficult.

Mr. President, I urge my colleagues to support this noncontroversial legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1078

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Rural Community Tourism Act of 1995''.

SEC. 2. LOANS FOR TOURISM IN RURAL COMMUNITIES.

The first sentence of section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended—

(1) by striking ''and (3)'' and inserting ''(3)''; and

(2) by inserting before the period at the end the following: '', and (4) promoting the planning, development, or financing of tourist or recreational businesses located in rural communities''.

SEC. 3. REGULATIONS.

To carry out paragraph (4) of section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) (as amended by section 2), the Secretary of Agriculture shall publish—

(1) interim final regulations not later than 45 days after the date of enactment of this Act; and

(2) final regulations not later than 90 days after the date of enactment of this Act.•

By Mr. COATS:

S. 1079. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for charitable contributions to organizations providing poverty assistance, to allow taxpayers who do not itemize to deduct charitable contributions, and for other purposes; to the Committee on Finance.

THE COMPREHENSIVE CHARITY REFORM ACT

Mr. COATS. Mr. President, I rise today to introduce the Comprehensive Charity Reform Act. This legislation is designed to expand the ability of private and religious charities to serve the poor by making it easier for taxpayers to make donations to these organizations. It is an important, urgently needed reform, but it also symbolizes a broader point.

The Congress is currently focused on the essential task of clearing away the ruins of the Great Society. Centralized, bureaucratic antipoverty programs have failed—and that failure has had a human cost. It is measured in broken homes and violent streets. Our current system has undermined families and fostered dependence.

This is undeniable. But while our Great Society illusions have ended, the suffering of many of our people has not. Indifference to that fact is not an

option. We cannot retreat into the cocoon of our affluence. We cannot accept the survival of the fittest. No society can live without hope—hope that its suffering and anguish are not endless.

Mr. President, I was recently invited to attend a session designed to address some of the problems of homelessness and despair that was conducted by a mission organization here in Washington, DC. It is just blocks from the Federal effort at dealing with homelessness—the John L. Young Center, which has been the subject of extraordinary controversy, drug dealing, crime, management problems, and the subject of numerous investigative reports in some of our local media.

The Federal project stands in stark contrast to an organization called the Gospel Mission, a shelter and drug treatment center for homeless men in the same neighborhood.

At the Gospel Mission, I think we have seen the shape of hope. It is not found in the ivory towers of academia. It is not found in the marble temples of official Washington. I found it 5 blocks from here, in a place so distant from Congress it is almost another world.

The Reverend John Woods came to a desolate Washington neighborhood in 1990 to take over the Gospel Mission, a shelter and drug treatment center for homeless men. The day he arrived, he found crack cocaine being processed in the backyard. A few days later, the local gang fired shots into his office to scare him away. Instead of leaving, he hung a sign on the door extending this invitation: ''If you haven't got a friend in the world you can find one here. Come in.''

The Gospel Mission is a place that offers unconditional love, but accepts no excuses. Men in rehabilitation are given random drug tests. If they violate the rules, they are told to leave the program. But the success of the mission comes down to something simple: It does more than provide a meal and treat an addiction, it offers spiritual challenge and renewal.

Listen to one addict who came to Reverend Woods after failing in several governmental rehabilitation programs: ''Those programs generally take addictions from you, but don't place anything within you. I needed a spiritual lifting. People like Reverend Woods are like God walking into your life. Not only am I drug-free, but more than that, I can be a person again.''

Reverand Wood's success is particularly clear compared to Government approaches. The Gospel Mission has a 12-month rehabilitation rate of 66 percent, while a once heralded Government program just 3 blocks away rehabilitates less than 10 percent of those it serves—while spending 20 times as much as Reverend Woods.

This is just one example. It is important, not because it is rare, but because it is common. It takes place in every community, in places distant from the centers of Government. But it is the only compassion that consistently works—a war on poverty that marches from victory to victory. It makes every new deal, new frontier, and new covenant look small in comparison—a war against poverty that is not directed out of a Federal agency but by many individuals, by organizations, by communities, gathered together asking, How can we help in a more effective way?

Several months ago, I asked a question: How can we get resources into the hands of these private and religious institutions where individuals are actually being helped? And how can we do this without either undermining their work with restrictions or offending the first amendment?

This legislation is an answer. It is composed of six elements, designed to increase both the depth of charitable giving to poverty relief, and the breadth of charitable giving more generally:

First, a $500 charity tax credit—$1,000 for married taxpayers filing jointly—which will provide more generous tax benefits to taxpayers who decide to donate a portion of their tax liability to charities that focus on fighting or preventing poverty.

