

deficit. I get a little bit tired of people talking about the need for equity. If we cannot address a situation where some of the most profitable corporations in America pay zero Federal taxes and, in fact, get a tax rebate, then I am not quite sure what this institution is doing.

So we now have an opportunity to move forward, to address our deficit crisis. We have an opportunity to move forward to transform our energy system. We have an opportunity in this amendment to create jobs and break our dependency on fossil fuel.

I ask unanimous consent that the Senate now proceed to a debate on amendment No. 4318; that the time for such debate be limited to half an hour equally divided; that once the time has expired on this debate, the Senate proceed to a vote on amendment No. 4318.

The PRESIDING OFFICER. Is there objection?

Mr. INHOFE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SANDERS. Mr. President, I hear my friend's objection. I think that is unfortunate. The American people should be able to have a different vote and debate on this issue. But I hear what the Senator has said.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, I think the regular order is to go out now. First, I suggest that I will want some time this afternoon to explain what this amendment really does and also to explain in some detail the marginal wells this would affect. The average marginal well in my State of Oklahoma is 2 barrels a day. We are not talking about giants here. This is a totally different situation. We will have an opportunity to pursue that after resuming the regular order.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 1:01 p.m., recessed, and reassembled when called to order by the Presiding Officer (Mr. BEGICH).

The PRESIDING OFFICER. The Senator from Iowa.

ALTERNATIVE MINIMUM TAX

Mr. GRASSLEY. Mr. President, I wish to bring to my colleagues' attention the fact that we have this problem we deal with too often called the alternative minimum tax. I bring it to my colleagues' attention.

Last week, I had an opportunity to address my colleagues on the unfinished tax legislative business. These four items are the unfinished business to which I was referring. The legislation before the Senate deals with only one but, of course, an important piece of the unfinished legislative business. These tax extenders are on their second legislative stop through the Senate.

As the chart shows, the tax extenders, which are overdue by almost half a year, are not alone in that unfinished business. There are three other major areas of unfinished business. As we can see from the chart, we have the death tax with which we have not dealt. Another area is the 2001 to 2003 tax rate cuts and family tax relief package. Then the third area is the AMT patch, the alternative minimum tax.

Over the past few years, the AMT is frequently a subject of many of my addresses to my colleagues. I intend to keep talking about the AMT until this Congress actually takes action on reforming the AMT.

Instead of taking action, Congress this session has done absolutely nothing, and the problem continues to get worse for at least 26 million American families—let me emphasize middle-class American families—who will be caught in this AMT trap and, as a matter of fact, are now already caught.

Those being caught or are caught are the families who make estimated tax payments and who will be making their second payment this very day.

Last year, in 2009, a bit over 4 million families were hit by the alternative minimum tax. I think this was 4 million families too many, but it is considerably better than the more than 26 million additional families who will be hit this year in 2010 if Congress does not take action.

The reason we are experiencing this large increase this year is that over the last 9 years Congress has passed legislation that would temporarily—and only temporarily—increase the amount of income exempt from the alternative minimum tax. These temporary exemption increases have prevented millions of middle-class American families from falling prey to the alternative minimum tax until right now.

While I have always fought for these temporary exemptions, I believe the AMT ought to be permanently repealed. One reason I have previously given for permanent repeal is that it may be difficult for Congress to revisit the alternative minimum tax on a temporary basis every year. Of course, this current situation, now 6 months into this year, proves me right. Congress has yet to undertake any meaningful action on the alternative minimum tax.

The budget resolution, passed well over a year ago, provided revenue room for a short-term extension of the alternative minimum tax patch. That was a lot less than what President Obama's budget did, which made the patch permanent.

On this point, since too often people think I do not agree with President Obama enough, this is one point where I believe the tax policy of President Obama has it exactly right.

About 18 months ago, much to the criticism of some on the other side, I made the 2009 AMT patch an issue in the economic stimulus legislation. The reason I did is that 24 million middle-

class families would have, on average, paid \$2,400 more in income taxes for 2009 if the patch had been abandoned. For those 24 million people, paying \$2,400 more into the Federal Treasury would have been a real hurt. My 2009 AMT patch amendment was adopted in the stimulus legislation by the Finance Committee. That was 18 months ago.

Despite assurances the AMT relief is an important issue, nothing has actually been put forward as a serious legislative solution this year. Again, we can see the checklist chart. There has been no House committee markup or floor action, no Senate committee markup or floor action. This year is almost half done. A theoretical discussion is not a substitute for real action, to which anyone making a quarterly payment today will attest.

I am hopeful I can get folks on Capitol Hill rethinking about the AMT and realize that it is a real problem right now. Everyone seems to agree that something needs to be done quickly, but the discussion does not go any further than just discussion.

The second quarterly payment is due today. Today taxpayers across the country are under a legal requirement to pay their estimated taxes, and with it the additional money that would be owed because the AMT has not been patched. They would use form 1040-ES. I bet I will be here September 15 when the third payment comes due saying largely the same thing.

Congress does not seem to be under any pressure to actually take action. Many on the other side insist that, unlike new spending proposals or extensions of existing programs, AMT reform should happen only if it is revenue neutral. That means any revenues—I want to put quotes around these words—any revenues “not collected” through reform or repeal of the AMT must be offset by new taxes from somewhere else.

Notice I said “collected,” and I did not say “lost.” This distinction is important for the simple reason that the revenues we do not collect as a result of AMT relief are not, in fact, lost to the Treasury. The AMT collects revenues it was never supposed to collect in the first place. In other words, middle-class income people were not supposed to pay this tax in the first place—that is that 24 million—because this AMT was originally conceived as a mechanism to ensure that high-income taxpayers were not able to completely eliminate their tax liability. From that standpoint, even the AMT has failed because in 2004, IRS Commissioner Everson told the Finance Committee the same percentage of taxpayers continue to pay no Federal income tax as they did back in 1969. Even I think, on raw numbers, it is a much larger number. Back then it was only 155 taxpayers.

Today, at least 24 million to 26 million middle-class families are in these alternative minimum tax crosshairs. That is quite a change from the 155