CASES, REGULATIONS AND STATUTES

by Robert P. Achenbach, Jr

BANKRUPTCY

CHAPTER 12

ELIGIBILITY. The debtor filed for Chapter 12 in April of 2010. The debtor received the following income during 2007-2009:

	Farming Income	Social Security & Military Benefits
2009:	$32,837.56	$59,128.80
2008:	$32,643.00	$55,888.80
2007:	$54,753.00	$53,526.00

The trustee argued that the debtor was not eligible for Chapter 12 because the income from farming was less than 50 percent of the debtor's total income. The debtor argued that the social security and military benefits payments should not be included in the total income. The court discussed the various interpretations of income for purposes of Chapter 12 and held that the definition was the same as applied by the federal Internal Revenue Code. Therefore, Social Security benefits and military pension benefits were income to the extent they were considered income under the I.R.C. In this case, the court acknowledged that the Social Security benefits were only partially subject to federal income tax but held that, even if all Social Security benefits were omitted, the debtor still did not qualify for Chapter 12. Because the debtor failed to provide evidence that the military benefits were excludible from federal taxable income, the court held that the debtor was not eligible for Chapter 12. ***In re*** **Fuentes, 2011 U.S. Dist. LEXIS 145178 (C.D. Calif. 2011)**.

MARSHALLING. The debtors filed for Chapter 12 and farm equipment was sold during the case in which the debtors had granted a first lien to a bank. A farm supplier had a second priority lien on the equipment. The bank's total claims were oversecured by the value of farm land which secured the bank's loans to the debtor. Although the equipment was sold and the proceeds intended to be distributed to creditors, the debtor's plan proposes to retain the farm land. The supplier objected to the bank's motion to receive all of the proceeds of the equipment sale, arguing that the equitable doctrine of marshalling should apply to allow the equipment proceeds to be paid to the supplier and the bank be required to look to the farm land for security for its claims. The court rejected the request for marshalling, holding that it would be inequitable to force the senior lienholder, the bank, to look to the riskier farm land loan instead of immediate recovery from the proceeds of the sale of collateral. As an alternative, the supplier sought a second lien on the farm land but the court rejected this option as well because it would add a lien which did not exist pre-bankruptcy to the debtor's detriment. ***In re*** **Ferguson, 2011 Bankr. LEXIS 4581 (Bankr. C.D. Ill. 2011)**.

VALUATION OF ESTATE PROPERTY. The Chapter 12 debtors owned farm land which was subject to a mortgage held by the receiver of a bank. The question involved in the case was the value of that land for purposes of determining the secured portion of the bank's lien. The debtors provided the testimony of an auctioneer/real estate broker who did not prepare a formal appraisal but provided only a market analysis. The receiver presented a formal appraisal created by a professional farm land appraiser. The court held that the debtors' appraisal was insufficient proof of value; therefore, the court accepted the value determined by the receiver's appraiser. ***In re*** **JMJ Land, LLC, 2011 Bankr. LEXIS 4891 (Bankr. D. Neb. 2011)**.

FEDERAL TAX

DISCHARGE. The debtors, husband and wife, filed for Chapter 7 in November 2008 and in December 2008 filed their income tax returns for 1995 through 2006. The IRS did not file a claim in their case and the case was closed in June 2009 with a discharge granted. The debtors sought a ruling that the 1995 through 2006 taxes were discharged. The court held that, because the tax returns were not filed pre-petition, the taxes were nondischargeable under Section 523(a)(1)(B)(ii). The appellate court affirmed in a decision designated as not for publication. **Pansier v. United States, 2012-1 U.S. Tax Cas. (CCH) ¶ 50,113 (7th Cir. 2011), *aff'g*, 2011-1 U.S. Tax Cas. (CCH) ¶ 50,360 (E.D. Wis. 2011), *aff'g*, 2010-2 U.S. Tax Cas. (CCH) ¶ 50,759 (Bankr. E.D. Wis. 2010)**.

FEDERAL FARM PROGRAMS

No items.

FEDERAL ESTATE AND GIFT TAXATION

ALTERNATE VALUATION. The decedent's estate hired a CPA to prepare the estate's federal return which was filed by the executor but did not include an alternate valuation election under I.R.C. § 2032. The estate hired a second CPA to file an amended return with the election. The IRS granted an extension of time for the estate to file the amended return with the election. **Ltr. Rul. 201151003, June 3, 2011**.

GENERATION SKIPPING TRANSFERS. The taxpayer created a trust for the benefit of the taxpayer's children and descendants. The taxpayer and taxpayer's spouse elected to treat transfers to the trust as made one-half by each. The taxpayers

timely filed a Form 709 for the transfers but the accounting firm hired to prepare the return failed to include an allocation of the GST exemption to the transfers. The IRS granted an extension of time to file an amended return with the GST allocation. **Ltr. Rul. 201149001, July 28, 2011**.

REFUND. In February 2003, the decedent's estate filed the estate tax return and included in the estate farm real estate. In November 2003 a state court ruled that the decedent held only a vested remainder in the property instead of a fee simple interest. The state court of appeals affirmed the decision in January 2005 and the state supreme court denied further appeal in March 2006. In November 2008, the estate filed an administrative claim with the IRS for a refund of overpaid estate taxes resulting from the lesser value of the reminder interest in the farm property. The IRS rejected the refund claim as untimely filed, more than three years after payment of the estate taxes. The estate argued that the three year limit should have been tolled by the state court litigation. The court held that the claim was untimely filed and that equitable tolling should not be applied because the estate could have filed the claim within three years since the first two court cases were completed within that time. **Davis v. United States, 2012-1 U.S. Tax Cas. (CCH) ¶ 60,634 (N.D. Miss. 2011)**.

FEDERAL INCOME TAXATION

BUSINESS EXPENSES. The taxpayers claimed deductions for various business expenses, including rent, legal fees, depreciation, insurance and commissions. The court held that the deductions were properly denied by the IRS because the taxpayers failed to substantiate either the amount of the expenses or the year in which the expenses were made. **United States v. Blake, 2011-2 U.S. Tax Cas. (CCH) ¶ 50,760 (E.D. Mich. 2011)**.

BUSINESS INCOME. The taxpayer operated a limousine service as a sole proprietor and filed tax returns claiming income and expenses. The IRS examined the taxpayer's bank records and increased the taxable income based on the deposits. The court did not believe the taxpayer's claims that several of the deposits were made from non-business sources, such as cash saved from previous years and upheld the IRS assessment based on the higher taxable income. **Diallo v. Comm'r, T.C. Memo. 2011-300**.

CAPITAL EXPENSES. The IRS has issued proposed regulations that provide guidance on the application of I.R.C. §§ 162(a) and 263(a) to amounts paid to acquire, produce, or improve tangible property. The proposed regulations clarify and expand the standards in the current regulations under I.R.C. §§ 162(a) and 263(a) and provide certain bright-line tests (for example, a *de minimis* rule for certain acquisitions) for applying these standards. The proposed regulations also provide guidance under I.R.C. § 168 regarding the accounting for, and dispositions of, property subject to I.R.C. § 168. The proposed regulations also amend the general asset account regulations. **76 Fed. Reg. 81060 (Dec. 27, 2011)**.

CORPORATIONS

COMPENSATION. The taxpayer was a privately owned corporation which operated several "payday loan" businesses. The shareholders were related family members who made initial investments in the corporation. The business was very successful and depended heavily on the father's expertise in managing the business. The corporation also obtained loans which required the father's participation in the corporation. The father received stock options in partial consideration for some of the initial financing and exercised those options to acquire a portion of the corporation. As part of a divorce agreement, the father received another option to acquire shares. The option was exercised and the value of the shares obtained were deducted as compensation for the father's services. The court held that the exercise of the option was taxable income to the father and was valued using the terms of the option agreement. The court denied any discount for lack of marketability because the value of the shares was not determined by comparison to marketable securities. The court also held that the value of the shares was deductible as a compensation expense because father's participation in the business was highly instrumental in the success of the business and the value of the shares depended upon the further successful operation of the business by the father. **Davis v. Comm'r, T.C. Memo. 2011-286**.