Second, I am advocating an above-the-line deduction for charitable contributions made by nonitemizing taxpayers. Significant amounts of funds are donated each year by those who do not itemize on their tax return and, therefore, do not take the charitable deduction available to them if they do itemize. I think those people ought to be encouraged and rewarded for their contributions.

So I am in this legislation expanding the base for charitable giving with an above the line for those who do not itemize.

Third, I want to remove the 3 percent floor on itemized deductions that currently exists in the Tax Code for taxpayers of a certain income level and higher because I think we ought to do everything we can to encourage private contributions to charity.

Fourth, I ask for an extension of the deadline for all charitable giving until April 15 to encourage giving up to the very date of filing.

Fifth, we are requiring that any Government poverty assistance program disclose the percentage of funds it actually spends on the poor rather than on administrative costs. Taxpayers will be able to see exactly how their tax dollars are actually being spent and compare that expenditure with operations, organizations, community service, outreach programs, and nonprofit programs. This will allow us to measure the actual assistance that reaches the poor through our Government spending on anti-poverty programs and compare it with private programs.

Finally, we have a provision that instructs the General Accounting Office to develop standards to determine the success rates and cost effectiveness of Government welfare programs.

Mr. President, the purpose of the legislation is twofold. First, we want to take a small portion of the welfare spending in America and give it through the Tax Code to private and religious institutions that effectively provide individuals with hope, dignity, help and independence. Without eliminating a public safety net, we want to focus some attention and resources where we believe it can make a difference.

Second, Mr. President, I would like to promote an ethic of giving in America. When individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship in which men and women examine and support the programs in their own communities that serve the poor.

I hope that my colleagues will take a careful look at this new approach to compassion. It is important not only for us to spread authority and resources within the levels of Government, but I think we need to spread these resources to things beyond Government, the institutions that cannot only feed the body but can touch the soul.

Mr. President, we have had a nearly three-decade-long experiment with Government compassion. As I said, many programs that have been enacted by Congress were well intended, in an effort to reach out to people in need. But we have seen the bankruptcy of many of those programs in the lives of the individuals who were the recipients of those programs. We see a litany of broken families and broken homes, of hopeless people, of taxpayer funds eaten up in administrative costs, put into programs that are simply not making a difference in the lives of the people for whom they were intended.

We have also had the example of the contrast—local churches, local nonprofit charitable organizations. I could start naming a whole list of organizations that have said we are not going to wait for a Government program or Government bureaucrat to describe how we should reach out to those in our community that are in need. We are going to roll up our sleeves and design a program. And whether it is providing free medical care through a doctors' association or health clinic, whether it is providing food through a nutrition effort, or a food center, whether it is providing help to a welfare family or others in need, we have seen the effectiveness of these programs. We have seen rehabilitation rates for substance and drug abusers and others that far exceed those that the Federal Government programs can offer. We have seen this offered at a cost far less than what the taxpayers provide in Government programs.

Can private charity replace Government? I am not suggesting that Federal, State and local governments will not have to be involved in poverty relief. But private initiates can offer a

viable alternative that the Government can at least encourage. I believe a charity credit will go a long way toward nurturing and encouraging those private efforts that I think are going to be more and more important as we begin to reform and reduce the scope of the Government involvement, because government alone simply has not worked for the well being of our people.

Mr. President, I ask unanimous consent that additional material describing and explaining this proposal be included in the RECORD along with the text of the bill itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1079

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Comprehensive Charity Reform Act''.

SEC. 2. CREDIT FOR CHARITABLE CONTRIBUTIONS TO CERTAIN PRIVATE CHARITIES PROVIDING ASSISTANCE TO THE POOR.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

''SEC. 23. CREDIT FOR CERTAIN CHARITABLE CONTRIBUTIONS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions which are paid by the taxpayer during the taxable year.

''(b) LIMITATION.—The credit allowed by subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

''(c) QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section, the term 'qualified charitable contribution' means any charitable contribution (as defined in section 170(c)) made in cash to a qualified charity but only if the amount of each such contribution, and the recipient thereof, are identified on the return for the taxable year during which such contribution is made.

''(d) QUALIFIED CHARITY.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified charity' means, with respect to the taxpayer, any organization which is described in section 501(c)(3) and exempt from tax under section 501(a), and—

''(A) which, upon request by the organization, is certified by the Secretary as meeting the requirements of paragraphs (2) and (3), or

''(B)(i) which is organized to solicit and collect gifts and grants which, by agreement, are distributed to qualified charities described in subparagraph (A),

''(ii) with respect to which at least 85 percent of the funds so collected are distributed to qualified charities described in subparagraph (A), and

''(iii) which meets the requirements of paragraph (5).

