

denying the economy the benefit of the lower long-term interest rates that a balanced budget would promote: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that the Republican majority should take up without delay a budget resolution that balances the budget by 2002, targets its tax-relief on working and middle class families to the same degree as the President's budget proposal, and protects important domestic priorities such as medicare, medicaid, education, and the environment.

#### AMENDMENTS SUBMITTED

#### THE TAXPAYER PRIVACY PROTECTION ACT

#### COVERDELL (AND OTHERS) AMENDMENT NO. 45

Mr. LOTT (for Mr. COVERDELL, for himself, Mr. GLENN, Mr. ROTH, Mr. MOYNIHAN, Mr. MACK, Mr. KERRY, Mr. KOHL, and Mr. D'AMATO) proposed an amendment to the bill (S. 522) to amend the Internal Revenue Code of 1986 to impose civil and criminal penalties for the unauthorized access of tax returns and tax return information by Federal employees and other persons, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Browsing Protection Act".

#### SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX RETURNS OR TAX RETURN INFORMATION.

(a) IN GENERAL.—Part I of subchapter A of chapter 75 of the Internal Revenue Code of 1986 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

#### "SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITIONS.—

"(1) FEDERAL EMPLOYEES AND OTHER PERSONS.—It shall be unlawful for—

"(A) any officer or employee of the United States, or

"(B) any person described in section 6103(n) or an officer or employee of any such person, willfully to inspect, except as authorized in this title, any return or return information.

"(2) STATE AND OTHER EMPLOYEES.—It shall be unlawful for any person (not described in paragraph (1)) willfully to inspect, except as authorized in this title, any return or return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding \$1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

"(c) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'return', and 'return information' have the respective meanings given such terms by section 6103(b)."

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 7213(a) of such Code is amended by inserting "(5)," after "(m)(2), (4)."

(2) The table of sections for part I of subchapter A of chapter 75 of such Code is amended by inserting after the item relating to section 7213 the following new item:

"Sec. 7213A. Unauthorized inspection of returns or return information."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on and after the date of the enactment of this Act.

#### SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION OF RETURNS AND RETURN INFORMATION; NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.

(a) CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION.—Subsection (a) of section 7431 of the Internal Revenue Code of 1986 is amended—

(1) by striking "DISCLOSURE" in the headings for paragraphs (1) and (2) and inserting "INSPECTION OR DISCLOSURE", and

(2) by striking "discloses" in paragraphs (1) and (2) and inserting "inspects or discloses".

(b) NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.—Section 7431 of such Code is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE.—If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of—

"(1) paragraph (1) or (2) of section 7213(a),

"(2) section 7213A(a), or

"(3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code, the Secretary shall notify such taxpayers as soon as practicable of such inspection or disclosure."

(c) NO DAMAGES FOR INSPECTION REQUESTED BY TAXPAYER.—Subsection (b) of section 7431 of such Code is amended to read as follows:

"(b) EXCEPTIONS.—No liability shall arise under this section with respect to any inspection or disclosure—

"(1) which results from a good faith, but erroneous, interpretation of section 6103, or

"(2) which is requested by the taxpayer."

(d) CONFORMING AMENDMENTS.—

(1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d) of section 7431 of such Code as each amended by inserting "inspection or" before "disclosure".

(2) Clause (ii) of section 7431(c)(1)(B) of such Code is amended by striking "willful disclosure or a disclosure" and inserting "willful inspection or disclosure or an inspection or disclosure."

(3) Subsection (f) of section 7431 of such Code, as redesignated by subsection (b), is amended to read as follows:

"(f) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'inspection', 'return', and 'return information' have the respective meaning given such terms by section 6103(b)."

(4) The section heading for section 7431 of such Code is amended by inserting "INSPECTION OR" before "DISCLOSURE".

(5) The table of sections for subchapter B of chapter 76 of such Code is amended by inserting "inspection or" before "disclosure" in the item relating to section 7431.

(6) Paragraph (2) of section 7431(g) of such Code, as redesignated by subsection (b), is amended by striking "any use" and inserting "any inspection or use".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to inspections and disclosures occurring on and after the date of the enactment of this Act.

#### SEC. 4.

(a) IN GENERAL.—Section 1306(c)(1) of the National Food Insurance Act of 1968 (42

U.S.C. 4013(c)(1)) is amended by striking "30" and inserting "15".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on January 1, 1997, and shall expire June 30, 1997.

#### NOTICES OF HEARINGS

##### SUBCOMMITTEE ON IMMIGRATION

Mr. HATCH. Mr. President, there will be a hearing held by the Subcommittee on Immigration, Senate Committee on the Judiciary, on Tuesday, April 15, 1997, at 10:30 a.m., in room 226, Senate Dirksen Building, on immigrant entrepreneurs, job creation, and the American dream.

##### SUBCOMMITTEE ON EMPLOYMENT AND TRAINING

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Subcommittee on Employment and Training, Senate Committee on Labor and Human Resources, will be held on Thursday, April 17, 1997, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is innovations in youth training. For further information, please call the committee, 202/224-5375.

##### COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Friday, April 18, 1997, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is improving the health status of children. For further information, please call the committee, 202/224-5375.

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, May 1, 1997, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 457, a bill to authorize the Bureau of Land Management to manage the Grand Staircase-Escalante National Monument.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 304 Dirksen Senate Office Building, Washington, DC 20510-6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224-5161.

