The House met at 9 a.m. and was called to order by the Speaker.

PLEDGE OF ALLEGIANCE
The SPEAKER. Will the gentleman from Pennsylvania (Mr. THOMPSON) come forward and lead the House in the Pledge of Allegiance.

Mr. THOMPSON of Pennsylvania led the Pledge of Allegiance as follows:
I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER
The SPEAKER. The Chair will entertain up to five requests for 1-minute speeches on each side of the aisle.

PULMONARY HYPERTENSION AWARENESS MONTH
(Mr. BRADY of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)
Mr. BRADY of Texas. Mr. Speaker, I rise today in honor of Pulmonary Hypertension Awareness Month and the outstanding work of the Pulmonary Hypertension Association. It is hard to believe that just over 20 years ago pulmonary hypertension patients were given less than 3 years to live and no treatment options. Today, there are 14 FDA-approved treatments for patients with this rare condition, and they continue to live longer.

I am proud of the work of the Pulmonary Hypertension Association and their volunteers and leadership over the past decade and a half, and I am glad to be a small part of it.

My inspiration was a 5-year-old patient named Emily, the daughter of my dear friend Jack Stibbs. Thanks to medical advancements, Emily graduated from Vanderbilt University and is leading an amazing life.

Mr. Speaker, I encourage my colleagues to continue to support critical research efforts to improve the lives of our PH patients.

HONORING REGINALD F. LEWIS
(Mr. CUMMINGS asked and was given permission to address the House for 1 minute.)
Mr. CUMMINGS. Mr. Speaker, I rise in honor of a native son of Baltimore, Maryland, Mr. Reginald F. Lewis.
Let me also acknowledge the presence of many of the Lewis family members in the gallery, including his mother, Carolyn; widow, Loida; daughter, Leslie; and brother, Anthony.
From November 30 to December 1, 1987, 30 years ago, Mr. Lewis negotiated the $985 million leveraged buyout of Beatrice International Foods. At the time, it was the largest leveraged buyout of an American company’s overseas assets, and it led to the creation of what the New York Times identified in 1993 as the largest corporation in the United States led by an African American.
Mr. Lewis’ accomplishments changed the face of American business forever and opened new doors of opportunity on Wall Street. His substantial philanthropic gifts have also continued to benefit Baltimore and, indeed, the Nation. They help young Americans of color to dream bigger, and in Lewis’ own words, to ‘keep on going, no matter what.’

I invite everyone to join me in celebrating and honoring Reginald Lewis’ memory and extraordinary accomplishments.

CONGRATULATING NORTH HUNTERDON WOMEN’S CROSS COUNTRY TEAM
(Mr. LANCE asked and was given permission to address the House for 1 minute.)
Mr. LANCE. Mr. Speaker, I rise today to recognize an important athletic achievement in New Jersey’s Seventh Congressional District. The North Hunterdon High School women’s cross country team won the State Meet of...
Champions. The North Hunterdon Lions are an historic and distinguished program, winning seven State cross country championships over the years. I commend these young women on their athletic achievement. I can only imagine how proud their parents and families must be.

It is encouraging that the hard work of these young women has been rewarded with success. Their perseverance and commitment should be commended. I also express my heartfelt congratulations to their coach, Sean Walsh. With Coach Walsh’s steadfast leadership, the North Hunterdon women’s cross country team was able to realize its full athletic potential. And these young women are distinguished academically as well. Congratulations to all who were involved.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MITCHELL). The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is in violation of the rules of the House.

PROTECTING AN OPEN INTERNET

(Ms. ESHOO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ESHOO. Mr. Speaker, last week, FCC Chairman Pai circulated his plan to extinguish the most important technological achievement in modern history: the free and open internet. His plan guts the 2015 open internet rules and removes the FCC as the cop on the beat to protect consumers online.

Without protections against blocking, throttling, or paid prioritization, there will be nothing to stop ISPs from slowing or blocking a website or charging consumers more to access certain content. It would allow ISPs to pick winners and losers by charging small businesses tolls to reach potential customers online, and they will be able to control the flow of information on the internet.

Millions of Americans cheered for the 2015 rules to protect the open internet, rules that have been upheld by the courts. With those rules in place, ISPs have been less likely to mess with content. Meanwhile, investment in the online ecosystem continues to grow with innovative new apps and more buildout of broadband.