''(2) CHARITY MUST PRIMARILY ASSIST THE POOR.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the predominant activity of such organization will be the providing of services to individuals and families which are designed to prevent or alleviate poverty among such individuals and families.

''(3) MINIMUM EXPENSE REQUIREMENT.—

''(A) IN GENERAL.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the annual poverty program expenses of such organization will not be less than 70 percent of the annual aggregate expenses of such organization.

''(B) POVERTY PROGRAM EXPENSE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'poverty program expense' means any expense in providing program services referred to in paragraph (2).

''(ii) EXCEPTIONS.—Such term shall not include—

''(I) any management or general expense,

''(II) any expense for the purpose of influencing legislation (as defined in section 4911(d)),

''(III) any expense primarily for the purpose of fundraising, and

''(IV) any expense for a legal service provided on behalf of any individual referred to in paragraph (2).

''(4) ELECTION TO TREAT POVERTY PROGRAMS AS SEPARATE ORGANIZATION.—

''(A) IN GENERAL.—An organization may elect to treat one or more programs operated by it as a separate organization for purposes of this section.

''(B) EFFECT OF ELECTION.—If an organization elects the application of this paragraph, the organization, in accordance with regulations, shall—

''(i) maintain separate accounting for revenues and expenses of programs with respect to which the election was made,

''(ii) ensure that contributions to which this section applies be used only for such programs, and

''(iii) provide for the proportional allocation of management, general, and fundraising expenses to such programs to the extent not allocable to a specific program.

''(C) REPORTING REQUIREMENTS.—An organization shall not be required to file any return under section 6033 with respect to any programs treated as a separate organization under this paragraph, except that if the organization is otherwise required to file such a return, such organization shall include on such return the percentages described in the last sentence of section 6033(b) which are determined with respect to such separate organization.

''(5) ADDITIONAL REQUIREMENTS FOR SOLICITATION ORGANIZATIONS.—The requirements of this paragraph are met if the organization—

''(A) maintains separate accounting for revenues and expenses, and

''(B) makes available to the public its administrative and fundraising costs and information as to the organizations receiving funds from it and the amount of such funds.

''(e) COORDINATION WITH DEDUCTION FOR CHARITABLE CONTRIBUTIONS.—

''(1) CREDIT IN LIEU OF DEDUCTION.—The credit provided by subsection (a) for any qualified charitable contribution shall be in lieu of any deduction otherwise allowable under this chapter for such contribution.

''(2) ELECTION TO HAVE SECTION NOT APPLY.—A taxpayer may elect for any taxable year to have this section not apply.''

(b) RETURNS.—

(1) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—Subsection (e) of section 6104 of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended by adding at the end the following new paragraph:

''(3) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—

''(A) IN GENERAL.—Every qualified charity (as defined in section 23(d)) shall, upon request of an individual made at an office where such organization's annual return filed under section 6033 is required under paragraph (1) to be available for inspection, provide a copy of such return to such individual without charge other than a reasonable fee for any reproduction and mailing costs. If the request is made in person, such copies shall be provided immediately and, if made other than in person, shall be provided within 30 days.

''(B) PERIOD OF AVAILABILITY.—Subparagraph (A) shall apply only during the 3-year period beginning on the filing date (as defined in paragraph (1)(D) of the return requested).''

(2) ADDITIONAL INFORMATION.—Section 6033(b) of such Code is amended by adding at the end the following new flush sentence:

''Each qualified charity (as defined in section 23(d)) to which this subsection otherwise applies shall also furnish each of the percentages determined by dividing the following categories of the organization's expenses for the year by its total expenses for the year: program services; management and general; fundraising; and payments to affiliates.''

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item:

''Sec. 23. Credit for certain charitable contributions.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the 90th day after the date of the enactment of this Act in taxable years ending after such date.

SEC. 3. DEDUCTION FOR CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—In the case of an individual who does not itemize deductions for the taxable year, the amount allowable under subsection (a) for the taxable year shall be taken into account as a direct charitable deduction under section 63.''

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the deduction for charitable contributions under section 170(m).''

(2) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) the deduction for charitable contributions under section 170(m).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 4. CHARITABLE CONTRIBUTION DEDUCTION NOT SUBJECT TO OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Subsection (c) of section 68 of the Internal Revenue Code of 1986 (relating to overall limitation on itemized deductions) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(4) the deduction under section 170 (relating to charitable, etc., contributions and gifts).''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1995.

