



Legislative Bulletin.....October 9, 2002

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H.R. 3295—Help America Vote Act (Conference Report) (Ney)

Order of Business: H.R. 3295 passed the House on December 12, 2001, by a vote of 362-63 (<http://clerkweb.house.gov/cgi-bin/vote.exe?year=2001&rollnumber=489>). On April 11, 2002, the Senate passed the bill (amended) by unanimous consent. The conference report is now scheduled to be considered on the House floor on Wednesday, October 9th, subject to unanimous consent.

Summary:

Anti-Fraud Provisions (Minimum Standards)

- Requires every individual who registers to vote to furnish a driver's license number or the last four digits of his or her Social Security number. If an individual lacks both numbers, the state would have to assign a unique identifier and make a determination of whether the information provided by such an individual is sufficient.
- Each state would be required to maintain a statewide voter registration system, which would assign each voter a unique ID number, and provide for data-sharing. (Effective January 1, 2004, with possibility of two-year extension)
- State election officials would be required to match the statewide voter registration database with the state's motor vehicle database.
- First-time voters who register by mail would have to provide proof of identity (copy of valid ID, bank statement, paycheck, utility bill, or some government document) at some point in the process: at the time of registration, when voting in person, or when voting by mail. (Effective January 1, 2004)
- Mail-in registration cards mandated by the Motor Voter Act would have to include check-off boxes regarding the registrant's age and citizenship. If the

registrant fails to check the citizenship box, he or she would be notified and given the opportunity to complete the form.

- Voters who have not voted in two or more consecutive general elections for federal office and have not responded to a notice would be removed from their respective state's voter registration list.
- Voters who do not appear on a registration list or who are challenged about their identification, would be offered the opportunity to cast a provisional ballot. Such voters would sign an affidavit attesting that the voter believes he or she is registered and eligible to vote in that precinct under state law. If—and only if—the affidavit is verified, the ballot would be tabulated. (Effective January 1, 2004)
- Votes cast after the normal poll-closing time as the result of a court-ordered delay in closing would have to be cast provisionally and held separately from other provisional ballots. (Effective January 1, 2004)
- Conspiracy to deprive voters of a fair election would become a federal crime, as would providing false information in registering and voting.

Replacement of Punch Card Voting Machines and Election Administration Improvement

- Establishes a one-time, federal **replacement program for punch-card or lever voting machines**
 - The Administrator of the General Services Administration (GSA) would make a payment to each eligible state or unit of local government that used a punch card or lever voting system to administer the regularly scheduled general election for federal office held in November 2000.
 - The payment for each state would be equal to the number of qualifying precincts within a state times \$4,000.
 - A state could only use such payment to replace its punch card voting system with a system that “does not use punch cards or levers.”
 - Mandates that a state implement the replacement system in time for Election Day 2004 (subject to appeal for a two-year extension).
 - If the deadlines are not met, the state would have to refund portions of the initial federal payment in proportion to the number of precincts failing to meet the deadlines.
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- Establishes a payment program for **improving the administration of elections**.
 - The Administrator of GSA would make a payment to each state for:
 - improving the administration of elections for federal office
 - educating voters on voting procedures
 - training election officials
 - improving, modifying, or acquiring voting systems
 - improving polling-place accessibility (including for those voters with disabilities and limited English proficiency)
 - establishing toll-free phone hotlines for voters to report fraud, get election information, and get information on their registration status
 - States could not use such funds for litigation or the payment of a judgment.

- Funds would be distributed in proportion to each state's voting age population.
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- The Conference Report would authorize an aggregate of **\$650 million** in FY2003 to be appropriated for payments under the punch-card and administration improvement programs (\$325 million for each program). "Such sums as may be necessary" would also be authorized for the Administrator of GSA to administer the two payment programs above.