REORGANIZATIONS. The IRS has adopted as final regulations governing the requirements for meeting the requirement of continuity of interest (COI) for purposes of the nonrecognition of gain or loss in a corporate reorganization. The regulations provide that in determining whether the COI requirement is satisfied, the consideration to be exchanged for the proprietary interests in the target corporation is valued as of the end of the last business day before the first date there is a binding contract to effect the potential reorganization, provided the consideration to be provided to the target corporation shareholders is fixed in such contract and includes only stock of the issuing corporation and money. For this purpose, a binding contract is an instrument enforceable under applicable law against the parties to the instrument. Because the terms of a tender offer that is subject to Section 14(d) of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder are fixed in a manner similar to those of a binding contract, the proposed regulations provide that such a tender offer, even if not pursuant to a binding contract, will be treated as a binding contract for purposes of these regulations. The regulations provide that the presence of a condition outside the control of the parties shall not prevent an instrument from being a binding contract. Finally, the regulations provide that consideration is fixed if the contract states the exact number of shares of the issuing corporation and the exact amount of money, if any, to be exchanged for the proprietary interests in the target corporation. **76 Fed. Reg. 78540 (Dec. 19, 2011)**.

COURT AWARDS AND SETTLEMENTS. The taxpayer filed a race discrimination lawsuit against an employer seeking

back pay, back benefits, compensatory and punitive damages, and legal fees. The parties reached a settlement which paid money to the taxpayer in settlement of the race discrimination suit and all claims for damages. The court held that the settlement payment was properly included in income by the IRS because the taxpayer failed to prove that the payment was made to settle any claims for physical injuries. **Ahmed v. Comm'r, T.C. Memo. 2011-295**.

DEPENDENTS. The taxpayer operated a limousine service as a sole proprietor and filed tax returns claiming income and expenses. The taxpayer's sister-in-law and two nieces lived with the taxpayer in the taxpayer's residence. The taxpayer's brother, the father of the nieces and spouse of the sister-in-law, lived in Africa and sent some money to the taxpayer to help with the support of the children. The taxpayer claimed head of household filing status and claimed the nieces as dependents. The court held that the children met the qualifying children requirements of I.R.C. § 152(c)(1) and the taxpayer could claim them as dependents. However, the court held that the taxpayer could not use the head of household status because the taxpayer failed to prove that the taxpayer provided more than half of the support for the children. **Diallo v. Comm'r, T.C. Memo. 2011-300**.

EMPLOYEE BENEFITS. An airline sought to fully deduct the cost of in-flight meals provided by the airline for pilots and other airline staff. In a Chief Counsel Advice Letter, the IRS ruled that, although the meals were deductible under I.R.C. § 119 as employer-provided meals, the deduction was limited to 50 percent of the cost under I.R.C. § 274(n) because the meals were not provided at an eating facility operated by the airline. **CCA 201151020, Aug. 31, 2011**.

ENVIRONMENTAL REMEDIATION EXPENSES. The taxpayer was the sole owner of an LLC which owned commercial property for which the LLC incurred environmental remediation expenses. The taxpayer hired an accountant to prepare the LLC's tax return and the accountant failed to determine whether the environmental remediation expenses were eligible for the election, under I.R.C. § 198, to currently deduct those expenses instead of capitalizing them. The IRS granted an extension time to file an amended return with the election. **Ltr. Rul. 201149016, Aug. 31, 2011**.

HOBBY LOSSES. While the taxpayer was employed over full time at two jobs, the taxpayer took photography classes and took three trips to create a photography portfolio to start a photography business. The court held that the photography activity was not operated with an intent to make a profit because (1) the taxpayer failed to use a separate bank account or construct a business plan; (2) the taxpayer did not use advertising to promote the activity; (3) the activity did not produce any assets that would appreciate in value; (4) the taxpayer had no history of success at operating a similar business; (5) the activity produced more losses each year; and (6) the activity never produced any profit. **Wilmot v. Comm'r, T.C. Memo. 2011-293**.

IRA. During the tax year, the taxpayer was unemployed and received a distribution from an IRA. During that year, the taxpayer used a portion of the distribution to pay for educational expenses and medical expenses. The court held that the taxpayer adequately substantiated the educational and medical expenses sufficiently to exempt those amounts from the 10 percent additional tax penalty for early withdrawals from the IRA. **Vetere v. Comm'r, T.C. Summary Op. 2011-138**.

