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Legislative Bulletin……………………………………December 18, 2007

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S. 2271—Sudan Accountability and Divestment Act of 2007
(Dodd, D-CT)

Order of Business: S. 2271 is scheduled to be considered on Tuesday, December 18, 2007, under a motion to suspend the rules and pass the bill.

Summary: S. 2271 would grant state and local governments the authority to divest from companies directly invested in certain Sudanese business sectors, including power producing activities, mineral extraction activities, oil-related activities, or the production of military equipment.

The bill also prohibits civil, criminal, or administrative action against any registered investment companies based upon the company divesting from, or avoiding investing in, securities issued by persons that have direct investments in business operations in Sudan.

S. 2271 grants heads of agencies the authority to terminate a contract if the head of the executive agency determines that the contractor has submitted a false certification. The head of the agency would also be granted the power to suspend or debar the contract for a period of up to three years if the contractor has submitted a false certification. The President may waive contract requirements under this bill if he determines, and certifies in writing to the appropriate congressional committees, that it is in the national interest to do so.

The bill would require the Secretary of State and the Secretary of the Treasury to submit reports regarding the sanctions imposed on Sudan.

S. 2271 would sunset 30 days after the President has certified that Sudan has honored its commitments to:

- abide by United Nations Security Council Resolution 1769 (2007);
- cease attacks on civilians;
- demobilize and demilitarize the Janjaweed and associated militias;
- grant free and unfettered access for delivery of humanitarian assistance; and
- allow for the safe and voluntary return of refugees and internally displaced persons.

Additional Information: On July 30, 2007, the House passed H.R. 180, the Darfur Accountability and Divestment Act of 2007 by a vote of 418—1. S. 2271 differs from H.R. 180 in a number of ways. For instance, S. 2271 does not require the Securities and Exchange Commission (SEC) and the Government Accountability Office (GAO) to issue annual reports containing the names of companies with investments in Sudan and the nature of their business and publish those reports on their respective websites.

According to the findings in H.R. 180, the United States currently bans United States companies from conducting business operations in Sudan, and millions of Americans are inadvertently supporting the government of Sudan by investing in foreign companies that conduct business operations in Sudan that disproportionately benefit the Sudanese regime in Khartoum.

As a result of the growing concern that foreign investments are being used to support the government in Darfur, many states have passed or are considering legislation to address this issue. Illinois, New Jersey, Oregon, and Maine have passed legislation mandating divestment of state funds from companies that conduct business operations in Sudan. California, Massachusetts, Rhode Island, North Carolina, Kansas, Wisconsin, Indiana, Georgia, Maryland, New York, Iowa, and Texas have considered or are considering legislation to divest state funds from companies that conduct business operations in Sudan. Connecticut, Ohio, and Vermont have passed non-binding divestment legislation with respect to Sudan. Arizona, Louisiana, Missouri, and Pennsylvania have adopted screening processes for investments in companies that conduct business operations in countries that are sponsors of terrorism, including Sudan.

Committee Action: S. 2271 was passed in the House on December 12, 2007, by unanimous consent. On December 13, 2007, the bill was referred to the Committees on Financial Services, Oversight and Government Reform, House Foreign Affairs, House Education and Labor.

Cost to Taxpayers: According to CBO, S. 2271 would cost $5 million over the FY 2008—FY 2013 period, subject to appropriation.

Does the Bill Expand the Size and Scope of the Federal Government? No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: Senate Report 110-213 does not include a earmarks/revenue benefits statement.

Constitutional Authority: Senate Report 110-213 does not cite constitutional authority. However, House Rule XIII, Section 3(d)(1), requires that all committee reports contain "a statement citing the *specific* powers granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution" *[emphasis added]*.

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H.R. 2761—Senate Amendments to the Terrorism Risk Insurance Program Reauthorization Act (*Frank, D-MA*)

Order of Business: On September 19, 2007, the House passed H.R. 2761 by a vote of 312-110. On November 16th, the Senate stripped out several of the major provisions of the House-passed bill and passed the amended version of H.R. 2761 by unanimous consent.