SEC. 5. CHARITABLE CONTRIBUTIONS MADE BEFORE FILING OF RETURN.

(a) IN GENERAL.—Subsection (a) of section 170 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) TIME WHEN CONTRIBUTIONS DEEMED MADE.—The taxpayer may elect to treat any charitable contribution which is made not later than the time prescribed by law for filing the return for the taxable year (not including extensions thereof) as being made on the last day of such taxable year. Such an election, once made, shall be irrevocable.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1994.

SEC. 6. FINANCIAL ACCOUNTABILITY REPORTING REQUIREMENT FOR GOVERNMENTAL POVERTY AND WELFARE PROGRAMS.

(a) IN GENERAL.—Each applicable welfare program shall publish in the Federal Register and other publications generally available to the public within a reasonable period of time following the end of a fiscal year the following information for the fiscal year:

(1) Information required to be included on a return under section 6033 of the Internal Revenue Code of 1986 by an organization described in section 501(c)(3) of such Code, including expenses for program services, administrative and general costs, and fundraising.

(2) The percentages determined by dividing the following categories of the program's expenses for the year by its total expenses for the year: program services; management and general; and fundraising.

(b) ADDITIONAL AVAILABILITY.—Each applicable welfare program shall make the information described in subsection (a) available at its principal office and at any of its regional or district offices. Upon request of an individual made at any such office, the program shall provide a copy of the information to such individual without charge other than a reasonable fee for any reproduction and mailing costs. Such request shall be met within 30 days (or immediately if made in person).

(c) APPLICABLE WELFARE PROGRAM.—For purposes of this section, an applicable welfare program is a Federal, State, or local welfare or public assistance program for which Federal funds are appropriated.

SEC. 7. STANDARDS FOR DETERMINING SUCCESS OF GOVERNMENTAL WELFARE PROGRAMS.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study with respect to applicable welfare programs to develop standards to determine—

(1) whether such programs meet the needs for which the programs were established, and

(2) if such programs meet such needs, whether they do so in a cost-effective manner.

For purposes of this subsection, the term ''applicable welfare program'' has the meaning given such term by section 6(c).

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall report to the Congress the results of the study conducted under subsection (a), including the standards described therein.

COMPREHENSIVE CHARITY REFORM ACT

SECTION I. CHARITY TAX CREDIT

Provides a $500 tax credit ($1,000 for married persons filing jointly) for taxpayers who make charitable contributions to organizations focused on fighting or alleviating poverty.

Organizations must spend 70% of their total expenses on poverty program expenses in order to qualify for the credit.

Multi-faceted organizations or churches that might not be entirely focused on poverty have the flexibility to elect to treat a poverty program as a separate organization provided that 70% of the program's aggregate expenses go toward poverty program services.

Organizations that take the election must maintain separate accounting for the program, ensure that contributions are only used for the program, and provide information regarding the allocation of funds.

Organizations that are organized for the purpose of soliciting and collecting funds can raise funds on behalf of qualified charities provided that at least 85% of the funds collected go directly to qualified charities and these organization comply with the reporting requirements in the bill.

Organizations that currently file tax form 990 must make their returns available to the public. In addition, these organizations must break down their program services; management and general; fundraising; and payments to affiliates as a percentage of total expense.

Taxpayers must take the credit in lieu of a deduction for the same contribution.

SECTION II. DEDUCTION FOR CHARITABLE CONTRIBUTIONS FOR NON-ITEMIZERS

Allows individuals who do not itemize on their taxes to take a deduction for all charitable contributions.

SECTION III. REMOVE CHARITABLE CONTRIBUTIONS FROM 3% FLOOR

Allows individuals to exclude charitable donations from the overall limitation on itemized deductions (the 3% floor).

SECTION IV. EXTEND THE DEADLINE FOR CHARITABLE DONATIONS UNTIL APRIL 15

Extends the deadline for making tax-deductible charitable donations until April 15th.

SECTION V. FINANCIAL ACCOUNTABILITY REPORTING REQUIREMENT FOR GOVERNMENTAL POVERTY AND WELFARE PROGRAMS

Requires that any government poverty assistance program that receive federal funds make available to the public an accounting of their budget broken down on a percentage basis of program services, administrative, general, and fundraising costs so that taxpayers will be able to see how their tax dollars are actually being spent.

SECTION VI. GAO STANDARDS FOR DETERMINING SUCCESS OF GOVERNMENTAL WELFARE PROGRAMS

Instructs the GAO to develop standards to determine the success rates and cost effectiveness of government welfare programs.