INNOCENT SPOUSE RELIEF. The taxpayer and former spouse failed to timely file tax returns for two tax years during which the taxpayer and spouse were married and filed joint returns. During those years, the taxpayer earned more than the spouse and the taxes owed resulted in part from both incomes. The court initially held that any innocent spouse relief for the taxpayer would be limited to the amount of taxes attributable to the former spouse's income during the two years. In considering safe harbor relief, the court noted that soon after the returns were filed, the taxpayer and former spouse entered into an installment agreement under which the taxpayer paid 70 percent of the installments. The court held that the taxpayer had a reasonable belief that the former spouse would pay 30 percent of the taxes owed. The court denied innocent spouse relief, however because the taxpayer had sufficient disposable income to pay the taxes without financial hardship. The court granted equitable relief for 30 percent of the taxes owed because (1) the taxpayer was divorced, (2) the taxpayer reasonably believed that the former spouse would pay at least 30 percent of the taxes, (3) the divorce decree required the former spouse to pay at least half of the taxes and (4) the taxpayer did not receive a significant benefit from the unpaid taxes. **Waldron v. Comm'r, T.C. Memo. 2011-288**.

In 2006, the taxpayer learned that the taxpayer's spouse had not filed income tax return for 2005 and had not paid the 2003 and 2004 taxes. The couple had sold their house and deposited the funds in a joint checking account. The spouse removed funds from the account without the taxpayer's knowledge and moved to Mexico in 2006. The taxpayer filed the 2005 return as a joint return but unsigned by the spouse and without income from the spouse. The couple divorced in 2008 and the divorce decree ordered the spouse to repay a portion of the funds taken from the bank account. The taxpayer sought innocent spouse relief from the taxes owed for 2004 and 2005 based on the spouse's misappropriation of the checking account funds. The court held that the exception in Rev. Proc. 2003-61, sec. 4.01(7)(c), 2003-2 C.B. 296 did not apply to the 2004 taxes because the checking account funds were not specifically held for payment of the taxes and the taxpayer had the authority to use the funds for payment of taxes and did not do so. The court also held that innocent spouse relief was not available for the 2005 taxes because the return did not qualify as a joint return without the spouse's signature and without including the spouse's income. **Gallego v. Comm'r, T.C. Summary Op. 2011-139**.

INSURANCE. The taxpayer issued insurance policies which provided coverage for the loss of value of business assets below a pre-set value at the end of the insurance contract. In essence, the policy provided asset-value protection. The IRS ruled that such contracts were not insurance policies for federal income tax purposes. **Ltr. Rul. 201149021, Aug. 30, 2011**.

INVESTMENT INTEREST. The taxpayer was denied investment interest deductions above what was allowed by the IRS for failure to provide adequate substantiation of the amount or purpose of the investments. **Thompson v. Comm'r, T.C. Memo. 2011-291**.

PARTNERSHIP

PARTNER EXPENSES. The taxpayer was a partner in a law firm partnership. The taxpayer claimed deductions for various unreimbursed indirect expenses incurred as part of the partnership activities, including travel, meals, entertainment, automobile expenses, vehicle rental, professional organizations, continuing legal education and state bar membership expenses. The court acknowledged that indirect partnership expenses were deductible if there was an agreement among the partners that a partner was required to pay such partnership expenses without reimbursement. The court held that the travel, meals and entertainment expenses were not deductible because the expenses were reimbursable under the partnership agreement and the taxpayer failed to show that any reasonable expense was denied reimbursement by the partnership. The automobile expenses were also denied because the taxpayer failed to provide substantiation for those expenses. **McLauchlan v. Comm'r, T.C. Memo. 2011-289**.

PASSIVE ACTIVITY LOSSES. The taxpayer owned several rental residential real estate properties and claimed passive and non-passive activity losses for the properties. At trial the taxpayer was unable to explain or demonstrate why the losses were passive and non-passive or the amount of each type of loss. The court upheld the IRS characterization of the losses as passive losses based on the taxpayer's failure to demonstrate the taxpayer's participation in the rental activity. **Thompson v. Comm'r, T.C. Memo. 2011-291.**

REGISTERED TAX RETURN PREPARERS. The IRS has a page on their web site with information, in question and answer form, about the continuing education requirements for registered tax return preparers. The questions and answers cover information provided in the many announcements, rulings and regulations issued so far. The discussions include information for continuing education accrediting organizations, continuing education providers, and information for return preparers seeking CE providers. **http://www.irs.gov/taxpros/article/0,,id=239684,00.html#ceprovider**

RETURNS. The IRS has announced the publication of a revised Publication 17, *Your Federal Income Tax*. **IR-2011-123**.

SAVER'S TAX CREDIT. The IRS has published information about the saver's tax credit. The saver's credit helps offset part of the first $2,000 workers voluntarily contribute to IRAs and to 401(k) plans and similar workplace retirement programs. Also known as the retirement savings contributions credit, the saver's credit is available in addition to any other tax savings that apply. Eligible workers still have time to make qualifying retirement contributions and get the saver's credit on their 2011 tax return. People have until April 17, 2012, to set up a new individual retirement arrangement or add money to an existing IRA and still get credit for 2011. However, elective deferrals must be made by the end of the year to a 401(k) plan or similar workplace program, such as a 403(b) plan for employees of public schools and certain tax-exempt organizations, a governmental 457 plan for state or local government employees, and the Thrift Savings Plan for federal employees. Employees who are unable to set aside money for this year may want to schedule their 2012 contributions soon so their employer can begin withholding them in January. The saver's credit can be claimed by: (1) married couples filing jointly with incomes up to $56,500 in 2011 or $57,500 in 2012; (2) heads of household with incomes up to $42,375 in 2011 or $43,125 in 2012; and (3) married individuals filing separately and singles with incomes up to $28,250 in 2011 or $28,750 in 2012. Like other tax credits, the saver's credit can increase a taxpayer's refund or reduce the tax owed. Though the maximum saver's credit is $1,000, $2,000 for married couples, the IRS cautioned that it is often much less and, due in part to the impact of other deductions and credits, may, in fact, be zero for some taxpayers. A taxpayer's credit amount is based on the filing status, adjusted gross income, tax liability and amount contributed to qualifying retirement programs. Form 8880 is used to claim the saver's credit, and its instructions have details on figuring the credit correctly. Other special rules that apply to the saver's credit include the following: (1) Eligible taxpayers must be at least 18 years of age. (2) Anyone claimed as a dependent on someone else's return cannot take the credit. A student cannot take the credit. (3) A person enrolled as a full-time student during any part of 5 calendar months during the year is considered a student. (4) Certain retirement plan distributions reduce the contribution amount used to figure the credit. For 2011, this rule applies to distributions received after 2008 and before the due date, including extensions, of the 2011 return. Form 8880 and its instructions have details on making this computation. The saver's credit was made a permanent part of the tax code in legislation enacted in 2006. To help preserve the value of the credit, income limits are now adjusted annually to keep pace with inflation. **IR-2011-121**.

SAFE HARBOR INTEREST RATES

January 2012

	Annual	Semi-annual	Quarterly	Monthly
		Short-term		
AFR	0.19	0.19	0.19	0.19
110 percent AFR	0.21	0.21	0.21	0.21
120 percent AFR	0.23	0.23	0.23	0.23
		Mid-term		
AFR	1.17	1.17	1.17	1.17
110 percent AFR	1.29	1.29	1.29	1.29
120 percent AFR	1.40	1.40	1.40	1.40
		Long-term		
AFR	2.63	2.61	2.60	2.60
110 percent AFR	2.89	2.87	2.86	2.85
120 percent AFR	3.15	3.13	3.12	3.11

Rev. Rul. 2012-2, I.R.B. 2012-__ .

TAX RETURN PREPARER'S. The IRS has adopted as final regulations governing the tax return preparer penalties under I.R.C. § 6695. The final regulations clarify how tax return preparers who prepare a tax return or claim for refund, but do not submit it directly to the IRS, can satisfy the requirement to submit the completed Form 8867, *Paid Preparer's Earned Income Credit Checklist*. The regulations provide that tax return preparers who prepare a tax return or claim for refund but do not submit it

directly to the IRS may satisfy this aspect of their due diligence obligation by providing the form to the taxpayer or the signing tax return preparer, as appropriate, for submission with the tax return or claim for refund. **76 Fed. Reg. 78816 (Dec. 20, 2011)**.

THEFT LOSSES. The guardians of a taxpayer's estate claimed a theft loss deduction for amounts taken from a joint bank account by the taxpayer's spouse during 2002 and 2004. The court held that a theft loss deduction was properly denied because the guardians failed to demonstrate how the spouse used the funds or how much was taken illegally. **Estate of Moragne v. Comm'r, T.C. Memo. 2011-299**.

