the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2093. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2094. A communication from the Chairman of the African Development Foundation, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2095. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2096. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2097. A communication from the Administrator of the U.S. Small Business Administration, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2098. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2099. A communication from the Comptroller General, transmitting, pursuant to law, the report of General Accounting Office reports for January 1996; to the Committee on Governmental Affairs.

EC–2100. A communication from the Comptroller General, transmitting, pursuant to law, the report of General Accounting Office reports for December 1995; to the Committee on Governmental Affairs.

EC–2101. A communication from the Comptroller General, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Governmental Affairs.

EC–2102. A communication from the Assistant Comptroller General (Accounting and Information Management Division), transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Governmental Affairs.

EC–2103. A communication from the Director of the Office of Financial Management (General Services and Controller), General Accounting Office, transmitting, pursuant to law; to the Committee on Governmental Affairs.

EC–2104. A communication from the Administrator of the General Services Administration, transmitting, a draft of proposed legislation to amend the Right to Financial Privacy Act of 1978; to the Committee on Governmental Affairs.

EC–2105. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report of the amount of personal property furnished to non-Federal recipients; to the Committee on Governmental Affairs.

EC–2106. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report under the Program Fraud Civil Remedies Act for fiscal year 1995; to the Committee on Governmental Affairs.

EC–2107. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report on material weaknesses; to the Committee on Governmental Affairs.

EC–2108. A communication from the Secretary of Education, transmitting, pursuant to law, the report of the audit follow-up for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2109. A communication from the Secretary of Education, transmitting, pursuant to law, a report concerning surplus Federal real property; to the Committee on Governmental Affairs.

EC–2110. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report under the Single Audit Act for fiscal year 1993; to the Committee on Governmental Affairs.

EC–2111. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report entitled ''Statistical Programs of the U.S. Government: Fiscal Year 1996''; to the Committee on Governmental Affairs.

EC–2112. A communication from the Executive Director of the National Education Goals Panel, transmitting, pursuant to law, the report under the Federal Managers' Financial Integrity Act for fiscal year 1995; to the Committee on Governmental Affairs.

EC–2113. A communication from the Chairperson of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the report under the Inspector General Act for the period April 1 through September 30, 1995; to the Committee on Governmental Affairs.

EC–2114. A communication from the Chairman of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, the report of the number of appeals submitted during fiscal year 1995; to the Committee on Governmental Affairs.

EC–2115. A communication from the Inspector General, transmitting, pursuant to law, a report relative to lobbying activities by contractors or grantees; to the Committee on Governmental Affairs.

EC–2116. A communication from the Vice Chairman and Chief Financial Officer of the Potomac Electric Power Company, transmitting, pursuant to law, the report of the balance sheet for calendar year 1995; to the Committee on Governmental Affairs.

EC–2117. A communication from the Director of the U.S. Office of Personnel Management, transmitting, pursuant to law, the report of the privatization of investigations service through employee stock ownership plan; to the Committee on Governmental Affairs.

EC–2118. A communication from the Manager of the Benefits Communications of the Ninth Farm Credit District Trust Committee, transmitting, pursuant to law, the annual report for the plan year ended December 31, 1994; to the Committee on Governmental Affairs.

EC–2119. A communication from the Chairman of the Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, the annual report for calendar year 1995; to the Committee on Governmental Affairs.

EC–2120. A communication from the Acting Inspector General of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the report under the Inspector General Act for fiscal year 1995; to the Committee on Governmental Affairs.

EC–2121. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, a report relative to lobbying for the period October 1, 1994 through March 31, 1995; to the Committee on Governmental Affairs.

EC–2122. A communication from the Acting Inspector General of the Federal Communication Commission, transmitting, pursuant to law, a report relative to Federal contracts; to the Committee on Governmental Affairs.

EC–2123. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, a report relative to the procedural schedule; to the Committee on Governmental Affairs.

EC–2124. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, the report under the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2125. A communication from the Board Members of the Railroad Retirement Board, transmitting, pursuant to law, the report of the justification of budget estimates for fiscal year 1997; to the Committee on Appropriations.

EC–2126. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93–50; to the Committee on Appropriations.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Christopher M. Coburn, of Ohio, to be a Member of the Board of Directors of the United States Enrichment Corporation for a term expiring February 24, 2000.

Charles William Burton, of Texas, to be a Member of the Board of Directors of the United States Enrichment Corporation for a term expiring February 24, 2001.

Alvin L. Alm, of Virginia, to be an Assistant Secretary of Energy (Environmental Management).

Thomas Paul Grumbly, of Virginia, to be Under Secretary of Energy.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOND (for himself, Mr. NICKLES, Mr. DOLE, Mr. D'AMATO, Mr. MURKOWSKI, Mr. INHOFE, Mr. LOTT, Mr. GRAMM, and Mr. FRIST):

S. 1610. A bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees; to the Committee on Finance.

By Mr. MCCONNELL:

S. 1611. A bill to establish the Kentucky National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HELMS (for himself, Mr. DOLE, Mr. HATCH, Mr. THURMOND, Mr. FAIRCLOTH, Mr. GRAMM, and Mrs. FEINSTEIN):

S. 1612. A bill to provide for increased mandatory minimum sentences for criminals

possessing firearms, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. INOUYE (for himself, Mr. D'AMATO, Mr. SIMPSON, Mr. SMITH, Mr. MACK, Mr. CONRAD, Mr. FORD, Mr. MCCONNELL, Mr. HELMS, Mr. HEFLIN, Mr. STEVENS, Mr. DOMENICI, Mr. WARNER, Mr. GRAHAM, and Mr. CRAIG):