Originally, the House was then to motion to amend the Senate-passed bill and attach House amendments at the end. Instead, Financial Services Committee Chairman Barney Frank (D-MA) introduced a new bill, H.R. 4299, that incorporates the Senate text plus the amendments that the House was to add in its motion. The House passed H.R. 4299 by a vote of 303-116 on December 12, 2007, but Senate Majority Leader Harry Reid (D-NV) has said that the Senate will not consider H.R. 4299.

Therefore, on December 18th, the House will consider the Senate-amended version of H.R. 2761, under a motion to suspend the rules and pass the bill, as amended.

Background: On November 26, 2002, President Bush signed into law H.R. 3210 (Public Law 107-297), which implemented the new federal back-stop for terrorism risk insurance (commonly known as "TRIA") in the wake of the September 11th attacks. The program was implemented to ensure that the private insurers would continue to offer terrorism insurance by protecting the insurance industry from financial collapse should a massive terrorist attack (or series of attacks) occur. At the time, it was *widely* agreed that this federal reinsurance for terrorism would be temporary; thus the law includes an explicit statement of program termination (on December 31, 2005). If Congress and the President did not act before the end of 2005, the program would have terminated.

To see the RSC Legislative Bulletins on H.R. 3210 from the 107th Congress, visit these two webpages:
http://www.house.gov/hensarling/rsc/doc/Lb111402.pdf; and
http://www.house.gov/hensarling/rsc/doc/LB112901.PDF.

Indeed, the Congress did act to extend TRIA. On December 22, 2005, President Bush signed into law S. 467 (Public Law 109-144), which extended TRIA for two years, through December 31, 2007. Although TRIA was extended, certain provisions were included as deliberate signals to the private market that the program would indeed terminate after 2007 and that the private market should continue its innovation to provide various terrorism insurance products acceptable to policyholders and the insurance industry.

For example, the TRIA extension raised the threshold of insured loss that triggers federal assistance from 90% of all aggregate losses annually above $5 million to 90% of losses above $50 million in 2006 and 85% of losses above $100 million in 2007. Additionally, the TRIA extension increased insurer deductibles in 2006 to 17.5% of the premiums received by the insurer in 2005 and in 2007 to 20% of the premiums received by the insurer in 2006. The extension also increased sharply the insurance industry's aggregate retention amount, which is linked to the formula for mandatory recoupment of federal pay-outs.

That is, although Congress did extend TRIA despite earlier promises, it did so for a short period of time along with certain contractions in the program—a clear signal to the private market that the government was going to do less terrorism reinsuring, and the private sector should therefore do more.

To see the RSC Legislative Bulletins on S. 467 from the 109th Congress, visit these two websites: http://www.house.gov/hensarling/rsc/doc/LB_120705_tria.pdf; and http://www.house.gov/hensarling/rsc/doc/LB_121605_tria2.pdf.

To see the RSC Legislative Bulletin on H.R. 2761 from the 110th Congress, as it was considered in the House in September 2007, visit these two webpages: http://www.house.gov/hensarling/rsc/doc/lb_091907_tria.doc; and http://www.house.gov/hensarling/rsc/doc/lb_091907_triaamdts.doc.

Summary, as amended by the Senate: H.R. 2761, as amended by the Senate would extend and significantly expand the U.S. Treasury Department's Terrorism Insurance Program, as follows:

- Extends the termination date of the TRIA program by **SEVEN YEARS**—from December 31, 2007 to December 31, 2014.

- Revises the definition of a covered act of terrorism without reference to the nation of origin of the terrorists. That is, **TRIA would be expanded to cover acts of domestic-based terrorism** (as opposed to just foreign-based terrorism, as in current law).

- Requires the Department of Treasury to notify Congress within 15 days of an act of terrorism if aggregate insured losses are expected to exceed $100 billion.

- Adjusts the recoupment provision in current law so that the terrorism loss risk-spreading premiums assessed on insurers are set so as to recover an amount equal to 133% (as opposed to 100% in current law) of any mandatory recoupment amount.

- Sets the timing for the collection of terrorism loss risk-spreading premiums based on when the act of terrorism occurs (as detailed in the bill; see "Cost to Taxpayers" section below for a discussion of how this is a **budget gimmick**). The Secretary would have to publish an estimate of aggregate insured losses that would be used as the basis for determining the recoupment needs.