The ''Comprehensive Charity Reform Act'' has several elements.

CHARITY TAX CREDIT

The charity tax credit recognizes that society has a responsibility to help the most needy. Organizations that focus on providing poverty relief can elect to receive special treatment under the tax code for some of their contributions. Reform of antipoverty efforts should not just focus on federal, state, and local government programs but on encouraging the antipoverty efforts of private charities who often times have a much better success rate. The charity tax credit will allow taxpayers to choose for themselves who should receive a portion of their tax dollars—traditional government programs OR nonprofit charities who generally are more efficient and have a much better sense for what their local population needs.

As the current welfare debate shows we as a society are tired of the government monopoly in this area. The welfare system we have today is expensive, bureaucratic, impersonal and generic.

Private nonprofit and religious organizations take a holistic approach to rehabilitating a person who has temporarily found themselves in a very difficult situation. The emphasis here is on temporary—antipoverty assistance is not intended to be a way of life but rather a tool by which to change behavior and encourage personal responsibility for one's own life.

The charity tax credit will empower all taxpayers to take a role in how poverty relief efforts are structured. Currently, only about 28% of taxpayers itemize their tax returns and therefore, are eligible for favorable tax treatment for charitable giving. This bill will allow all taxpayers, whether they itemize or not, to receive a dollar for dollar credit for contributing to poverty fighting organizations. Inspiring more taxpayers to contribute to charities, will make people more aware of antipoverty efforts in their community, and may inspire them to volunteer their time as well.

This legislation would allow nonprofit poverty fighting organizations to qualify for charity tax credit contributions provided that these organizations spend at least 70% of their total expenses on program services focused on poverty efforts. Multi-faceted organizations or churches that might not be entirely focused on poverty have the flexibility to elect to treat a poverty program as a separate organization provided that 70% of the program's expenses go toward poverty program services. Organizations that take the election must maintain separate accounting for the program, ensure that contributions are only used for the program and provide information regarding the allocation of funds.

Determining what constitutes poverty fighting or alleviating poverty, is not intended to require soup kitchens or homeless shelters to ask for income statements from individuals seeking assistance from these types of programs. The Secretary in drafting regulations can use common sense discretion in determining if a program or organization focuses on poverty relief. Obviously, if an individual is standing in line for food then that person is poor and needs assistance.

In addition, qualified charities who currently file IRS form 990 must take their annual returns available to the public and calculate the breakdown of program services, management and general costs, fundraising expenditures and payment to affiliates as a percentage of total expenses. Nonprofits are already reporting this information on the IRS tax form 990. A great effort has been made to ensure that the reporting requirements necessary for enactment of this legislation would comport with the current requirements. And, the legislation does not expend the current scope of which nonprofits must file 990s. However, it will require that organizations that are currently exempt from filing the 990 such as churches to file the appropriate financial information about the poverty fighting program that is eligible for charity tax credit funds. However, it is important to emphasize that organizations do not automatically qualify for this treatment they must decide for themselves that they want to participate in the charity tax credit program and therefore adhere to the requirements of the program.

ABOVE THE LINE CHARITY TAX DEDUCTION

For taxpayers who do not itemize deductions on their tax returns (non-itemizers), this bill allows those taxpayers to deduct their charitable contributions before determining their Adjusted Gross Income (AGI).

The most recent figures available (1992) find that non-itemizers account for over 70% of those who file tax returns—81 million taxpayers. Of this group, 95% have incomes less than $50,000. According to figures from a group which tracks such information, Independent Sector, low and middle income Americans, give as a percentage of income, 30% more to charity than the average American.

While donations to charity are primarily motivated by altruistic concerns, it is clear that nonitemizers who give to charity are sensitive to tax considerations. Experience from the period of time when nonitemizers were permitted to take a charitable deduction exemplifies this point. In 1985, nonitemizers could deduct 50% of their contributions and, according to the IRS, they gave $9.5 billion. In 1986, when taxpayers could deduct a full 100% of their contributions, they gave $13.4 billion—a 40% increase.

The loss of this tax incentive translated into nonitemizers giving significantly less to charity than itemizers. Clearly, we should empower everyone—not just people of means to give back to their community through charitable donations.

CHARITABLE CONTRIBUTIONS NOT SUBJECT TO ITEMIZED LIMIT

This bill would remove charitable contributions from what is known as the ''3% floor.'' The 3% floor was enacted as part of the 1990 tax bill and was intended to reduce the amount of itemized deductions for those earning in excess of $100,000 (this figure was indexed and will be $114,700 for 1995). For these taxpayers, itemized deductions (including charitable contributions) are reduced by 3% of adjusted gross income in excess of the threshold amount. By taking charitable contributions out of this formula we offer individuals in this category a greater incentive to give.

