

# The New York Times

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MONDAY, NOVEMBER 22, 2004

## G.O.P. Says Motive for Tax Clause in Budget Bill Was Misread

By DAVID E. ROSENBAUM

WASHINGTON, Nov. 21 — Democratic leaders and senators from both parties expressed outrage on Sunday about an obscure provision in the huge end-of-session spending bill that would allow the chairmen of the Appropriations Committees and their staff assistants to examine Americans' income tax returns.

Republican leaders said that their motives had been misread and that there was never any intention to invade the privacy of taxpayers. They promised that the provision would be deleted from the bill in a special session on Wednesday before the spending measure, which cleared Congress on Saturday night, was sent to President Bush for his signature.

Representative Ernest Istook, Republican of Oklahoma, who was responsible for the insertion of the tax provision in the 3,000-page, \$388 billion legislation that provides financing for most of the government, issued a statement on Sunday saying that the language had actually been drafted by the Internal Revenue Service and that "nobody's privacy was ever jeopardized." Mr. Istook is chairman of the Appropriations subcommittee that has authority over the I.R.S. budget.

John D. Scofield, the spokesman for the House Appropriations Committee, said that the purpose of the provision was to allow investigators



Associated Press

Representative Ernest Istook said yesterday that "nobody's privacy was ever jeopardized."

for the top lawmakers responsible for financing the I.R.S. to have access to that agency's offices around the country and tax records so they could examine how the money was being spent. There was never any desire to look at anyone's tax returns, he said.

Mr. Scofield said the only purpose of the provision was to allow investigators to have access to revenue service offices. He said the authority would be similar to that allowed senior members and staff assistants of the House Ways and Means Committee and Senate Finance Committee, the panels with primary jurisdiction over the activities of the revenue service.

Disclosure of information from income tax returns is against the law and subject to severe penalties.

Representative Nancy Pelosi of California, the Democratic leader, said Sunday that what she called "this taxpayer persecution provision" amounted to an abuse of power by the Republican majority and "should be of grave concern to all Americans that their privacy could be invaded."

Questioned about the tax provision on the CBS News program "Face the Nation," Senator Bill Frist of Tennessee, the Republican leader, said, "Nobody's going to defend this."

Other senators made similar statements on various television programs. Senator John McCain, Republican of Arizona, said on the NBC program "Meet the Press" that the insertion of the provision without senators' fully understanding it showed how "the system is broken."

On "Late Edition" on CNN, Senator Kay Bailey Hutchison, Republi-

can of Texas, said: "Something happened clearly in the dark of night. The Senate was totally amazed."

When senators discovered the language on Saturday, they unanimously adopted a resolution saying the provision "shall have no effect." Senator Ted Stevens, Republican of Alaska, the chairman of the Senate Appropriations Committee, said he had been unaware of the provision and called it "a serious situation."

The speaker of the House, J. Dennis Hastert, promised that he would convene a pro forma session of the House, with most of the members gone, on Wednesday to adopt the Senate resolution negating the provision.

Mr. Scofield, the spokesman for the House committee, called the entire matter "a tempest in a teapot" and said Mr. Istook and his colleagues had no objection to the removal of the authority.

"We don't really care," Mr. Scofield said Sunday in an interview. "It was an honest attempt to do oversight. If they want to take it out, fine."

Mr. Scofield said he found it strange that senators felt they were taken by surprise. He noted that the chairman of the House Appropriations Committee, Representative Bill Young, Republican of Florida, had discussed it briefly on the House floor, and that the language had been available since Thursday for Senate staff members to read.

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1 payment of items listed in 31 U.S.C. 3333(a)(1), as  
2 amended above, prior to the enactment of this Act.

3 SEC. 221. Not later than 60 days after enactment  
4 of this Act, the Secretary of the Treasury shall submit  
5 to the ~~Committee~~ a report describing how statutory provi-  
6 sions addressing currency manipulation by America's trad-  
7 ing partners contained in, and relating to, Title 22 U.S.C.  
8 5304, 5305, and 286y can be better clarified administra-  
9 tively to provide for improved and more predictable evalua-  
10 tion, and to enable the problem of currency manipulation  
11 to be better understood by the American people and the  
12 Congress.

Committees on Appropriations

13 SEC. 222. ~~Notwithstanding~~ any other provision of law  
14 governing the disclosure of income tax returns or return  
15 information, upon written request of the Chairman of the  
16 House or Senate Committee on Appropriations, the Com-  
17 missioner of the Internal Revenue Service shall hereafter,  
18 allow agents designated by such Chairman access to Inter-  
19 nal Revenue Service facilities and any tax returns or re-  
20 turn information contained therein.

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21 SEC. 223. TERRORISM AND FINANCIAL INTEL-  
22 LIGENCE. (a) IN GENERAL.—Subchapter I of chapter 3  
23 of title 31, United States Code, is amended by adding at  
24 the end the following: