FURTHER DISCUSSION ON TAX BILL JUST PASSED BY THE HOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BECERRA] is recognized for 5 minutes.

Mr. BECERRA. Mr. Speaker, we now move on to the Senate to discuss what has happened here today in the House of Representatives, where we have just provided to the privileged few in this Nation, the opportunity to have massive tax cuts. I would like to have an opportunity to go through a few of the things that we have just heard discussed over the last several hours of debate on this tax bill. But I would like to do it under the context of what will happen in many situations that will, of course, not help at all with single Americans, especially middle-income Americans, but will in effect help some of the wealthiest, not so much individuals, but some of the wealthiest corporations in America.

I have before me some headline news. Headline news not of 1995, although I must tell you that the headlines will be very appropriate in 1995 if this tax bill goes through, but these are headlines from 1984, 1985, and 1986, years when we did not have what we call the alternative minimum tax.

The alternative minimum tax, for those who do not know, is a proposal that took effect in 1986 because we had situations, as you see here, declared in some of our major newspapers throughout the country. We had situations as Newsday reports where 50 major firms paid no U.S. taxes. We are talking about firms that made profits in the billions. We had corporations, as the headlines say, that paid less taxes then our families, in some cases families earning less than $20 to $30,000. We had headlines of firms misusing their tax breaks, as demonstrated in studies that were done.

We see also that in a study that was done as well that 50 big firms paid the IRS zippo, nothing, not a single cent, when we had taxpayers earning perhaps $20 to $30,000 paying much, much more than the biggest corporations in America, the biggest corporations throughout the world.

Because of situations like this, in 1986 Congress passed the alternative minimum tax. What we said is that at some point at the end of that year, a corporation that has made billions of dollars in profits has to pay some minimum tax. You cannot get off with no taxes, when even some of America's poorest families are paying even slight amounts of taxes.

Well, in 1986 this went through. Now every corporation in America that shows some profits must pay some taxes. That seems pretty fair to me.

Well, this bill that just passed this House floor by a very small margin will now eliminate the alternative minimum tax, which means we will revert to the days before 1986 where we saw banner headlines like this in our major newspapers. So let us not be surprised when we hear people say ''Why am I not receiving anything out of this supposed tax cut bill for America, and I hear that corporations no longer are having to pay any taxes, even though they have made billions in profits?'' That is, in my mind, very disturbing for America.

But let me go through some of other aspects of this particular legislation that just went through that also should concern Americans, especially those who are middle-income taxpayers and those that are making perhaps less than that.

Touted throughout the day by Members on the other side of the aisle was this tax break, $500 tax break for children. A family with children would be able to deduct $500 per child. That, of course, went for families with incomes up to $200,000, which includes the wealthest 2 percent of Americans in this Nation.

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But what they did not say was that if you happened to earn about $18,000 in your family income and you have a child, you are not going to benefit from that particular tax break for children, because although you have children, because your tax rates are going to be so low or your taxable income will be so low because you make so little that you will not be able to benefit.

So you are lucky if you are very wealthy because you have a lot of things to deduct that $500 from, but if you happen to be a very hard-working American with a child, you will not have a chance to deduct a single cent because your income level is too low to make use of a $500 deduction.

There are other things like the child care credit which will not go to those families that are lower income and when you take a close look, you will see that this is not a tax break for America. It is a tax break for the very privileged few.

CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. Mr. SMITH from Michigan is recognized for 5 minutes.

Mr. CASTLE. I would ask unanimous consent to have Mr. SMITH of Michigan's time yielded to me in his absence tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware [Mr. CASTLE]?

There was no objection.

OTHER PROVISIONS IN GEPHARDT PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware [Mr. CASTLE] is recognized for 5 minutes.

Mr. CASTLE. Mr. Speaker, I would like to go back to about an hour ago on the floor of the House of Representatives when the minority leader presented a motion to recommit with respect to the tax cut package which went through.

He stated specifically and had a placard, a board which showed that this bill does four things and that is all he spoke to. He says it substitutes $95,000 for the threshold level for the family tax credit. The retirement changes are lowered only for Members of Congress. It closes a loophole of renouncing American citizenship and avoiding taxes. It includes the Browder-Castle language with respect to thresholds that would have to be met and other matters pertaining to being able to balance our budget.

Quite frankly, that was a very attractive package to me as I listened to him and it gave me a great deal of pause as to whether or not I should go ahead and support that because this does encompass some of the things that had concerned me in this bill, as it went along.

He mentioned one thing at that point that caught my attention, though. He says this is 16 pages. At some point in the middle of that he said that. We got a copy of this and have checked it out since that time.

I think to establish the RECORD, we need to show here, Mr. Speaker, exactly what else was in that 16 pages that was not mentioned by Mr. GEPHARDT here tonight.

The provisions which he filed in the 16 pages eliminate the tax credit to reduce the marriage penalty. It eliminates the American dream savings account or the IRA. It eliminates the spousal IRA. He did not mention that he eliminates the child tax credit altogether in the first year then reduces from $500 to $100 in the next 2 years and raised it to $300 thereafter. He also failed to mention that he reduces the income eligibility for the child tax credit from $200,000 to $60,000.

Mr. WISE. Would the gentleman yield?

Mr. CASTLE. I will yield very briefly.

Mr. WISE. There are several statements. For instance, on your last one, you are not probably representing that.

Mr. CASTLE. Let me reclaim my time and finish.

Mr. WISE. If the gentleman is——

Mr. CASTLE. Reclaiming my time.

Mr. WISE. If the gentleman is going to attack the minority leader, then he ought to yield.

Mr. CASTLE. It eliminates the repeal of the tax on social security benefits. It eliminates the tax coverage for long-term insurance, accelerated death benefits and long-term care benefits. It eliminates the capital gains tax reduction. It eliminates the neutral cost recovery provisions. It eliminates the repeal of the alternative minimum tax. It eliminates the taxpayer debt buydown. It eliminates the small business expensing. It eliminates the elderly care tax credit. It eliminates the tax credit for adoption. It eliminates the