I stand here in opposition to Chairman Pai’s plan, and I urge my colleagues to do the same. The internet belongs to all of us, not just the big ISPs.

SHERIFF HARVEY GJESDAL RETIRES

(Mr. NEWHOUSE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEWHOUSE. Mr. Speaker, I rise today to recognize Sheriff Harvey Gjesdal of Douglas County, Washington, for his significant contributions to the safety of the constituents in the Fourth District and to congratulate him on his recently announced retirement.

Sheriff Gjesdal has served in Washington State law enforcement for over 30 years. He began his career in 1985, at the Garfield County Sheriff’s Office, and he spent 8 years in the Bellevue Police Department before landing in Douglas County in 1995. He was promoted to sergeant in 2000 and elected to his current position in 2006.

Additionally, he served in the U.S. Coast Guard Reserve for 26 years, where he was activated four times, including two tours in the Middle East.

For the last 22 years, Sheriff Gjesdal has been promoting safety and building strong relationships in central Washington. I am thankful for his leadership and compassion, and I urge my colleagues to join me in congratulating him on a successful career.

INTERNATIONAL HUMAN RIGHTS MONTH

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, today 9 million children are at risk of losing their access to healthcare and millions of parents are losing sleep as funding for the Children’s Health Insurance Program expires.

Community health centers across the country are at risk of steep cuts, forcing them to lay off medical professionals and turn away thousands of patients as their funding expires. DREAMers, who know no other home than America, are at risk of deportation as their DACA status expires.

Military families, who serve a nation at war, are at risk of going without pay as government funding expires.

But instead of passing legislation to ensure children have access to healthcare, to keep community health centers open, to protect our DREAMers, and to support military families, the majority is too focused on cutting taxes for the wealthiest individuals in America. This is a shameful failure to act in the best interests of the American people.

ORGANIC PRODUCTION IS GROWING IN PENNSYLVANIA

(Mr. THOMPSON of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON. Mr. Speaker, this week I had the opportunity to meet with a number of organic farmers to discuss the upcoming farm bill and its impact on organic production.

In recent years, organic production has continued to grow in Pennsylvania,
Pennsylvania being the second largest State for organic production, and in many other States.

There are a number of programs authorized in the farm bill, including Beginning Farmers and Ranchers, that help provide financial assistance and planning assistance for new farmers and farms. Access to programs such as these is essential for supporting the next generation of farmers and growing American agriculture.

As it relates to organic, the farm bill contains numerous provisions and programs tailored to organic producers. This includes conservation assistance through EQIP Organic Initiative, the Market Access Program, Organic Agriculture Research and Extension, and competitive grants.

The Horticulture title also includes the National Organic Certification Cost Share, marketing and data collection, the Organic Program, and the Organic Check-Off Program.

Mr. Speaker, supporting agriculture of all forms through the farm bill is critically important for the industry, rural communities, and, quite frankly, all Americans.

Mr. RUIZ. Mr. Speaker, Congress must act to help our veterans exposed to burn pits and must act now. In Iraq and Afghanistan, the military used burn pits to get rid of huge piles of trash, exposing our men and women in uniform to toxic chemicals and carcinogens in the air and soil—veterans like my constituent and my friend Jennifer Kepner, a mother who died of pancreatic cancer in October 2017.

That is why I urge a vote on H.R. 1279, the Helping Veterans Exposed to Burn Pits Act that I support and cosponsor. This bipartisan bill will create a center of excellence within the VA that will help diagnose, treat, and rehabilitate veterans who were exposed. Veterans will be served by staff with specialty expertise needed to address the kinds of health conditions those exposed now suffer.

This bill also directs the VA and DOD to establish a program to train their health providers to treat veterans exposed and to study the long-term effects of exposure. So I urge all of my colleagues to support this critical bill and bring it to a vote immediately to help save our veterans lives.

H.R. 1699

HELP VETERANS EXPOSED TO TOXIC BURN PITS

Mr. RUIZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. RUIZ. Mr. Speaker, Congress must act to help our veterans exposed to burn pits and must act now. In Iraq and Afghanistan, the military used burn pits to get rid of huge piles of trash, exposing our men and women in uniform to toxic chemicals and carcinogens in the air and soil—veterans like my constituent and my friend Jennifer Kepner, a mother who died from pancreatic cancer in October 2017.

