

the U.S. Trade Representative, argues subsidies to Airbus hurt our companies, skew global markets, and violate the rules of the game. Yet another arm of the administration, the Defense Department, rewards a subsidized company with a \$40 billion contract to purchase illegally subsidized aircraft.

That is the kind of Government decisionmaking that does not add up. It is not common sense, and it raises serious and fundamental questions about how this administration goes about its business.

Does the right hand of the Government know what the left hand is doing? Does one agency respect international rules and their effect while the other one does not? What was USTR's role in this procurement decision? And why did the Defense Department appear to have disregarded it? These and other questions need answers, and I look forward to pursuing these answers with my colleagues.

Until we hear a full accounting of this issue, I am left with an uneasy feeling that last week's decision by the Defense Department does little for the common good or common sense.

Mr. President, I wish now to speak on an amendment I am going to offer when we get to the budget resolution. I will offer the amendment when we are on the resolution. I can either make my statement now or wait until we get to the resolution.

The ACTING PRESIDENT pro tempore. Time is expired.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 70, which the clerk will report.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 70) setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I wish to speak on the budget resolution and about an amendment I will offer when that amendment is in order. As I understand, that will be after the luncheon hour.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAUCUS. Mr. President, the author and poet, Cervantes, had a character say:

My wages . . . I have earned with the sweat of my brows.

And so it is with America's hard-working families. They have earned their wages with the sweat of their brows. This afternoon, along with a number of other Senators, I intend to offer an amendment that would take the surplus in the budget resolution and give it back to hard-working American families who earned it.

First, our amendment makes the 10-percent tax bracket permanent. That is a tax cut for all taxpayers.

Second, we are making permanent changes to the child tax credit. That is a \$1,000 tax credit per child. This tax credit recognizes that a family's ability to pay taxes decreases as their family size increases. Unless we act, the child tax credit will fall to \$500 per child in 2010.

We are making permanent the marriage penalty relief. Couples should not pay more taxes because they are married. This relief makes sure a married couple filing a joint return has the same deductions and tax brackets as they would if they filed as individuals.

We are making permanent the changes to the dependent care credit. This credit is important to working families. It recognizes the increased cost of child care for thousands of Americans, especially child care for households where both parents work outside the home.

We are making permanent the changes to the adoption credit. Most adoptions cost more than \$20,000. This provision offers a credit of \$10,000 for those willing to give a child a home.

This amendment is also important because in it we believe it is important to pause and reflect on the sacrifices our men and women in uniform make for us every day.

Nearly 1.5 million U.S. service men and women have served in Iraq, Afghanistan or both. Nearly 30,000 troops have been wounded in action.

In September, I went to Iraq. I was impressed by what an amazing job our troops are doing. It is astounding. I met many Montanans from small towns such as Roundup and Townsend. I saw firsthand what a heavy burden our troops bear for all of us. They face hardships, they face danger, but they keep at it every day. Today, one small way to support them is to make the Tax Code a little more troop friendly. We can extend the special tax rules that make sense for our military that expire in 2007 and 2008. We can also eliminate roadblocks in the current tax laws that present difficulties to veterans and servicemembers.

One problem this amendment would address is how the Tax Code treats survivors of our fallen heroes. The families of soldiers killed in the line of duty receive a death gratuity benefit of \$100,000. But the Tax Code restricts survivors from putting this benefit in a Roth IRA. Today, we can make sure family members of fallen soldiers can take advantage of these tax-favored accounts. Another hazard in the tax laws impedes our disabled veterans. I am

thinking of the time limit for filing for a tax refund. Most VA disability claims filed by veterans are quickly resolved, but many disability awards are delayed due to lost paperwork or the appeals of rejected claims.

Once a disabled vet finally gets a favorable award, the good news is the disability award is tax free, but the bad news is many of these disabled veterans get ambushed by a statute that bars them from filing a tax refund claim. Today we can give disabled veterans an extra year to claim their tax refunds.

Most troops doing the heavy lifting in combat situations are the lower ranking, lower income soldiers. Their income needs to count toward computing the earned-income tax credit, or EITC. Under current law, however, income earned by a soldier in a combat zone is exempt from income tax. This actually hurts low-income military personnel under the EITC.

The EITC combat pay exception allows combat zone pay to count as earned income for purposes of determining the credit. That way, more soldiers qualify for EITC. But this EITC combat pay exception expired at the end of 2007.

The EITC is a beneficial tax provision for working parents. It makes no sense to deny it to our troops. Today we can help to make combat duty income count for EITC purposes.

In this amendment, we are making permanent provisions to allow combat pay as earned income for purposes of the EITC. This amendment allows hard-working, low-income military personnel to get the full benefit of the EITC.

A soldier's rucksack is heavy enough as it is without loading it down with tax burdens. We owe the soldiers fighting in our Armed Forces an enormous debt of gratitude. This amendment is one small way we can salute our men and women in uniform for all they do.

Also in this amendment, we are giving some certainty to American families on the estate tax. Lowering the estate tax to 2009 levels is the least we can do as we move toward estate tax reform. This is the minimum that we can and will achieve.

And we are committed to exploring what more we can do. We are conducting thorough studies of the issue in hearings on that subject this week.

I plan to offer a second amendment that would dedicate enough additional funds to estate tax reform that we can achieve a \$5 million exemption and a 35-percent rate.

Through these efforts, Congress will show that we support America's small businesses, ranchers, and farmers. Today's amendment also helps to address the housing crisis. Our amendment would allow middle-income taxpayers who do not itemize their deductions to nonetheless get a tax deduction for property taxes. That would give some relief to hard-strapped homeowners.

Now, this amendment will not do everything. But we will do more. As