

United States Senate
WASHINGTON, DC 20510

Request

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229 Dirksen Building

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From: Jim Kessler, Policy Director

Number of pages inc. cover page

9

456-2334

I love this bill!!

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106TH CONGRESS
1ST SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. SCHUMER introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to require
the Secretary of the Treasury to develop an Internet
site where a taxpayer may generate a receipt for an
income tax payment which itemizes the portion of the
payment which is allocable to various Government spend-
ing categories.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Taxpayer Right-To-
5 Know Act of 1999".

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) **FINDINGS.**—The Congress finds the following:

1 (1) Individual incomes taxes amount to one of
2 the greatest annual expenses for many Americans.

3 (2) There is a great deal of uncertainty on the
4 part of taxpayers concerning where and how their
5 income tax dollars are spent.

6 (3) Taxpayers do not receive any explanation
7 from the Internal Revenue Service itemizing how
8 their tax payments are spent.

9 (4) There presently exists no straightforward
10 way for a taxpayer to determine exactly how much
11 he or she paid for specific governmental activities.

12 (5) The failure to provide taxpayers with an
13 itemized listing showing how their tax dollars are
14 spent contributes to a lack of knowledge about the
15 Government and subsequently to a less informed
16 electorate.

17 (6) The Internal Revenue Service must update
18 its technology and treat taxpayer information as a
19 strategic asset to improve customer service.

20 (7) Taxpayer education by the Internal Revenue
21 Service aimed at showing taxpayers how their tax
22 dollars are spent leads to increased compliance.

23 (b) PURPOSES.—The purposes of this Act are as fol-
24 lows:

1 (1) To educate individual income tax filers
2 about how much they contribute annually, in actual
3 dollars and cents, to various governmental programs,
4 projects, and activities.

5 (2) To improve the public's understanding of
6 the Federal Government.

7 (3) To enhance the public's level of satisfaction
8 with the Internal Revenue Service.

9 **SEC. 3. ITEMIZED INCOME TAX RECEIPT.**

10 (a) IN GENERAL.—Chapter 77 of the Internal Reve-
11 nue Code of 1986 (relating to miscellaneous provisions)
12 is amended by adding at the end the following new section:
13 **"SEC. 7525. ITEMIZED INCOME TAX RECEIPT.**

14 “(a) IN GENERAL.—Not later than January 1, 2000,
15 the Secretary shall establish an interactive program on an
16 Internet website where any taxpayer may generate an
17 itemized receipt showing a proportionate allocation (in
18 money terms) of the taxpayer's total tax payments among
19 the major expenditure categories.

20 “(b) INFORMATION NECESSARY TO GENERATE RE-
21 CEIPT.—For purposes of generating an itemized receipt
22 under subsection (a), the interactive program—

23 “(1) shall only require the input of the tax-
24 payer's total tax payments, and

1 “(2) shall not require any identifying informa-
2 tion relating to the taxpayer.

3 “(c) TOTAL TAX PAYMENTS.—For purposes of this
4 section, total tax payments of an individual for any taxable
5 year are—

6 “(1) the tax imposed by subtitle A for such tax-
7 able year (as shown on his return), and

8 “(2) the tax imposed by section 3101 on wages
9 received during such taxable year.

10 “(d) CONTENT OF TAX RECEIPT.—

11 “(1) MAJOR EXPENDITURE CATEGORIES.—For
12 purposes of subsection (a), the major expenditure
13 categories are:

14 “(A) National defense.

15 “(B) International affairs.

16 “(C) Medicaid.

17 “(D) Medicare.

18 “(E) Means-tested entitlements.

19 “(F) Domestic discretionary.

20 “(G) Social Security.

21 “(H) Interest payments.

22 “(I) All other.

23 “(2) OTHER ITEMS ON RECEIPT.—

24 “(A) IN GENERAL.—In addition, the tax
25 receipt shall include selected examples of more

1 specific expenditure items, including the items
2 listed in subparagraph (B), either at the budget
3 function, subfunction, or program, project, or
4 activity levels, along with any other information
5 deemed appropriate by the Secretary and the
6 Director of the Office of Management and
7 Budget to enhance taxpayer understanding of
8 the Federal budget.

9 “(B) LISTED ITEMS.—The expenditure
10 items listed in this subparagraph are as follows:

11 “(i) Public schools funding programs.

12 “(ii) Student loans and college aid.

13 “(iii) Low-income housing programs.