- Requires the Government Accountability Office (GAO) to study the availability and affordability of insurance for nuclear, biological, chemical, and radiological terrorist events and to report its findings to Congress within one year of this bill's enactment, along with recommendations for expanding the availability and affordability of such insurance.

- Requires GAO to determine whether there are specific markets in the United States that are experiencing unique capacity constraints on the amount of available terrorism insurance and to report its findings to Congress within 180 days, along with recommendations for addressing any such constraints.

- Continues the requirement for the President's Working Group on Financial Markets to study the long-term availability and affordability of terrorism insurance, with reports to Congress required in 2010 and 2013.

Additional Background: The Treasury Department has said private sector industry surpluses for terrorism insurance have climbed to record levels, prices have declined, coverage has become more available, and companies have become better diversified to model for terrorism risk. The "take-up" rate of companies buying terrorism coverage has increased from 27% in 2003 to 58% in 2005, while the cost of coverage has generally fallen to roughly 3-to-5 percent of total property insurance costs.

Interestingly, in regards to the asserted need for a long-term TRIA extension to make large construction projects in New York and other big cities more feasible, the New York Building Congress has said "the years 2006 through 2008 will see unprecedented construction levels…. After a banner year in 2005, during which $18.8 billion was spent on construction in New York City, spending is expected to reach $20.8 billion in 2006 and exceed $21 billion in 2007 and 2008."

RSC Bonus Facts: Congressional finding number six in the original TRIA legislation (H.R. 3210, 107th Congress) stated: "the United States Government should provide **temporary** financial compensation to insured parties, contributing to the stabilization of the United States economy in a time of national crisis, while the financial services industry develops the systems, mechanisms, products, and programs necessary to create a viable financial services market for **private** terrorism risk insurance." [emphasis added]

The stated purpose for TRIA in the original legislation was (emphasis added):

> to establish a **temporary** Federal program that provides for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism, in order to--
> (1) protect consumers by addressing market disruptions and ensure the continued widespread availability and affordability of property and casualty insurance for terrorism risk; and
> (2) allow for a **transitional period for the private markets to stabilize**, resume pricing of such insurance, and build capacity to absorb any future losses, while preserving State insurance regulation and consumer protections.

Committee Action: On June 18, 2007, H.R. 2761 was referred to the Financial Services Committee, which subsequently referred it to its Subcommittee on Capital Markets, Insurance

and Government Sponsored Enterprises. On July 24th, the Subcommittee marked up H.R. 2761 and forwarded it to full Committee by a vote of 26-17. On August 1st, the full Committee marked up the bill and ordered it reported to the full House by voice vote.

Possible Conservative Concerns: Although the Senate amendments to H.R. 2761 are "better" in the eyes of many conservatives than the original House-passed text of H.R. 2761 or House-passed H.R. 4299, some conservatives continue to express numerous concerns about the Senate amendments, including the following:

- Long-Term Extension. TRIA was intended to be a temporary, transitional solution to market uncertainties in the immediate aftermath of the September 11th attacks. By extending TRIA for seven years, this bill not only reauthorizes this "temporary" program for longer than many "permanent" programs are authorized for, but also sends a signal to the private marketplace to relax its efforts to seek new private-market ways to provide terrorism insurance.

- Expansion of the Program. The first TRIA extension was designed deliberately to demonstrate that TRIA was shrinking and would eventually go away. H.R. 2761 would not only extend TRIA, but *significantly expand* TRIA to cover domestic-based terrorism. Such expansion not only exposes the taxpayer to more risk, but again sends a signal to the private marketplace that TRIA is not going away and therefore robust private-sector efforts to fill the government void are not necessary at this time.

- Deductibles and Triggers Remain the Same. The previous two TRIA bills (the original statute plus the first extension) provided for steadily increasing deductibles and triggers, ensuring that the private market would absorb more and more of the terrorism reinsurance burden over time and signaling a consistent removal of the federal government from this marketplace. H.R. 2761 leaves trigger levels and deductibles at their current levels, putting a halt to the federal retreat from terrorism reinsurance.

- Recoupment. Some conservatives may regard the mandatory recoupment language as a budget gimmick. See "Cost to Taxpayer" section below.

