

INTRODUCTION OF THE
HOMEOWNERS RELIEF ACT OF 1996

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1996

Mrs. KELLY. Mr. Speaker, I rise today to introduce the Homeowners Relief Act, legislation to provide homeowners with relief from capital gains taxes upon the sale of their principal residence.

This legislation recognizes that a person's home is something more than a simple investment; it's a fundamental part of the American dream, and our Tax Code should recognize this fact. The bill exempts the sale of a principal residence from capital gains taxation. Specifically, the bill excludes from taxation the gains from the sale of a principal residence if, during the 7-year period prior to the sale of the residence, the property was owned by the taxpayer and used as the taxpayer's principal residence for 5 or more years.

Under current law, capital gains liability on the sale of a principal residence is postponed if another residence of equal or greater value is purchased within 2 years. In addition, taxpayers 55 years of age or older may claim a one-time \$125,000 exclusion of the gain from the sale of a principal residence during any 3 of 5 years immediately preceding the sale. Further, taxpayers can also avoid capital gains on owner-occupied housing by holding the asset until death and leaving it to their heirs.

While these exemptions serve to shield most homeowners from capital gains liability, certain circumstances force many homeowners to shoulder a significant capital gains tax bite when they sell their home. Increased home values put many taxpayers, particularly older Americans looking to retire, in the difficult situation of having to pay substantial capital gains taxes. In addition, at a time when corporate downsizing is all too common, often the most substantial asset held by laid-off workers is their home.

The problem is, current law has the effect of locking individuals into homes that, but for the Tax Code, they might wish to sell. Those individuals who can afford to purchase a more expensive home can postpone capital gains liability, while those who need to move to more modest accommodations, because their economic circumstances warrant doing so, must pay a tax.

Mr. Speaker, passage of this legislation will give homeowners needed relief from this inequity, and will put recognition in the Tax Code of the special status of the home. I urge my colleagues to join me in supporting the Homeowners Relief Act of 1996.

IN HONOR OF THE GALVESTON
BAY FOUNDATION

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1996

Mr. BENTSEN. Mr. Speaker, I rise to honor the Galveston Bay Foundation and its work to preserve and enhance Galveston Bay. On June 8, 1996, the Foundation will host its sixth annual "Bay Day Festival," a day long enter-

tainment, educational, and recreational event at historic Sylvan Beach County Park in La Porte, TX, to showcase Galveston Bay's many resources.

Galveston Bay is one of southeast Texas' most valuable and most threatened natural resources. Since the 1950s, the Bay has lost more than 30,000 acres of coastal wetlands and 90 percent of its aquatic grass beds. More than half the Bay has been permanently closed for commercial oyster harvesting while the remainder is routinely closed after heavy rainfall. With the completion of Lake Livingston Dam, the Trinity River Delta has been reduced dramatically, eliminating vital wetland habitat.

The Galveston Bay Foundation has played a critical role in helping to reverse this degradation and bring the Bay back to health. The Foundation was formed in 1987 as a non-profit organization made up of commercial fishermen, developers, business people, environmental groups, government officials, recreational interests, and other citizens who sought to increase education and communication about the importance of Galveston Bay to the region.

The Foundation's work to preserve the Bay has four fundamental principals—education, conservation, research, and advocacy. Through these efforts, the Foundation seeks to increase awareness of the multiple uses of Galveston Bay and to increase participation in projects to preserve the natural resources of the Bay.

In 1987, through the leadership of U.S. Senator Lloyd Bentsen, the U.S. Congress designated Galveston Bay as a part of the National Estuary Program in an attempt to solve problems to the Bay caused by pollution, development, and overuse. The Galveston Bay Plan was developed by a consortium of scientists, corporate and governmental representatives, and local citizens. The Foundation has served as a partner in the effort to restore vital Bay habitats, contain contaminated runoff, and curtail sewage and industrial waste. The success of the clean-up is a testament to the Foundation and its ability to reach consensus on a solution to improve the quality of life on Galveston Bay.

The Foundation has also been instrumental in developing environmentally sound approach to modernize the Houston Ship Channel, demonstrating that environmental protection and economic growth can go hand in hand. This innovative plan that will both expand the Houston Ship Channel and contribute significantly to the restoration of Galveston Bay.

This project will use dredged material to restore Galveston Bay's wetlands, creating new wildlife habitats and enhancing recreational benefits. The creation of marshlands, a critical part of the Galveston Bay ecosystem, will provide habitats for thousands of species of plant and animal life, including several endangered species. The three islands to be created under the plan will also provide natural habitats for birds and other wildlife. New boating channels and anchorages will give fishermen and other recreational users increased access to the Bay. The Foundation's role in developing this plan has increased the benefits exponentially for Texas' families and wildlife that rely on Galveston Bay.

I commend the Galveston Bay Foundation for its nine years of service to the committees surrounding Galveston Bay, and I wish the Foundation continued success in achieving its

goals in preserving and enhancing one of Texas' and the nation's most treasured natural resources.

CONTINUATION OF THE SUMMER
YOUTH EMPLOYMENT PROGRAM

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1996

Mr. SANDERS. Mr. Speaker, for the benefit of my colleagues, I would like to have printed in the RECORD this statement by Amy DeCarmine, Amber Johnson, Beth Carmine, and Nathina Roy, high school students from Vermont, who were speaking at my recent town meeting on issues facing young people

The Summer Youth Employment Program has kept us off the streets; kept us from the use of drugs, alcohol and violence of any type. The Youth Program has also given us the experience of how living can be in real life, and how to conserve money for our future.

There can be nothing more positive in our lives than the Summer Youth Employment Program; it is a continuance of encouragement of being a responsible young adult. The Summer Youth Employment Program has been the cause of so many young people being employed, and in some cases it may help to slow down the cycle of the welfare generation. It gives us ideas, training for possible future employment, and it gives us a better idea of what we need to do to accomplish our future. Please help us to keep what has been proven to be a wonderful chance to understand what is expected from us as adults.

It has given us a great source of self-pride in our abilities to contribute and know what this is—that this is a great start in life. And with your support in us, you have also given us hope that you believe in all of us. We need this opportunity to prove that we are serious about our future, and need your consideration to allow us this Program to continue. That's it.

Congressman Sanders: Can you tell us what kind of work you did in the Summer Youth Employment Program?

Answer: I've been on the Youth Program for two years now. And, the first year I worked at Project Independence, which is helping elderly people take care of themselves and entertain them. And last summer, I cleaned the elementary school of Williamstown to get [it] ready for school.

Answer: I've only been in this for one year, which was last year, but I worked with Amber at the elementary school cleaning, and I thought it was a really great thing, because a lot of people that are inexperienced, like under 16, [employers] don't want to hire you * * *

Answer: I worked at a hospital as a spot clerk in the basement, and I was in the program for one year. It was a very good skill because I'm going to be working at a hospital after I graduate.

Congressman Sanders: So I think what you're seeing here is an example of a Federal program which meant a lot to you three, and to tens and tens of thousands of other young Americans.

Answer: Yes.

Congressman Sanders: There is a major debate taking place in Congress right now, as to whether this fund, with this program, should continue to be funded. I prefer, strongly, that it should; but we're fighting against people who prefer to put money into