WITHHOLDING TAX. The IRS has published information about the Temporary Payroll Tax Cut Continuation Act of 2011 which temporarily extends the two percentage point payroll tax cut for employees, continuing the reduction of their Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid through Feb. 29, 2012. This reduced Social Security withholding will have no effect on employees' future Social Security benefits. Employers should implement the new payroll tax rate as soon as possible in 2012 but not later than Jan. 31, 2012. For any Social Security tax over-withheld during January, employers should make an offsetting adjustment in workers' pay as soon as possible but not later than March 31, 2012. The law also includes a new "recapture" provision, which applies only to those employees who receive more than $18,350 in wages during the two-month period (the Social Security wage base for 2012 is $110,100, and $18,350 represents two months of the full-year amount). This provision imposes an additional income tax on these higher-income employees in an amount equal to 2 percent of the amount of wages they receive during the two-month period in excess of $18,350 (and not greater than $110,100). This additional recapture tax is an add-on to income tax liability that the employee would otherwise pay for 2012 and is not subject to reduction by credits or deductions. The recapture tax would be payable in 2013 when the employee files his or her income tax return for the 2012 tax year. With the possibility of a full-year extension of the payroll tax cut being discussed for 2012, the IRS will closely monitor the situation in case future legislation changes the recapture provision. The IRS will issue additional guidance as needed to implement the provisions of this new two-month extension, including revised employment tax forms and instructions and information for employees who may be subject to the new "recapture" provision. **IR-2011-124**.

The IRS has adopted as final regulations relating to the annual filing of federal employment tax returns and requirements for employment tax deposits for employers in the Employers' Annual Federal Tax Program (Form 944). The regulations provide requirements for filing returns to report the Federal Insurance Contributions Act (FICA) taxes and income tax withheld under I.R.C. § 6011 and Treas. Reg. §§ 31.6011(a)-1, 31.6011(a)-4. The regulations also require employers qualified for the Form 944 Program to file federal employment tax returns annually. In addition, the regulations provide requirements for employers to make deposits of tax under FICA and the income tax withholding provisions (collectively, employment taxes) under I.R.C. § 6302 and Treas. Reg. § 31.6302-1. In addition to rules related to the Form 944 Program, the regulations provide an additional method for quarterly return filers to determine whether the amount of accumulated employment taxes is considered *de minimis*. **76 Fed. Reg. 77672 (Dec. 14, 2011)**.

IN THE NEWS

CLEAN AIR ACT. The Executive Office of the President, Office of Management and Budget, has issued a Statement of Administration Policy in opposition to H.R. 1633, the Farm Dust Regulation Prevention Act which was passed by the U.S. House of Representatives on December 8, 2011.

"The Administration strongly opposes H.R. 1633. As drafted, this bill would create serious problems for implementing Clean Air Act (CAA) public health protections that have been in place for years while adding uncertainty for businesses and States. The bill therefore, goes far beyond its stated intent of prohibiting the Environmental Protection Agency (EPA) from tightening national standards for coarse particles, which the Administration has repeatedly explained that it has no intention of doing.

"This ambiguously written bill would create high levels of regulatory uncertainty regarding emission control requirements that have been in place for years. Specifically, the bill's exclusion from the entire CAA of a new class of air pollutants called "nuisance dust" (an imprecise and scientifically-undefined term) could be used to roll back existing public health protection limiting pollution from mining operations, industrial activities, and possibly other sources. The bill also raises serious issues about whether EPA could continue to implement the existing health-based fine and coarse particle programs, which play a vital, ongoing role in preventing adverse health effects of air pollution including premature deaths, childhood asthma attacks and other respiratory problems.

"Further, this bill is unnecessary, as it purports to address a problem that does not exist. Responding to false claims that EPA intended to tighten regulation of coarse particles EPA has repeatedly explained that it plans to retain the existing coarse particulate standard, which originally went into effect in 1987 and remains adequately protective of public health.

"This Administration remains committed to commonsense approaches to improving air quality across the country and preserving the competitiveness of every economic sector. Because H.R. 1633 is not only unnecessary, but also could have significant adverse public health consequences, the Administration strongly opposes the bill.

"If H.R. 1633 were presented to the President, his senior advisors would recommend that he veto the bill."

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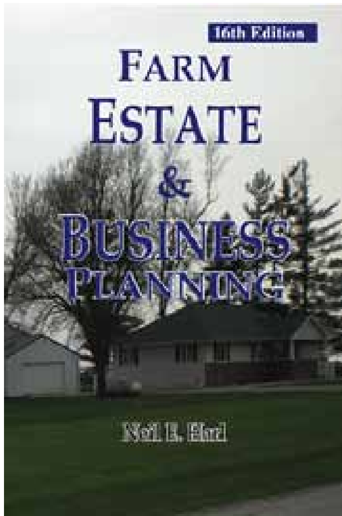

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