- Not Voluntary. Some conservatives have argued that TRIA should be a voluntary program, in which insurers who *want* to be in the program pay premiums to the federal government. H.R. 2761 not only fails to move TRIA toward voluntary status, it grows TRIA and expands the federal role in the insurance marketplace.

In short, some conservatives may be concerned that the TRIA program would get bigger and last longer.

Administration Position: A new Statement of Administration Policy (SAP) for the Senate-amended version of H.R. 2761 is not expected to be provided.

Cost to Taxpayers: CBO estimates that the Senate-amended version of H.R. 2761 would increase mandatory spending by $200 million in FY2008, by $3.1 billion over the FY2008-

FY2012 period, and by $6.6 billion over the FY2008-FY2017 period. Additionally, CBO estimates that federal revenues would increase by between $0 and $50 million in FY2008, by $3.1 billion over the FY2008-FY2012 period, and by $6.6 billion over the FY2008-FY2017 period, thereby technically complying with PAYGO.
http://www.cbo.gov/ftpdocs/88xx/doc8825/TRIAltrSenBankingComm.pdf

However, note that a PAYGO violation is avoided through what many conservatives may regard as a **budget gimmick**. Specifically, the bill would contain timing requirements for the recoupment of federal payouts that align with PAYGO requirements but not necessarily with reality. The Treasury Secretary would be required to recoup federal payouts under TRIA:

- for any act of terrorism that occurs on or before December 31, 2010, the Secretary would have to recoup payments by September 30, 2012;
- for any act of terrorism that occurs between January 1 and December 31, 2011, the Secretary would have to recoup 35% of any payments by September 30, 2012, and the remainder by September 30, 2017; and
- for any act of terrorism that occurs on or after January 1, 2012 (though note that TRIA expires at the end of 2014), the Secretary would have to recoup payments by September 30, 2017.

Note that the payback dates align perfectly with the five-year and ten-year PAYGO frameworks, thereby requiring some insurers to pay back the federal government within five or more years, while other insurers to pay back the federal government in as little as 21 months.

The way the bill is currently written, if the terrorist attack causes government losses beyond the amount subject to mandatory payback, the government never gets the money back (thereby throwing in to question whether the bill could actually make the government whole, as PAYGO intends). Furthermore, the paybacks are not required to accrue interest, further questioning the true compliance with PAYGO. Also, reports indicate that TRIA claims are still being submitted to the federal government for the 9/11 attacks; thus it is difficult to see how claims for future attacks could come in as fast as 21 months. This gimmick assumes that claims are filed nearly simultaneously with, or very soon after, the occurrence of an attack.

While CBO asserts that this bill would not affect net deficits over the five- and ten-year windows, it also notes that deficits would likely increase over the life of the program, since additional payments can be made after 2017, but no additional revenue will be coming in to the federal government after 2014 (as the bill is currently written, assuming no extension beyond 2014).

In explaining the basis for the original cost estimate for H.R. 2761 earlier this year, CBO noted the following:

> There is no reliable way to predict how much insured damage terrorists might cause in any specific year. Rather, CBO's estimate of the cost of financial assistance provided under H.R. 2761 represents an expected value of payments from the program—a weighted average that reflects industry experts' opinions of various outcomes ranging from zero damages up to very large damages resulting from possible future terrorist attacks. The expected value

> can be thought of as the amount of an insurance premium that would be necessary to just offset the government's losses from providing this insurance, although firms do not pay any premium for the federal assistance offered by TRIA.

In sum, some conservatives may be concerned that the bill contains expanded, unrealistic mandates on the private sector and yet still does not truly comply with PAYGO in the long-term.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the bill would increase the taxpayer's financial exposure under TRIA.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: Yes. CBO confirms that the bill would extend and expand mandates contained in the Terrorism Risk Insurance Act. Those mandates would:

- Require that certain insurers offer terrorism insurance;
- Require that certain insurers and their policyholders repay the federal government for the cost of assistance (in the form of assessments and surcharges); and
- Preempt state laws regulating insurance.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: The earmarks rule (House Rule XXI, Clause 9(a)) does not apply, by definition, to legislation considered under suspension of the rules.