EXTENSION OF CHARITABLE GIVING DEADLINE

This bill extends the deadline for making tax-deductible charitable donations until April 15th. Most taxpayers start taking note of allowable deductions when they start to fill out their tax returns, only to realize all too late that they could have given more to charity in the previous year and lower their tax liability. Current law already allows deductions for contributions to IRAs and Keogh plans up until filing time. By extending similar treatment to charitable contributions we can (1) assist with taxpayer's planning (2) increase the incentive for taxpayers facing penalties for underwitholding, and (3) help advertise the value of charitable giving tax incentive. We can also encourage those whose giving is curtailed at the end of the year by the holiday cash crunch.

FINANCIAL ACCOUNTABILITY REPORTING REQUIREMENT FOR GOVERNMENTAL POVERTY AND WELFARE PROGRAMS

This section of the bill requires that all poverty/welfare assistance government programs (federal, state, and local) that receive any federal funding to disclose and make available to the public how the program dollars are spent by outlining as a percentage of total expenses program services, administrative, general costs and fundraising (if applicable). With billions dollars being spent on government poverty fighting programs, taxpayers deserve to know exactly where their dollars are going. All too often key figures are buried in the trenches never to see the light of day.

GAO STANDARDS FOR GOVERNMENT WELFARE PROGRAMS

In order to hold government welfare programs more accountable for the taxpayer dollars they are spending, this legislation instructs the GAO to develop success and cost effectiveness standards. This will enable taxpayers as well as elected officials to evaluate if the government programs are actually accomplishing their stated purpose and doing so in a cost effective manner.

CONCLUSION

I believe this legislation will make great strides in ensuring that nonprofit private organizations take a much greater role in caring for our society's ailments. It is time that we recognize that government is not the answer to our social failings—its clearly too big and too bureaucratic to address these concerns. However, smaller private nonprofit organizations and religious organizations can have a tremendous influence the way we care for the downtrodden of our society.

By Mr. STEVENS (for himself, Mr. PRYOR, and Mr. ROTH):

S. 1080. A bill to amend chapter 84 of title 5, United States Code, to provide additional investment funds for the thrift savings plan; to the Committee on Governmental Affairs.

THE THRIFT SAVINGS INVESTMENT FUNDS ACT OF 1995

Mr. STEVENS. Mr. President, the thrift savings plan, TSP, was created in 1986 as one of three tiers of a new Federal employees' retirement system. I was the original sponsor of the Senate bills which led up to the passage of this landmark legislation. From all accounts, the TSP has proven to be a valuable retirement tool for all Federal employees.

Current law limits TSP investments to three options—the Government securities investment (G) fund, the common stock index investment (C) fund, and the fixed income investment (F) fund. This limitation was the result of a compromise in conference—the Senate-passed bill allowed additional funds at the discretion of the Federal Retirement Thrift Investment Board.

For some time now, Federal employee participants in the TSP have requested additional investment opportunities. In 1992, the Board began to look into the possibility of expanding into additional funds. As a result of that review, the Board recently recommended the addition to two funds—a small capitalization stock index investment fund and an international stock index investment fund.

Today I introduce legislation to authorize these two additional investment funds for the thrift savings plan. I am pleased to note that Senators PRYOR and ROTH have agreed to cosponsor this bill. I ask unanimous consent that the text of the bill and a section-by-section analysis prepared by the Federal Retirement Thrift Investment Board be reprinted in the RECORD.

Mr. President, I congratulate the Federal Retirement Thrift Investment Board for their decision to increase the investment opportunities for Federal employee investors and urge them to move quickly with their computer redesign program so that these new funds, once approved by Congress, can be available as soon as possible.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1080

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Thrift Savings Investment Funds Act of 1995''.

SEC. 2. ADDITIONAL INVESTMENT FUNDS FOR THE THRIFT SAVINGS PLAN.

