

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 437

To amend the Internal Revenue Code of 1986 to require the Secretary of the Treasury to provide each individual taxpayer a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories.

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## IN THE SENATE OF THE UNITED STATES

MARCH 2, 2011

Mr. NELSON of Florida (for himself and Mr. BROWN of Massachusetts) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to require the Secretary of the Treasury to provide each individual taxpayer a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending 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 Receipt  
5 Act”.

1 **SEC. 2. ITEMIZED FEDERAL TAX RECEIPT.**

2 (a) IN GENERAL.—Chapter 77 of the Internal Rev-  
3 enue Code of 1986 is amended by adding at the end the  
4 following new section:

5 **“SEC. 7529. FEDERAL TAX RECEIPT.**

6 “(a) IN GENERAL.—The Secretary shall send to  
7 every taxpayer who files an individual income tax return  
8 for any taxable year an itemized Federal tax receipt show-  
9 ing a proportionate allocation (in money terms) of the tax-  
10 payer’s total tax payment for such taxable year among  
11 major expenditure categories for the fiscal year ending in  
12 such taxable year. The Federal tax receipt shall also in-  
13 clude 2 separate line items showing the amount of Federal  
14 debt per legal United States resident at the end of such  
15 fiscal year, and the amount of additional borrowing per  
16 legal United States resident by the Federal Government  
17 in such fiscal year.

18 “(b) TOTAL TAX PAYMENTS.—For purposes of sub-  
19 section (a), the total tax payment of a taxpayer for any  
20 taxable year is equal to the sum of—

21 “(1) the tax imposed by subtitle A for such tax-  
22 able year (as shown on such taxpayer’s return), plus

23 “(2) the tax imposed by section 3101 on wages  
24 received by such taxpayer during such taxable year.

25 “(c) DETERMINATION OF PROPORTIONATE ALLOCA-  
26 TION OF TAX PAYMENT AMONG MAJOR EXPENDITURE

1 CATEGORIES.—For purposes of determining a propor-  
2 tionate allocation described in subsection (a), not later  
3 than 60 days after the end of any fiscal year, the Director  
4 of the Congressional Budget Office shall provide to the  
5 Secretary the percentage of Federal outlays for such fiscal  
6 year for the following categories and subcategories of Fed-  
7 eral spending:

8           “(1) Social Security.

9           “(2) National defense:

10                 “(A) Overseas combat operations.

11           “(3) Medicare.

12           “(4) Low-income assistance programs:

13                 “(A) Housing assistance.

14                 “(B) Food stamps and other food pro-  
15 grams.

16           “(5) Other Federal health programs:

17                 “(A) Medicaid, Children’s Health Insur-  
18 ance Program, and other public health pro-  
19 grams.

20                 “(B) National Institutes of Health and  
21 other health research and training programs.

22                 “(C) Food and Drug Administration, Con-  
23 sumer Product Safety Commission, and other  
24 regulatory health and safety activities.

25           “(6) Unemployment benefits.

1           “(7) Net interest on the Federal debt.

2           “(8) Veterans benefits and services.

3           “(9) Education:

4                 “(A) K–12 and vocational education.

5                 “(B) Higher education.

6                 “(C) Job training and assistance.

7           “(10) Federal employee retirement and dis-  
8           ability benefits.

9           “(11) Highway, mass transit, and railroad  
10           funding.

11           “(12) Mortgage finance (Federal National  
12           Mortgage Association, Federal Home Loan Mort-  
13           gage Corporation, Federal Housing Administration,  
14           and other housing finance programs).

15           “(13) Justice and law enforcement funding, in-  
16           cluding Federal Bureau of Investigation, Federal  
17           courts, and Federal prisons.

18           “(14) Natural resources, land, and water man-  
19           agement and conservation funding, including Na-  
20           tional Parks.

21           “(15) Foreign aid.

22           “(16) Science and technology research and ad-  
23           vancement:

24                 “(A) National Aeronautics and Space Ad-  
25           ministration.

1           “(17) Air transportation, including Federal  
2 Aviation Administration.

3           “(18) Farm subsidies.

4           “(19) Energy funding, including renewable en-  
5 ergy and efficiency programs, Strategic Petroleum  
6 Reserve, and Federal Energy Regulatory Commis-  
7 sion.

8           “(20) Disaster relief and insurance, including  
9 Federal Emergency Management Administration.

10          “(21) Diplomacy and embassies.

11          “(22) Environmental Protection Agency and  
12 pollution control programs.

13          “(23) Internal Revenue Service and United  
14 States Treasury operations.

15          “(24) Coast Guard and maritime programs.

16          “(25) Community Development Block Grants.

17          “(26) Congress and legislative branch activities.

18          “(27) United States Postal Service.

19          “(28) Executive Office of the President.

20          “(29) Other Federal spending.

21          “(d) ADDITIONAL MAJOR EXPENDITURE CAT-  
22 EGORIES.—With respect to each fiscal year, the Director  
23 of the Congressional Budget Office shall include additional  
24 categories and subcategories of Federal spending for pur-  
25 poses of subsection (c), but only if, and only for so long

1 as, each such additional category or subcategory exceeds  
2 3 percent of total Federal outlays for the fiscal year.

3 “(e) TIMING OF FEDERAL TAX RECEIPT.—A Federal  
4 tax receipt shall be made available to each taxpayer as  
5 soon as practicable upon the processing of that taxpayer’s  
6 income tax return by the Internal Revenue Service.

7 “(f) USE OF TECHNOLOGIES.—The Internal Revenue  
8 Service is encouraged to utilize modern technologies such  
9 as electronic mail and the Internet to minimize the cost  
10 of sending Federal tax receipts to taxpayers. The Internal  
11 Revenue Service shall establish an interactive program on  
12 its Internet Web site to allow taxpayers to generate Fed-  
13 eral tax receipts on their own.

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

17 “(h) 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 the Internal Revenue Code of 1986 is  
22 amended by adding at the end the following new item:

“Sec. 7529. Federal tax receipt.”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

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