Constitutional Authority: The Financial Services Committee, in House Report 110-318, cites constitutional authority in Article 1, Section 8, Clause 1 (relating to the congressional power to promote the general welfare of the United States) and Clause 3 (relating to the congressional power to regulate interstate commerce).

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H.R. 3648—Senate Amendments to the Mortgage Forgiveness Debt Relief Act (*Rangel, D-NY*)

Order of Business: On October 4, 2007, the House passed H.R. 3648 by a vote of 386-27. On December 14th, the Senate amended the bill and passed it by unanimous consent. Today, the House will consider the Senate-amended bill under a motion to suspend the rules and pass the bill, as amended.

To see the RSC Legislative Bulletin for H.R. 3648, as it passed the House in October, visit this webpage: http://www.house.gov/hensarling/rsc/doc/lb_100407_mortgagetax.doc.

Background: Under current law, gross income for tax purposes includes income that is realized by a debtor from the discharge of that indebtedness, subject to certain exceptions (such as bankruptcy). For example, if a taxpayer owns a home subject to a $350,000 mortgage debt, and if the creditor forecloses and sells the home for $300,000 in satisfaction of the debt, the taxpayer has $50,000 income from the discharge of indebtedness that is includible in gross income.

<u>Summary, as amended by the Senate</u>: H.R. 3648 would make a variety of changes to the tax laws regarding residential property. The specifics of the legislation are as follows:

DISCHARGING OF MORTGAGE DEBT
Saves taxpayers $606 million over five and ten years

- Excludes from the gross income of a taxpayer (beginning on January 1, 2007 and ending on December 31, 2009) any discharge of indebtedness income, as long as the debt is for the acquisition, construction, or substantial improvement of the taxpayer's principal home (in addition to certain refinancing). (*The original House-passed provision was permanent*.)

- Applies this tax exclusion, if only a <u>portion</u> of a discharged debt qualifies, only to so much of the amount discharged as exceeds the portion of the debt which does <u>not</u> qualify. For example, if a taxpayer has $900,000 in debt on a home, of which $800,000 qualifies as debt under this bill, and the residence is sold for $650,000 (thereby discharging $250,000 in debt), then only $150,000 of the amount discharged may be excluded from gross income under this legislation ($250,000 minus the difference between $900,000 and $800,000).

- Caps the amount of forgiven debt that would be eligible for tax relief under this bill at $2 million ($1 million for a married individual filing a separate tax return) and prevents the tax relief from applying to discharges of debt on account of "any other factor not directly related to a decline in the value of the residence or to the financial condition of the taxpayer."

- Reduces the cost basis of the individual's principal residence by the amount excluded from income under this legislation.

- Prohibits the tax exclusion from applying to the discharge of debt if the discharge is on account of services performed for the lender.

MORTGAGE INSURANCE
Saves taxpayers $390 million over five years and $191 million over ten years

- Extends through December 31, 2010 the current-law exclusion of mortgage insurance premiums from gross income for tax purposes (which is set to expire in a few weeks). (*The extension on the House-passed bill was through the end of 2014*).

COOPERATIVE HOUSING CORPORATIONS
Saves taxpayers $9 million over five years and $22 million over ten years

- Makes it easier for residents in a "co-op" to deduct their proportionate share of the co-op's real estate taxes and mortgage interest by offering three tests, only one of which must apply to trigger the deductibility:

--1) At least 80% of the co-op's gross income for that taxable year is derived from residents ("tenant-stockholders");
--2) At all times during that taxable year, at least 80% of the total square footage of the co-op's property is used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use; or
--3) At least 90% of the co-op's expenditures paid or incurred during that taxable year are paid or incurred for the acquisition, construction, management, maintenance, or care of the co-op's property for the benefit of tenant-stockholders.

- Under current law, only the first test is available and has reportedly caused hardships for co-ops that have considerable commercial space on its property.

PAYMENTS TO VOLUNTEER EMERGENCY SERVICE PERSONNEL
Saves taxpayers $267 million over five and ten years

- Allows volunteer firefighters and emergency medical service (EMS) personnel, in tax-years 2008-2010, to exclude from gross income up to $30 per month of any payment (or reduction or rebate of any state or local tax) on account of such service. (The original House-passed bill included no such provision, but the House-passed HEROES bill—H.R. 3997—would have enacted this provision on a permanent basis).