Section 8438 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively;

(B) by inserting after paragraph (4) the following new paragraph:

''(5) the term 'International Stock Index Investment Fund' means the International Stock Index Investment Fund established under subsection (b)(1)(E);'';

(C) in paragraph (8) (as redesignated by subparagraph (A) of this paragraph) by striking out ''and'' at the end thereof;

(D) in paragraph (9) (as redesignated by subparagraph (A) of this paragraph)—

(i) by striking out ''paragraph (7)(D)'' in each place it appears and inserting in each such place ''paragraph (8)(D)''; and

(ii) by striking out the period and inserting in lieu thereof a semicolon and ''and''; and

(E) by adding at the end thereof the following new paragraph:

''(10) the term 'Small Capitalization Stock Index Investment Fund' means the Small Capitalization Stock Index Investment Fund established under subsection (b)(1)(D).''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B) by striking out ''and'' at the end thereof;

(ii) in subparagraph (C) by striking out the period and inserting in lieu thereof a semicolon; and

(iii) by adding at the end thereof the following new subparagraphs:

''(D) a Small Capitalization Stock Index Investment Fund as provided in paragraph (3); and

''(E) an International Stock Index Investment Fund as provided in paragraph (4).''; and

(B) by adding at the end thereof the following new paragraphs:

''(3)(A) The Board shall select an index which is a commonly recognized index comprised of common stock the aggregate market value of which represents the United States equity markets excluding the common stocks included in the Common Stock Index Investment Fund.

''(B) The Small Capitalization Stock Index Investment Fund shall be invested in a portfolio designed to replicate the performance of the index in subparagraph (A). The portfolio shall be designed such that, to the extent practicable, the percentage of the Small Capitalization Stock Index Investment Fund that is invested in each stock is the same as the percentage determined by dividing the aggregate market value of all shares of that stock by the aggregate market value of all shares of all stocks included in such index.

''(4)(A) The Board shall select an index which is a commonly recognized index comprised of stock the aggregate market value of which is a reasonably complete representation of the international equity markets excluding the United States equity markets.

''(B) The International Stock Index Investment Fund shall be invested in a portfolio designed to replicate the performance of the index in subparagraph (A). The portfolio

shall be designed such that, to the extent practicable, the percentage of the International Stock Index Investment Fund that is invested in each stock is the same as the percentage determined by dividing the aggregate market value of all shares of that stock by the aggregate market value of all shares of all stocks included in such index.''.

SEC. 3. ACKNOWLEDGEMENT OF INVESTMENT RISK.

Section 8439(d) of title 5, United States Code, is amended by striking out ''Each employee, Member, former employee, or former Member who elects to invest in the Common Stock Index Investment Fund or the Fixed Income Investment Fund described in paragraphs (1) and (3),'' and inserting in lieu thereof ''Each employee, Member, former employee, or former Member who elects to invest in the Common Stock Index Investment Fund, the Fixed Income Investment Fund, the International Stock Index Investment Fund, or the Small Capitalization Stock Index Investment Fund, defined in paragraphs (1), (3), (5), and (10),''.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on the date of enactment of this Act, and the Funds established under this Act shall be offered for investment at the earliest practicable election period (described in section 8432(b) of title 5, United States Code) as determined by the Executive Director in regulations.

SECTION-BY-SECTION ANALYSIS

The proposed legislation would add two new investment funds to those currently offered by the Thrift Savings Fund: a Small Capitalization Stock Index Fund and an International Stock Index Investment Fund.

Section 1 of the proposed legislation designates its title as the ''Thrift Savings Investment Funds Act of 1995.''

Section 2 of the proposed legislation makes changes to section 8438 of title 5, U.S.C., which are necessary to authorize the addition of the two new investment funds. The legislation generally tracks the language currently found in section 8438 with respect to the Common Stock Index Investment Fund, to which the two new funds bear the greatest resemblance. Like that fund, the two new funds are required to be index funds which invest in indices that represent certain defined sectors of the equity markets.

Subsection (1) of section 2 adds the two new funds to the list of definitions found in subsection (a) of section 8438.

Subsection (2)(A) of section 2 makes changes necessary to add the two new funds to the list of those the Federal Retirement Thrift Investment Board is authorized to establish by subsection (b)(1) of section 8438. This is consistent with the statutory treatment of the current investment funds. That is, the Board is given the responsibility to choose indices and establish investment funds that fall within the parameters for each fund as set forth in the statute.

Subsection (2)(B) of section 2 adds two new paragraphs to section 8438(b) which describe the parameters of the two new investment funds.

New paragraph (3) of section 8438(b) describes the requirements for the Small Capitalization Stock Index Investment Fund. Under subparagraph (A) of paragraph (3), the Board must choose a commonly recognized index that represents the market value of the United States equity markets, but excluding that portion of the equity markets represented by the common stocks included in the Common Stock Index Investment Fund. It is intended, therefore, that the Small Capitalization Stock Index Investment Fund will be designed to replicate the performance of an index representing small capitalization stocks not held in the Common Stock Index Investment Fund. Subparagraph (B) of paragraph (3) requires the Board to invest the fund in a portfolio designed to replicate the performance of the index established in subparagraph (A).