Election Assistance Commission

- Establishes a four-member **Election Assistance Commission** as an independent entity within the executive branch (members appointed by the President, subject to Senate confirmation).
 - The Commission would be charged with serving as a "national clearinghouse and resource for the compilation of information and review of procedures with respect to the administration of federal elections." Specifically, the Commission would be charged with carrying out the duties (described below) regarding voluntary election standards, election assistance, and the Help America Vote College Program. The Commission would have to submit various reports to Congress.
 - The Commission could hold hearings (including the taking of testimony and the receipt of evidence) and secure necessary information directly from any federal department or agency.
 - The Commission would be prohibited from issuing any rule, promulgating any regulation, or imposing any requirement on any state or local government unit.
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- The Conference Report would authorize not more than **\$10 million** for each of fiscal years 2003, 2004, and 2005 for the Commission to carry out its duties.
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- Establishes the 110-member Election Assistance Commission Standards Board and the 37-member Election Assistance Commission Board of Advisors, under the Election Assistance Commission
- The Standards Board and the Board of Advisors would each review Commission recommendations regarding voluntary voting system guidelines, voluntary guidance under the requirements for states, and the best practice recommendations from the Commission.
- Half of the members of the Standards Board would be chosen by the chief state election officials of each state (and district and territory), and half would be local election officials chosen by the states.
- Two Standards Board members from the same state could not be of the same political party.

- The powers of the two Boards are essentially the same as those for the Commission, except that Board members would serve without compensation (other than travel expenses and per diem).

Technical Standards

- Establishes the 15-member Technical Guidelines Development Committee, chaired by the Director of the National Institute of Standards and Technology, to assist the Executive Director of the Commission in developing the voluntary voting system guidelines discussed below. Committee members would serve without compensation (except for travel expenses and per diem).
- The Election Assistance Commission would provide for the “testing, certification, decertification, and recertification” of voting system hardware and software by accredited laboratories.
- The Commission would also have to make periodic studies available to the public regarding which types of voting technology (including voting machines, ballot designs, methods of voter registration, methods of ensuring total voter accessibility, methods of minimizing voter fraud, etc.) are the most convenient for voters, yield the most accurate, secure and expeditious voting system, are the least discriminatory, and are most cost-effective.
- The Commission, in consultation with the Department of Defense, would have to study and report to Congress and the President on the best practices for facilitating voting by absent uniformed services voters.
- The Commission would be required to conduct other studies regarding:
 - research into the human factor in election administration;
 - voters who register by mail;
 - the feasibility of using Social Security numbers to establish voting eligibility;
 - electronic voting; and
 - free postage for absentee ballots.

Election Assistance

- The Commission would make a “**requirements payment**” each year to each state that meets the necessary requirements (described below in the next section) for the year.
- Each state would get a requirements payment in proportion to its voting age population.
- Such payments could be reimbursements for costs incurred in obtaining approved voting equipment since the November 2000 election.
- A state could use such payment to implement the voting system standards identified below.
- States could not use such payments for litigation or the payment of a judgment.
- A state would NOT have to adopt the Commission standards in order to receive a requirements payment.
- In order to receive a requirements payment, a state would have to certify that:

- it has authorized and appropriated **5%** of the total amount to be spent for meeting the voting system guidelines
- it is in compliance with applicable federal voter-rights and voter-accessibility laws
- it has filed with the Commission a plan to distribute the requirements payments, establish an election fund in the state treasury, adopt voting system guidelines, and adopt performance goals
- it has filed with the Commission a plan for the implementation of uniform, nondiscriminatory administrative complaint procedures
- The specific choices on the methods of complying with the requirements for this payment would be left to the discretion of each state.
- The Commission could also make grants to states for research on voting technology improvements and implement pilot programs for the testing of voting equipment and technology.
- The Commission could make payments to states and localities for increasing polling-place access for disabled voters.
- Additionally, the Commission could make payments to states for protection and advocacy systems to ensure full electoral participation for the disabled at all points in the electoral process. Seven percent of each state's payment would be set aside for training and technical assistance.
- The Commission would be authorized to regularly make a payment (starting with \$200,000) to the National Student and Parent Mock Election, a national nonprofit organization that promotes voter participation.

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- The Conference Report would authorize:
 - an aggregate of **\$3.0 billion** for fiscal years 2003, 2004, and 2005 for Requirements payments to states (\$1.4 billion in FY2003, \$1.0 billion in FY2004, and \$0.6 billion in FY2005)
 - an additional **\$20 million** for FY2003 for Commission payments to states for research on voting technology improvements
 - an additional **\$10 million** for FY2003 for Commission pilot programs to test voting equipment and technology
 - an additional **\$100 million** over the FY2003-FY2005 period for payments to increase polling-place access for disabled voters (\$50 million in FY2003, \$25 million in FY2004, and \$25 million in FY2005)
 - an additional **\$40 million** over the FY2003-FY2006 period for payments to states for protection and advocacy systems to ensure full electoral participation for the disabled (\$10 million each fiscal year)
 - and an additional **\$200,000** in FY2003 (plus such sums as may be necessary in the six subsequent fiscal years) for the National Student and Parent Mock Election.

State Election Voting System (Minimum) Standards

- Each voting system used in an election for federal office would have to meet the following requirements by January 1, 2006:
 - Permits a voter to verify his or her votes before casting the ballot
 - Allows a voter to change the ballot or correct errors before the ballot is cast (including by providing a replacement ballot)
 - Gives a voter the opportunity to correct a ballot in which a voter has voted for more than one candidate for a single office
 - Produces a (permanent paper) record of each vote with an audit capacity
 - Provides at least one voting system per polling place that is specially equipped for the disabled
 - Provides alternative language accessibility
 - Adopts uniform standards that define what constitutes a vote
- Each state would have to implement provisional voting, as detailed in the “anti-fraud provisions” section above.
- Additionally, each state would have to implement the provisions regarding voting after normal poll-closing time, a computerized statewide voter registration system, and voters who register by mail, as detailed above in the “anti-fraud provisions” section.
- Each state would have to implement a thorough program of registration file maintenance to remove ineligible voters (including removing registrants who have neither voted in two consecutive federal general elections nor responded to a notice).
- The specific choices on the methods of complying with the minimum election system standards would be left to the discretion of each state.
- The Election Assistance Commission would be charged with adopting voluntary guidance to assist states in meeting the required standards.
- The Attorney General could bring civil action against a state or other jurisdiction that fails to comply with these standards.

Help America Vote College Program

- Directs the Commission to establish the “Help America Vote College Program” to encourage college students to be poll workers and to encourage state and local governments to use the services of students participating in the Program.
- The Program would be aimed at making grants, placing student-targeted advertising, developing materials, sponsoring seminars and workshops, and taking other such actions to fulfill the Program’s purpose, as just described.

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- The Conference Report would authorize **\$5 million** for FY2003 and such sums as may be necessary for each succeeding fiscal year for the Help America Vote College Program.

Help America Vote Foundation

- Permanently establishes a federally chartered (charitable, nonprofit, nonpartisan, nongovernmental) corporation known as the Help America Vote Foundation to (in consultation with state election officials) encourage high school students to be poll workers, assign such students to polling places, and establish cooperative efforts with local election and education officials.
- The Foundation's 12-member Board of Directors would be appointed by Congress and the President and would serve without compensation (except for travel expenses and per diem).

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- The Conference Report would authorize **\$5 million** for FY2003 plus such sums as may be necessary for each succeeding fiscal year for the Help America Vote Foundation.

Military and Overseas Citizens' Voting Rights

- The Secretary of Defense would be tasked with implementing post-marking of absentee ballots mailed from any overseas location.
- The Secretary of each military department would be directed to inform members of the armed forces of the last date they could mail their absentee ballots and expect them to get to election officials in time. Further, each Secretary would be responsible for ensuring that members of the armed forces and their dependents have ready access to information regarding voter registration requirements and related information.
- Each state would be required to designate a single office to be responsible for providing information regarding voter registration and absentee ballot procedures to all absent uniformed services and overseas voters who wish to register to vote or vote in any jurisdiction in the state.
- States would have to report to the Commission on the number of absentee ballots transmitted to uniformed services voters and overseas voters and how many of such ballots were cast.
- Allows a single absentee ballot application from an absent uniformed services or overseas voter to suffice as an application for the next two regularly scheduled federal elections (including run-offs) in the state
- States could not refuse applications for absentee ballots on the grounds of early submission.
- Requires statistical analyses of voter participation for overseas and for absent uniformed services to be separately studied and reported by the presidential designee under the Uniformed and Overseas Citizens Absentee Voting Act

Miscellaneous

- All functions, property, records, and personnel of the Office of Election Administration (within the Federal Election Commission—FEC) would be transferred to the Election Assistance Commission upon the appointment of all members of the Election Assistance Commission.

- All recipients of funds under this legislation would be required to account for all funds received and all funds disbursed (subject to at least one mandatory audit).
- The references to “state” in this conference report include the District of Columbia, Puerto Rico, Guam, American Samoa, and the U.S. Virgin Islands.

