



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Sen. Chuck Grassley
Hearing, "Tax Shelters: Who's Buying, Who's Selling, and What's the Government Doing
About It?"

Tuesday, Oct. 21, 2003

The Finance Committee meets today to provide an update on the issue of tax shelters. My guess is the first tax shelter was created before the ink was dry on the first tax code. It's a continual and constant effort to fight these shelters. The administration has taken good steps to address the latest wave of shelters, committing additional resources and looking to using those resources more effectively. However, it's clear that we have a long road ahead of us and we need to give the administration additional power and authority to do the job.

The Finance Committee and the Senate have answered the bell. Several times already we have passed bipartisan legislation that will provide the executive branch the tools needed to help address the current wave of tax shelters. There is hardly a bill passed by this committee that hasn't contained anti-shelters legislation. I know that the administration supports the core parts of the anti-shelter legislation. I would encourage the administration to join us in pressing hard to ensure that the Congress passes this much-needed legislation quickly.

The focus of this hearing is on the current situation in tax shelters. We are here today to consider and to hear accounts of where we are in the battle against abusive tax shelters. The hearing today will revisit Enron but will also hear similar, equally troubling accounts. Particularly gripping will be the inside account of the abuses in the leasing industry. This hearing will show that Enron wasn't an exception and that Enron didn't act alone. Enron wasn't the lonely Maytag repairman when it comes to creating tax shelters and buying tax shelters. Enron had a lot of help from investment bankers, law firms and accounting firms. And these tax shelter hucksters sold tax shelters not only to Enron, but to other companies as well -- and they continue to do so today.

I know the administration recognizes there is work to be done and has begun the tough job of putting these hucksters out of work. However, my hope is that the Finance Committee's continued oversight will focus the government's work and ensure this remains a top priority. Finally, I say to the hucksters, it's time to find an honest living. The Finance Committee on a bipartisan basis remains committed to addressing the issue of tax shelters and particularly promoters. We'll continue to press in this area and to ensure that the government continues to realize results in putting the hucksters out of business.