STUDENT HOUSING ELIGIBLE FOR LOW-INCOME HOUSING CREDIT
No significant effect on revenues

- Allows a parent who is a full-time student to qualify for housing subject to the low-income housing tax credit, even if the child is claimed by another parent (such as an ex-spouse) as a dependent. Current law requires that, to be eligible for low-income housing tax credit housing, full-time students must be a single parent with a child who is not a dependent of someone else. (*The original House-passed bill did not include any similar provision*.)

CAPITAL GAINS EXCLUSION FOR SURVIVING SPOUSE
Saves taxpayers $20 million over five years and $67 million over ten years

- Allows an unmarried surviving spouse, beginning in 2008, to exclude up to $500,000 in gain on the sale of a primary residence that he or she occupied with the deceased spouse, if the sale occurs within two years of the spouse's death. Under current law, the allowable exclusion is $250,000 (for single filers). (*The original House-passed bill did not include any similar provision.*)

PENALTY INCREASES ON PARTNERSHIPS AND S-CORPORATIONS
Costs taxpayers $548 million over five years and $1.276 billion over ten years

- Increases penalties on partnerships for the failure to file a tax return, from $50 per partner for up to 5 months in current law, to $85 per partner for up to 12 months.

- Creates a penalty on S-corporations for late-filing or no-filing of returns, from zero in current law to $85 per shareholder for up to 12 months.

TIMING SHIFT OF CORPORATE TAX PAYMENTS

Increases revenues by $912 million over five years but has no net effect over ten years

- Increases the estimated tax payments that certain corporations must remit to the federal government. Under current law, corporations with assets of at least $1 billion must make estimated tax payments for the third quarter of 2012 that are 115% of the estimated payment otherwise due. The payment due for the fourth quarter of 2012 is reduced accordingly so that the corporations pay no net increase in estimated payments in 2012.

- H.R. 3648 would increase this figure, whatever it may be in current law when H.R. 3648 is enacted, by 1.50 percentage-points. This provision is merely a revenue timing shift, a gimmick on paper used to comply with the House's PAYGO rules, yet it would force corporations in the real world to come up with $912 million in tax payments earlier than they otherwise would have to.

NOTE: The Senate-amended bill does **NOT** include the controversial provision in the House-passed bill that would have prohibited a taxpayer from excluding from gross income the full capital gain realized on the sale or exchange of a secondary residence.

Committee Action: On September 25, 2007, the bill was referred to the Ways & Means Committee, which, on the next day, marked up and ordered the bill reported to the full House by voice vote.

Conservative Concerns Addressed: The Senate-amended version of this bill addresses all of the conservative concerns noted in the RSC Legislative Bulletin for the House-passed bill.

Administration Position: A new Statement of Administration Policy (SAP) for H.R. 3648 is not available. The original SAP noted the Administration's support for the original House legislation, since it helps "financially troubled homeowners by shielding mortgage write-offs from taxation." The SAP noted a concern that this tax relief should be temporary, which it now is. Lastly, the original SAP asserted: "the Administration does not think it is necessary for this tax relief to be offset by revenue increases." All net tax increases have been removed from the bill. Read the complete SAP here: http://www.whitehouse.gov/omb/legislative/sap/110-1/hr3648sap-h.pdf.

Cost to Taxpayers: The Joint Committee on Taxation estimates that this legislation would reduce revenues by $162 million in FY2008, yet increase revenues by a net $168 million over the FY2008-FY2012 period and by a net $123 million over the FY2008-FY2017 period.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: The earmarks rule (House Rule XXI, Clause 9(a)) does not apply, by definition, to legislation considered under suspension of the rules.

Constitutional Authority: The Ways & Means Committee, in House Report 110-356, cites constitutional authority in Article I, Section 8, Clause 1 (the congressional power to lay and collect taxes) and the 16th Amendment (the congressional power to lay and collect taxes on incomes).

Outside Organizations: H.R. 3648 is supported by the National Association of Realtors, the Mortgage Bankers Association, and the National Association of Home Builders.

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