Additional Background: To read the details of H.R. 3295 as it passed the House last year, please visit these two websites:

<http://www.house.gov/burton/RSC/electionreform.PDF>

<http://www.house.gov/burton/RSC/ElectionRefMgrsAmnd.PDF>

Cost to Taxpayers: Though no comprehensive cost estimate is available (because of the inclusion of several “such sums” provisions throughout the Conference Report), a totaling of the explicit authorizations yields the following (*in millions*):

<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
\$2,160.2	\$1,045.0	\$645.0	\$10.0

Grand total of explicit authorizations over the FY2003-FY2007 period
(*not* including any estimate for “such sums”):
\$3,860.2 million

**Grand total of explicit authorizations
plus RSC estimate of “such sums” over the FY2003-FY2007 period:
\$3,902.0 million**

Does the Bill Create New Federal Programs or Rules?: Yes, as detailed in all the sections above.

Constitutional Authority: A statement of constitutional authority is not available.

Staff Contact: Paul Teller, paul.teller@mail.house.gov, (202) 226-9718

H.R. 5542—Black Lung Consolidation of Administrative Responsibility Act (Hart)

Order of Business: The bill was considered on Monday, October 7th, under a motion to suspend the rules and pass the bill. A recorded vote will be taken today.

Summary: H.R. 5542 would transfer Part B Black Lung benefit responsibilities (disability claims) from the Commissioner of Social Security to the Secretary of Labor (the Secretary currently has responsibilities for claims under Part C of the Black Lung

Benefits Act). The bill provides for the transfer of assets and liabilities and the continuation of regulations, administrative proceedings, and causes of action.

Cost to Taxpayers: A cost estimate is not available.

Does the Bill Create New Federal Programs or Rules?: No, the bill consolidates all responsibilities for the administration of claims under the Black Lung Benefits Act with the Secretary of Labor.

Constitutional Authority: A committee report citing constitutional authority is not available.

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H.J.Res. 113—Recognizing the contributions of Patsy T. Mink (*Miller, George*)

Order of Business: The resolution was considered on Monday, October 7th, under a motion to suspend the rules and pass the resolution. A recorded vote will be taken today.

Summary: H.J.Res. 113 resolves that Title IX of the Education Amendments of 1972 may be cited as the “Patsy T. Mink Equal Opportunity in Education Act.”

Additional Background: Title IX prohibits discrimination or denial of benefits on the basis of sex in any education program or activity receiving Federal financial assistance.

According to the resolution, Patsy Mink “was one of the country's leading voices for women's rights, civil rights, and working families and was devoted to raising living standards and providing economic and educational opportunity to all Americans.” In addition, Congresswoman Mink’s “heroic, visionary, and tireless leadership to win the landmark passage of title IX of the Education Amendments of 1972 opened doors to women's academic and athletic achievements and redefined what is possible for a generation of women and for future generations our Nation's daughters.”

Congresswoman Mink passed away on September 28, 2002.

Cost to Taxpayers: The resolution authorizes no expenditure.

Does the Bill Create New Federal Programs or Rules?: No.

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H.R. 3580 — Medical Device User Fee and Modernization Act of 2002 (Greenwood)

Order of Business: The bill was considered on Monday, October 7th, under a motion to suspend the rules and pass the bill. A recorded vote will be taken today.

Summary:

Title One –New user-fee program to increase funds at the FDA’s Center for Devices and Radiological Health (CDRH)

The bill establishes a new user fee program similar to the one that exists for pharmaceuticals and biologics. When device applications are submitted (either PMA’s or 510(k)’s), the sponsors of the application will pay a user fee. The bill specifies that the user fee sunsets effective October 1, 2007.

The FDA will retroactively collect user fees for applications filed with the FDA as of October 1, 2002. The legislation gives a total amount that the FDA must collect each year and FDA must determine the fee each year based on the number of applications it estimates it will receive. In the legislation, the fee amount is initially benchmarked at \$139,000 in 2003 for a Pre-Market Application. The amounts to be collected for each year are:

- \$25,125,000 for FY 2003
- \$27,255,000 for FY 2004
- \$29,785,000 for FY 2005
- \$32,615,000 for FY 2006
- \$35,000,000 for FY 2007

If, after three years, the FDA has not received the additional appropriations of \$45 million, the user fee program automatically sunsets.