14 “(iv) Food stamp and welfare pro-
15 grams.

16 “(v) Law enforcement and the Fed-
17 eral Bureau of Investigation.

18 “(vi) Infrastructure, including roads,
19 bridges, and mass transit.

20 “(vii) Farm subsidies.

21 “(viii) Congressional Member and
22 staff salaries.

23 “(ix) Health research programs.

24 “(x) Aid to the disabled.

1 “(xi) Veterans health care and pen-
2 sion programs.

3 “(xii) Space programs.

4 “(xiii) Environmental cleanup pro-
5 grams.

6 “(xiv) United States embassies.

7 “(xv) Military salaries.

8 “(xvi) Foreign aid.

9 “(xvii) Contributions to the North At-
10 lantic Treaty Organization.

11 “(xviii) Secret Service.

12 “(xix) Amtrak.

13 “(xx) United States Postal Service.

14 “(e) COST.—No charge shall be imposed to cover any
15 cost associated with the production or distribution of the
16 tax receipt.

17 “(f) REGULATIONS.—The Secretary may prescribe
18 such regulations as may be necessary to carry out this
19 section.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 77 of such Code is amended by adding at the
22 end the following new item:

“Sec. 7525. Itemized income tax receipt.”.

Jim Keurle

web site



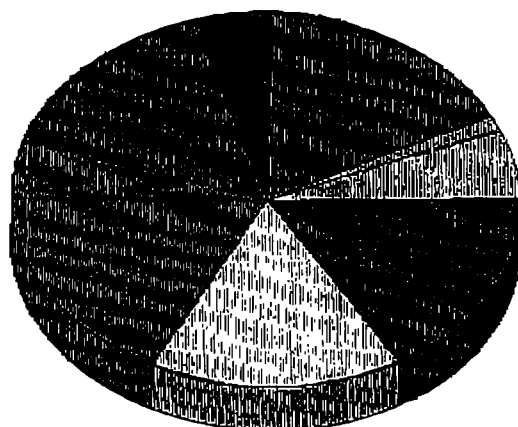
Independent Budget Office

110 William Street, 14th Floor
New York, New York 10038
212/442-0632 - fax: 212/442-0350

1998 Federal Income Tax Receipt

Your money is spent on:	Which provides for:	You paid:
National Defense	Protection of the U.S., its citizens, its allies, and advancement of its interests around the world.	\$ 2,987
International Affairs	Advancement of U.S. interests through diplomacy, foreign aid, export promotion, and aid to international organizations such as the United Nations and NATO.	151
Medicaid	Health care services to the poor, people with disabilities, and senior citizens in nursing homes.	1,135
Medicare	Health care coverage for the elderly.	2,234
Means-Tested Entitlements (excluding Medicaid)	Assistance to the poor in the form of food stamps, supplemental security income, child nutrition, and earned income tax credits.	1,146
Domestic Discretionary	All other activities annually funded by the Congress, such as education, training, science, space exploration, technology, parks, environmental protection, agriculture, commerce, housing, transportation, disaster relief, justice, and treasury.	3,439
Social Security	Protection against the loss of earnings due to retirement, disability, or death.	4,353
Interest Payments	Interest payments resulting primarily from past budget deficits.	2,813
All other	Federal employee retirement benefits, payments to farmers, and other activities.	874
TOTAL		\$ 19,132

Federal Spending in 1998



- National Defense 16%
- International Affairs 1%
- Medicaid 6%
- Medicare 12%
- Means-Tested Entitlements 6%
- Domestic Discretionary 18%
- Social Security 23%
- Interest Payments 15%
- All Other 5%

→ This is my total tax payable including FICA

(1)

J. n Leslie

Examples of specific federal budget items:	Your share:
Space flight, research, and supporting activities	\$ 148.96
Energy programs	14.70
Natural resources and environmental protection	259.29
Agriculture	141.32
Community development	59.25
Disaster relief	24.85
Elementary, secondary, and vocational education	191.85
Higher education	139.74
Transportation (aid for highways, mass transit, airports, etc.)	466.95
Federal employee retirement and disability aid	850.78
Unemployment compensation	255.52
Housing assistance	332.75
Food and nutrition assistance	388.83
Other income security	818.41
Veterans benefits and services	483.72
Legislative branch	30.10
Executive Office of the President	2.74
Judicial branch	40.14

All amounts are approximations based on actual federal spending in fiscal year 1998.

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