

EXTENSIONS OF REMARKS

DISLOCATED WORKERS' SELF-HELP TAX RELIEF PACKAGE

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1995

Mr. LAZIO of New York. Mr. Speaker, my congressional district on Long Island, like several others around the country, has been especially hard hit by the downsizing of our Nation's defense production lines. The Pentagon estimates that total defense-related employment has dropped by 1.5 million workers over the last 7 years, and that trend is expected to continue into the foreseeable future.

More than 40 percent of manufacturing on Long Island is dependent on the Defense Department. Consequently, this defense build-down has had a devastating financial effect on many of Long Island's workers and their families.

What can be done to bring much needed economic relief to people who lose their livelihood through no fault of their own? Last August, I introduced two bills designed to help such dislocated workers under these circumstances help themselves get back on their feet. Today, with bipartisan support, I am reintroducing these bills, which would change the tax laws on capital gains and individual retirement accounts to enable dislocated workers to use their hard-earned assets to help them in their time of need.

My first bill would allow unemployed workers to make penalty-free withdrawals from individual retirement accounts [IRA's] and 401(k) retirement plans. IRA's and 401(k) plans allow tax-deferred accumulations of retirement savings. Currently both are subject to a 10-percent penalty tax if funds are withdrawn before retirement. My proposal would let dislocated workers withdraw funds from these accounts and not be charged the 10-percent penalty tax. Allowing these workers to use some of their retirement savings without paying the 10-percent penalty could be of considerable benefit to them at a time when they are in need of money to pay their bills.

My second bill would allow any person eligible for unemployment benefits—or an unemployed person whose benefits have expired—to exclude from taxable income the capital gain from the sale of his or her home.

Under current law, homeowners are taxed on the gain from the sale of a principal residence unless the home is replaced within 2 years with a new one of equal or greater value. Taxpayers aged 55 or over can exclude—on a one-time occurrence—the capital gains from the sale of a principal residence of up to \$125,000. This allows such individuals to move into a smaller home and apply the capital gain toward their retirement years.

Dislocated workers are often forced to move into a smaller home—or even rent—just to make ends meet. So, it makes no sense to impose a capital gains tax on someone under those circumstances.

My bill would allow an unemployed worker to claim an exemption from the capital gains tax—up to \$125,000—when they sell their home during their period of unemployment. The definition of unemployment corresponds to the definition used in calculating eligibility for unemployment insurance.

These proposals can provide solutions to problems that unemployed workers face: the challenge to meet the daily demands of life—food, shelter, and clothing; and the need to find a new source of income. The money realized by the sale of one's home or withdrawing from an IRA can, in fact, be used as an investment in the future, perhaps even for an entrepreneurial undertaking as a way to start over.

We should not deny dislocated workers who face hard times the ability to use their assets to support themselves and their families. I believe these two measures offer a common-sense approach to help Americans pull themselves out of financial hard times so they can get on with their lives.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1995

Mr. GUTIERREZ. Mr. Speaker, at the end of the afternoon of Tuesday, February 28, 1995, I was unavoidably absent from this Chamber and therefore missed rollcall votes Nos. 178, 179, 180, 181, 182, 183—all votes regarding amendments and final passage of H.R. 1022—the Risk Assessment and Cost Benefit Act of 1995. I want the RECORD to show that if I had had the opportunity to be in this Chamber when these votes were cast, I would have voted the following way: rollcall vote No. 178, "yea"; roll call vote No. 179, "nay"; rollcall vote No. 180, "yea"; rollcall vote No. 181, "yea"; rollcall vote No. 182—"yea"; rollcall vote No. 183, "nay."

THE BUDGET FOR CORPORATE FARMERS MUST BE CUT

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1995

Mr. OWENS. Mr. Speaker, American Agribusiness is one of the most successful industries on the face of the Earth. Due to the vision and foresight of the Congress which enacted the legislation which created the land grant colleges, the agricultural experiment stations, and the county agents, Government research and development made it possible for our farmers to leap way ahead of the rest of the world. No other nation's agriculture industry is even close to the United States when it comes to farm output and efficiency.

Let us applaud the Department of Agriculture and all of the nameless workers who

over the years have done such a magnificent job in supporting our farmers. But now, Mr. Speaker, most of that work has been done. The mission has been accomplished. We have a monumental success and we can relieve the taxpayers of the burden of helping the agriculture industry, especially the rich corporate farmers. Let's have a means test and from now on let's support only the few remaining poor farm families. Let's stop the indiscriminate subsidies. Let's end the crop insurance. Let's stop the special mortgages. Let's leave the marketplace alone and end the crop subsidies and price supports. Let's get the fat farmers off the dole. The time has come to drastically downsize the Department of Agriculture. We must end farm welfare as we know it. We owe it to the American taxpayers. In this Congress let's work hard to get fat farmers off the dole.

The following poem summarizes the seriousness of the situation:

FARMERS ON THE DOLE

Republican patriots
Come play your role
Keep fat farmers
On the dole
Helping cuddly honey bees
Coddling cattle grazing fees
Meat a city orphan
Never eats
Dole for welfare
Dole for cheats
Congress sink your fork
Deep into Republican pork
Hypocrisy over all
Drives you up the wall
O beautiful spacious skies
Small town editorials
Festering full of lies
Farmers on the dole
Farmers on the dole
Hi-ho the dairytake
Rich farmers on the dole
Decades over
And over it repeats
Dole for welfare
Dole for cheats
The story's never told
About farmers on the dole
Seeds not sown
Wheat not grown
Plow the dollars
Deep in the dirt
Hide the shame
Cover hypocrisy's hurt
Farmers on the dole
Farmers on the dole
Confess to free money's role
Rich farmers on the dole
Mortgage the barn
Until it drops
Timid taxpayers
Insure the crops
Rural swindlers
High on the hog
Food for the homeless
Thrown to the dog
The story's never told
About farmers on the dole
Republican patriots
Come play your role
Keep fat farmers
On the dole.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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