For smaller medical device companies fees are reduced or waived. A user fee is waived for the first application by a small business. For PMA’s, for future PMA’s, the fees are reduced below to 38% of the large company PMA. For 510(k) submissions, this amount is the same for all companies. “Small business” means a company with under \$10 million in sales in the previous year. There is also an exception from the fees for humanitarian devices and for devices that will be used solely in pediatric populations.

The bill also requires FDA to set and meet a set of performance goals.

Annual Reports

H.R. 3580 requires an annual GAO report to evaluate if the FDA is meeting goals with the funds received and an annual HHS report to Congress concerning the progress of the FDA toward its goals and also a report on uses of the collected fees

The bill authorizes an additional \$3 million in 2003 and \$6 million in 2004 for post-market surveillance of devices. This section also authorizes a study by the Secretary regarding the impact of the medical device user fee program on the ability of the FDA to conduct postmarket surveillance and programmatic improvements that are necessary for adequate postmarket surveillance.

Title II – Regulation of Medical Devices (amended version of original text of H.R. 3580)

Inspections by Accredited Persons.

This section establishes a third party inspection program for medical device manufacturing facilities. Under this program, the FDA will accredit third parties to perform “good manufacturing practices” inspections in device manufacturing facilities. Device facilities are eligible to use a third-party if their most recent inspection by FDA showed no problems or showed small problems that were corrected. Facilities with severe problems are not eligible to use a third-party.

If a facility wants to use a third-party, it must notify the FDA of its intent to do so and which third-party it intends to use. The FDA can ask any facility for more information on its manufacturing practices if it has concerns that the company does not have a safe history. After receiving this information, the FDA has the option of denying the facility the use of a third-party. The facility can appeal this. If the appeal is denied, it can re-appeal for entry into the third-party program after one year. If denied again, and if the facility has not been inspected by the FDA within a 48-month period after the receipt of the original appeal, then the facility is automatically eligible for the program.

The FDA may also reject the facility’s selection of a third-party and ask it to pick another one, if it believes that there are conflict of interest issues. The bill also contains requirements designed to protect against conflicts of interest and notes that nothing in this legislation prohibits FDA from entering and inspecting any facility.

The bill extends the sunset of the current third-party review program by a year, to make it coincide with the reauthorization of the user fee program in FY 2007.

H.R. 3580 establishes a new Office of Combination Products at the FDA so that combination drugs and devices for example do not have to be approved by two different agencies. This Office will also resolve any disputes between centers and any disputes between companies and the FDA on these products.

Studies:

This title requires (1) a report by FDA on the performance of the third-party review program. And a study of the timeliness and effectiveness of device premarket reviews by centers other than CDRH; (2) the IOM to conduct a study on whether current post-

market surveillance of medical devices provides adequate safeguards regarding the use of devices in pediatric populations; (3) the Comptroller General to conduct a study to assess the information provided to women who may undergo breast implant surgery with respect to the presentation of the risks and benefits of such procedure. This study shall also examine the number of adverse events that have been reported and whether such events have been adequately investigated; (4) a report by the NIH describing the status of research on breast implants and authorizes a study on breast implants with respect to the long-term health implications of both saline and silicone breast implants.

Agency Modifications:

H.R. 3580:

- allows device manufacturers to give any labeling information and instructions to doctors in electronic format and allows doctors to continue ordering paper instructions and labeling at no cost;
- allows firms to submit electronically all of their facility registrations, and any changes to facility information;
- eliminates the sunset of the intended use provisions that were added by the Food and Drug Administration Modernization Act;
- allows the FDA to accept applications from device companies in modules;
- Allows the FDA to put a pediatric expert on the panel that reviews the device, If there is reasonable likelihood that a device will be used in children;
- authorizes the Secretary to publish a list of class II devices that are exempt from the requirement of premarket notification on the internet site of the FDA.
- authorizes the Secretary, not later than 270 days after enactment, to issue guidance on the type of information necessary to provide reasonable assurance of the safety and effectiveness of devices intended for use in pediatric populations and the protections for pediatric subjects in clinical investigations.

Title III – Regulation of Reprocessed Devices

H.R. 3580 requires all devices to prominently and conspicuously bear the name of the manufacturer of the device, a generally recognized abbreviation of the name or a unique and generally recognized symbol identifying the manufacturer. This section authorizes the Secretary to waive this requirement if the Secretary determines that compliance with this requirement is not feasible or would compromise the provision of reasonable assurance of the safety or effectiveness of the device.

This title also requires that reprocessed devices have the labeling “Reprocessed for single use. Reprocessed by_____.”