COMMITTEE ON ENERGY AND NATURAL  
RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the benefit of Members and the public that the Committee on Energy and Natural Resources has scheduled a hearing to receive testimony on S. 430, the New Mexico Statehood and Enabling Act Amendments of 1997.

The hearing will take place on Monday, May 5, 1995, at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building.

Those wishing to testify or submit written statements for the record should contact James Beirne, senior counsel to the committee at (202) 224-2564 or Betty Nevitt, staff assistant, at (202) 224-0765 or write the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

## NOTICE OF WORKSHOPS

COMMITTEE ON ENERGY AND NATURAL  
RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public, the workshops which have been scheduled before the Committee on Energy and Natural Resources to exchange ideas and information on the issue of competitive change in the electric power industry.

The first workshop will take place on Thursday, May 8, beginning at 9:30 a.m. in room 216 of the Hart Senate Office Building. The topic of discussion will be the effects of competition on fuel use and types of generation.

The second workshop will take place on Thursday, May 22, beginning at 9:30 a.m. in room 216 of the Hart Building. The topic of discussion will be the financial implications of restructuring.

The third workshop will take place on Thursday, June 12, beginning at 9:30 a.m. in room 216 of the Hart Senate Office Building. The topic of discussion will be the benefits and risks of restructuring to consumers and communities. Participation is by invitation. For further information please write to the Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, attn: Shawn Taylor.

AUTHORITY FOR COMMITTEES TO  
MEET

## COMMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 15, 1997, at 2 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

## COMMITTEE ON RULES AND ADMINISTRATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, April 15, 1997 begin-

ning at 9:30 a.m. to receive testimony from Senator MARY L. LANDRIEU, Louis "Woody" Jenkins, and/or their counsels in connection with a contested U.S. Senate election held in Louisiana in November 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ACQUISITION AND  
TECHNOLOGY

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Acquisition and Technology of the Committee on Armed Services be authorized to meet at 2 p.m. on Tuesday, April 15, 1997, in open session, to receive testimony on the trends in the industrial and technology base supporting national defense in review of S. 450, the National Defense Authorization Act for Fiscal Years 1998 and 1999.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC  
AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 15, 1997, at 10 a.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

## SUBCOMMITTEE ON EMPLOYMENT AND TRAINING

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Employment and Training of the Committee on Labor and Human Resources be authorized to hold a hearing on innovations in adult training during the session of the Senate on Tuesday, April 15, 1997, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

## SUBCOMMITTEE ON READINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Readiness of the Committee on Armed Services be authorized to meet at 2 p.m. on Tuesday, April 15, 1997 in open session, to receive testimony regarding environmental and military construction issues in review of S. 450, the National Defense authorization bill for fiscal years 1998 and 1999, and S. 451, the military construction authorization bill for fiscal year 1998.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

THE IRS AND TAXPAYERS AT  
RISK

• Mr. THOMPSON. Mr. President, on the final day for taxpayers to file their tax returns, I think it is appropriate for Congress and the American people to assess how well the Internal Revenue Service [IRS] is doing managing the collection of 1.4 trillion taxpayer dollars. Unfortunately, the answer is not very well. The Committee on Governmental Affairs held a hearing last

week on the IRS programs on the General Accounting Office's [GAO] high risk list which identifies those Federal programs most vulnerable to waste, fraud, abuse, and mismanagement. To the taxpayer's dismay, the IRS made the list six times. IRS programs have been consistently on GAO's high risk list since its inception in 1990 and GAO has issued over 200 reports in the past 5 years critical of the problems at IRS.

The problems at IRS are considerable. For example:

IRS still can't pass an audit—something that the private sector has been doing since the 1930's and State governments since the 1980's. Because IRS' financial statements are so poor, it is likely the entire Government will not be able to pass its first congressionally required audit of its financial statements this fall. Shouldn't IRS live up to the same accounting standards it imposes on the taxpayer?

For three decades IRS has been attempting to overhaul its outdated 1960's era computer systems. In its third unsuccessful attempt at modernization, IRS has spent over \$3 billion, with very little to show for it. This has become a case study in how not to buy computers.

In the area of tax collections, GAO finds that IRS has no real basis for determining how much it is owed or, in any comprehensive sense, by whom. This is important because every dollar owed which is not collected due to inaccurate filing or ineffective collection comes out of the pocket of every honest taxpayer.

Despite an IRS pledge to have zero-tolerance for snooping by IRS personnel through taxpayer's files, GAO finds that the practice continues. Only one IRS computer system has a very limited ability to detect snooping. As for the rest of IRS systems and paper files there are few controls to protect sensitive taxpayer records from this invasion of privacy.

All of IRS' computers are at risk of not operating properly on January 1, 2000, because of the antiquated computers' inability to deal with the year 2000 date change. In less than 1,000 days, the collection of revenue and the entire tax processing system will be in jeopardy.

It is estimated that \$200 billion is lost each year to fraud and nonpayment of taxes. While IRS caught \$131 million in fraudulent returns in 1995, GAO lists filing fraud as a high risk area and it is uncertain how many fraudulent returns slip through the system.

But these concerns are even surpassed by new ones raised by GAO in January in a confidential report on IRS security weaknesses which is now being released in very restricted form. IRS has very serious physical and information security problems which jeopardize its ability to function and puts taxpayer data at risk of being improperly used, changed, or destroyed. It should concern us all that GAO's findings of IRS' vulnerability to security