S. Con. Res. 46. A concurrent resolution to express Congress' admiration of the late Israeli Prime Minister Yitzhak Rabin and his contribution to the special relationship between the United States and Israel, and to express the sense of the Congress that the American Promenade in Israel be named in his memory; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOND (for himself, Mr. NICKLES, Mr. DOLE, Mr. D'AMATO, Mr. MURKOWSKI, Mr. INHOFE, Mr. LOTT, Mr. GRAMM, and Mr. FRIST):

S. 1610. A bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees; to the Committee on Finance.

THE INDEPENDENT CONTRACTOR TAX SIMPLIFICATION ACT OF 1996

Mr. BOND. Mr. President, determining worker classification is one of the most important tax issues facing small business today. Indeed, and in fact, it was rated No. 1 by the delegates to the White House Conference on Small Business. They said this is something that must be dealt with because the ambiguity in the current law makes it extremely difficult for business owners to determine whether a worker is an independent contractor or an employee. Today I will be introducing the Independent Contractor Tax Simplification Act on behalf of myself, Senator NICKLES, Senator DOLE, Senator D'AMATO, Senator MURKOWSKI and Senator LOTT.

For years, now, the Internal Revenue Service has used a 20-factor common law test to determine worker status. Frankly, the test is a nightmare of subjectivity and unpredictability for small business owners who often get their tutorial on the subtleties of the issue during an IRS audit—certainly an unfortunate time to be learning how tricky the law is.

IRS agents are required to consider 20 different factors to determine whether an employer/employee relationship exists. The problem is that the small business taxpayer is not able to predict which of the 20 factors is going to be more important to a particular IRS agent, and finding a certain number of these factors present in a case does not always determine the result.

Inevitably, what has been happening is that agents are resolving far too many cases in favor of the IRS and its tendency to find the existence of an employment relationship at the expense and disruption of bona fide independent contractor arrangements.

Let me make perfectly clear, the IRS has every right to obtain information on payments, whether they are made to an employee or to an independent contractor. It is our position that simplifying IRS collection does not warrant the IRS going beyond tax law to determine business organization, so long as the organizations are legitimate structures and the IRS has the information on payments so they may collect appropriate taxes.

This lack of a clear standard in existing law has made some small business owners reluctant to hire independent contractors and put others in great concern and risk of being pursued for back taxes.

In some cases, the concern is so great that it stifles business expansion. As I indicated earlier, the depth of the problem was made clear last summer when the White Conference on Small Business, a nationwide group of almost 2,000 small business delegates, voted the independent contractor issue first on its list for recommended changes.

Today, together with Senator NICKLES and the other Senators whom I mentioned, Senator NICKLES having been a long and consistent supporter of small business legislation, we introduce a bill that solves this problem. Our bill provides a short list of simple, clear objective standards that will allow all taxpayers to understand what the law says about who is an employee and who is an independent contractor. When this law is enacted, IRS agents will have clear direction, small business will have clear direction, but the IRS will no longer have the upper hand in today's confusing independent contractor law, which gives the IRS agent, when they deal with our country's small business taxpayers, advantage in determining their business organization.

I especially thank Senator NICKLES for his willingness to allow us to work on this bill together. Last September at a hearing, I held in the Small Business Committee, Senator NICKLES testified about his personal experience with this issue dating back to the small business that he began while he was a college student. For Senator NICKLES' company, like many startup companies and small businesses, it seemed to make perfect sense to hire independent contractors in certain situations. More established, larger businesses also need to hire independent contractors to accomplish specific tasks that may require specialized skill. In fact, many of America's entrepreneurs are in business as independent contractors whose livelihood is dependent upon the fact that other companies need their service and expertise. These entrepreneurs have no desire, nor do they have any need, to become employees of the businesses who purchase their services.

Others in our Small Business Committee hearing testified about their experiences with IRS agents regarding worker status, telling us about receiving IRS penalties as high as a quarter of a million dollars. Between these outrageously high penalties and the complexity of the 20-factor test, this issue, understandably, infuriates many small business taxpayers.

Mr. President, the Commissioner of Internal Revenue, the Honorable Margaret Richardson, in a speech to last summer's small business conference delegates, told them the IRS does not care whether someone is an employee or independent contractor, as long as they properly report their income, and that is as it should be. Yet, the IRS continues to pursue this issue fiercely during its audits. It has been reported that in a recent 4-year span, the IRS reclassified 338,000 workers as employees. The same report indicates the IRS prevails in 9 out of 10 worker classification audits. Little wonder when they have the upper hand with a very confusing, very complex 20-factor test.

Just last week, I received a copy of the ''Revised Internal Revenue Service Worker Classification Training Materials.'' This was distributed by Commissioner Richardson. In her memo accompanying the document, she describes the purchase of the document as an attempt to identify, simplify and clarify the factors that should be applied in order to accurately determine worker classification.

There could be no more compelling justification for the importance of our immediate passage of the legislation than this document. We commend Commissioner Richardson for seeking to simplify, but this document is over 100 pages long. If it takes that much paper and that much ink to instruct IRS agents on how to simplify and clarify a small business tax issue, I think we can be pretty sure how simple and clear it is going to seem to the taxpayer sitting across the desk from an IRS agent during an audit.

As those who follow this issue know, what makes this problem especially frustrating is that unlike most interpretive actions of the IRS where they must determine the proper amount of income or deductions so Treasury can collect the amount of tax legally due to it, the independent contractor issue is not about how much tax the Government receives. The classification decision does not alter aggregate tax liability to the Government at all. This problem exists because of IRS's apparent desire to recast economic relationships between private parties that these parties have already determined for themselves. The Independent Contractor Tax Simplification Act will help move the IRS out of its de facto role of setting employment policy and back into its role of revenue collection.

Our bill sets out three simple questions to be asked in determining whether a person providing services is an employee or independent contractor.