New paragraph (4) of section 8438(b) describes the requirements for the International Stock Index Investment Fund. Under subparagraph (A) of paragraph (4), the Board must choose a commonly recognized index that is a reasonably complete representation of the international equity markets. The term ''international equity markets'' excludes the United States equity markets, which are represented by the other funds. Subparagraph (B) of paragraph (4) requires the Board to invest the fund in a portfolio designed to replicate the performance of the index established in subparagraph (A).

Section 3 of the proposed legislation amends section 8439(d) of title 5, U.S.C., to add a reference to the two new investment funds in the section requiring that each Thrift Savings Plan participant who invests in one of the enumerated funds sign an acknowledgement stating that he or she understands that the investment is made at the participant's own risk, that the Government will not protect the participant against any loss on such investment, and that a return on the investment is not guaranteed by the Government. As is the case with the Common Stock Index Investment Fund and the Fixed Income Investment Fund, the Small Capitalization Stock Index Investment Fund and the International Stock Index Investment Fund each carry the risk that an investment therein may lose value. Therefore, it is appropriate to require the participant to sign the same acknowledgement of risk statement prior to investing in either of these funds.

Section 4 provides that the amendments made by this legislation will become effective immediately. The additional funds will be offered to participants for investment in the soonest practicable TSP election period as determined by the Executive Director in regulations. By law, election periods are conducted every six months. The Board has recently determined to develop an entirely new computer software system, entailing uncertain lead times for procurement decisions and development processes. The new system's development will dictate the timeframe for the offering of new funds, which will be coordinated with its implementation.

By Mr. DODD (for himself, and Mr. LIEBERMAN):

S. 1082. A bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Old State House of Connecticut; to the Committee on Banking, Housing, and Urban Affairs.

THE CONNECTICUT OLD STATE HOUSE COMMEMORATIVE COIN ACT

Mr. DODD. Mr. President, today I am pleased to introduce the Connecticut Old State House Bicentennial Commemorative Coin Act.

The Old State House sits in the very center of Hartford, CT, and it is one of the single most important buildings in the entire State. It stands as a shining example of 18th century architecture and has been designated a Registered National Landmark by the Secretary of the Interior. In May 1996, the Old State House will celebrate its 200th birthday.

The Old State House is steeped in tradition and history. It is on this site that the Colony of Connecticut was actually founded. In May 1796, the State House opened its doors, and it was there that General Washington first met Comte de Rochambeau to begin the Yorktown strategy to end the Revolutionary War.

The Old State House served as a seat of government until 1878, and numerous historical figures have visited the building, including Mark Twain, Harriet Beecher Stowe, Lafayette, and Presidents Monroe, Jackson, Johnson, Ford, Carter, and Bush.

Since 1979, the Old State House has become a thriving landmark—a cultural and historical mecca for tourists and residents alike. Years of wear and tear have taken their toll on this magnificent structure, however, and a complete restoration project is ongoing. The Old State House hopes to expand its educational, cultural, and recreational services once it finishes a complete renovation.

Underway are plans to make the entire landmark accessible to the handicapped and the elderly. A full center and museum of Connecticut history will be created on-site, and there is to be a park and outdoor market adjacent to the Old State House.

The new Old State House is set to be rededicated on its 200th birthday in May 1996, when it will once again become a meeting place and focal point for the city of Hartford and the entire New England community.

The bill I am introducing today would authorize the issuance of 700,000, $1 silver coins, which would be emblematic of the Old State House and its role in the history of the city of Hartford, the State of Connecticut, and the United States. Funds raised through the sale of the coins would be spent on both the construction, renovation and preservation of the Old State House and on the educational programs about its historic significance.

This cost-neutral bill would raise up to $7 million to help underwrite the cost of the Old State House project. I urge my colleagues to join me in cosponsoring this bill and help preserve a piece of history.

By Mr. THOMAS:

S. 1083. A bill to direct the President to withhold extension of the WTO Agreement to any country that is not complying with its obligations under the New York Convention, and for other purposes; to the Committee on Finance.

THE NEW YORK CONVENTION COMPLIANCE ACT

• Mr. THOMAS. Mr. President, I introduce the New York Convention Compliance Act of 1995, a bill designed to protect the investments of U.S. companies overseas.

The New York convention refers to the Convention on the Recognition and Enforcement of Foreign Arbitral