The Secretary is authorized to identify reprocessed devices for which approval is required to ensure that the device is substantially equivalent to a predicate device, include validation data, the types of which shall be specified by the Secretary, regarding cleaning and sterilization, and functional performance demonstrating that the single-use device will remain substantially equivalent to its predicate device after the maximum number of times the device is reprocessed as intended by the person submitting the premarket notification.

This title also requires that with respect to critical or semicritical reprocessed single use devices that are exempt from certain reports, the Secretary shall identify such devices or types of devices for which such exemptions should be terminated in order to provide a reasonable assurance of the safety and effectiveness of the device

Lastly, this title creates a new category of devices as well as a new type of application for reprocessed devices that are more complex, instead of the normal PMA (the type of application required for devices that are complex and are not similar to a device already on the market) filing.

Cost to Taxpayers: A CBO cost estimate is unavailable. The bill authorizes the Secretary of HHS to set and collect fees to “to generate the following revenue amounts” \$25,125,000 for FY 2003; \$27,255,000 for FY 2004; \$29,785,000 for FY 2005; \$32,615,000 for FY 2006; and \$35,000,000 for FY 2007 (\$149.78 million total). The bill notes that if future legislation requires the Secretary to fund additional costs of the retirement of Federal personnel, fee revenue amounts under this subsection shall be increased in each year by the amount necessary to fully fund the portion of such additional costs that are attributable to the process for the review of device applications. The bill also authorizes an increase of \$9 million, and “an increase of such sums as may be necessary” for each subsequent fiscal year for post-market surveillance of devices.

Does the Bill Create New Federal Programs or Rules?: The bill creates a new office, establishes a new user fee system for medical devices and requires various reports and agency modifications as outlined above.

Constitutional Authority: An Energy and Commerce Committee report citing constitutional authority is unavailable.

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H.R. 5557—Armed Forces Tax Fairness Act (Thomas)

Order of Business: The bill is scheduled to be considered on Monday, October 7th, under a motion to suspend the rules and pass the bill.

Summary: Portions of this bill are very similar to H.R. 5063, which passed the House on July 9, 2002, by a vote of 413-0, and passed the Senate (amended) on October 3, 2002, by unanimous consent. To read the RSC Legislative Bulletin for H.R. 5063, please visit this website: <http://www.house.gov/burton/RSC/Lb7902.pdf>

H.R. 5557 would provide a special rule for members of the uniformed services and Foreign Service in determining the exclusion of gain from the sale of a principal residence and to restore the tax exempt status of death gratuity payments to members of the uniformed services.

Specifically, H.R. 5557 would amend the Internal Revenue Code (25 U.S.C. 121 and 25 U.S.C. 134) to:

- alter how capital gains taxes are computed for homes of armed service members and their spouses, if they are serving on qualified extended duty at least 150 miles away from their principal residence. Currently, a homeowner is exempt from capital gains taxes if he sells a home that he or his spouse lived in for a total of two out of the last five years. The bill would essentially suspend the five-year timeline for up to an *additional* five years, if the servicemember is more than 150 miles from home for a period in excess of 180 days. In other words, when the home is sold, the home still must have been the primary residence for a total of two out of ten years.

AND

- provide tax-free treatment of death gratuity payments paid to survivors of members of the armed services, starting with deaths occurring after September 10, 2001.

The housing provisions would only apply to one home per servicemember.

Additionally, H.R. 5557 would exclude from gross income any payments received to offset the adverse effects on housing values as a result of a military base realignment or closure.

Service in certain contingency operations would count as service in a combat zone for the purpose of determining eligibility for delaying certain tax filings.

The definition of veterans organizations that would be eligible for tax-exempt status under 501(c) of the Internal Revenue Code would be amended to include those that serve the needs of ancestors or lineal descendants of veterans.

None of the provisions of this legislation would affect Social Security transfers or payments.

Cost to Taxpayers: The bill is estimated to save taxpayers \$265 million over the next ten years.

Does the Bill Create New Federal Programs or Rules?: Yes—the bill would create new rules and exemptions under the Internal Revenue Code.

Constitutional Authority: Though no committee report citing constitutional authority is available, Article I, Section 8, Clause 1 grants Congress the power to “lay and collect taxes....” Further, the Sixteenth Amendment grants Congress the power to “lay and collect taxes on incomes, from whatever source derived....”

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