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Maine, Zia Credit Union in New Mexico, Manhattan Bank in Montana, and the list goes on and on and on. Lenders are leaving the market.

As we know, many consumers who live in rural areas, including those in the Fifth District of Texas whom I have the pleasure and honor of representing, they just don’t have access to rental options or other affordable housing. So the CFPB rules are unfairly penalizing rural residents and working families, many of whom happen to be retirees, single parents, working families, veterans, and they simply want to buy a manufactured home that they can live in. They are being denied that opportunity.

So here in Washington, inside the very elite beltway bubble, there is simply not an appreciation for manufactured housing and the role it plays in our vital affordable housing component.

But let’s listen to what the American people tell us outside of the beltway. A 75-year-old retiree from Pleasant Prairie, Wisconsin, said he purchased a manufactured home because “it was affordable, and it was in a desirable location.”

A 57-year-old single mom from Albuquerque, New Mexico, purchased a manufactured home. She said: “It provided the best value for the money. There were no other housing options available. I searched for over a year to find a manufactured home. All of the single-family homes in the area were over $100,000, which was out of my price range.” Manufactured housing is within the price range of many working Americans.

A 28-year-old single mom of two from Jenera, Ohio, she had been renting. She wanted her own home. And when she purchased it, she said, she “found this, allowed us to own a home for less than we would have to pay to rent another.” Stories like this are commonplace all over America, Mr. Speaker. And it is why it is so important that we recognize the rights of our fellow citizens to give them the opportunity of affordable housing. You can’t protect consumers by protecting them out of their homes.

Manufactured housing is affordable housing.

So we have a regulation from an agency that is supposed to be protecting consumers, but, instead, it is preventing families from purchasing affordable housing. We must change that.

We have to pass this bipartisan bill, H.R. 1699. With just a few minor clarifications to the definition of mortgage originator, loan originator, and high-cost mortgage, this bill will ensure that consumers of small-balance mortgage loans have access to the mortgage credit they need. These minor technical clarifications will help preserve consumer choice and financing options for those seeking to buy a manufactured home.

Now, some on the other side of the aisle will say: Well, this eviscerates important consumer protections. Well, number one, loans under this bill will still be covered by the Truth in Lending Act, the Fair Housing Act, the ability to repay rules, Equal Credit Opportunity Act, and all of the consumer protection laws passed by the various States and localities.

So let’s support working Americans. Let’s support affordable housing. Let’s support Mr. BARR’s H.R. 1699.

Mr. Speaker, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 1699 which would undermine the Dodd-Frank Wall Street Reform and Consumer Protection Act and eliminate consumer protections for some of the country’s most vulnerable borrowers.

Mr. Speaker, the title of this bill paints itself in a false face that purports to preserve access to manufactured housing. So I want to be very clear about what this bill is and what it is not about, and who will win and who will be harmed if this bill is signed into law.

This isn’t about regulatory burdens, reducing access to credit. The lending volume in the manufactured housing industry has gotten back to where it was before the Consumer Financial Protection Bureau put new regulations in place.

This isn’t about credit unions and community banks not being able to enter the manufactured housing market. Many credit unions already underwrite mortgage loans and chattel loans for manufactured housing. But what H.R. 1699 is about is one-stop-shop megainstitutions like Clayton Homes, owned by billionaire Warren Buffett, which has almost half of the market share for manufactured housing lending.

His manufactured housing empire profits in every imaginable way in this sector from producing housing, to selling housing, to originating the loans that take advantage of vulnerable customers and leave them with virtually no way to refinance.

This bill makes it easier for financial titans like billionaire Warren Buffett to earn even more profits at the expense of some of the most vulnerable consumers in our country.

I show this ad because they would have you believe that Clayton Homes is separate from all of the other entities that they have under Clayton Homes. One would think that, simply, Clayton Homes is the seller of these mortgages. But they are entities with different names. They are under Vanderbilt. They are under HomeFirst. They are under Benjamin Moore, and they are under Oakwood Homes.

So sometimes people think perhaps, if they are not getting the kind of service that they want when they are looking for a mortgage, that they will go to some other place other than Clayton.

But they end up literally going to other entities owned by Clayton Homes.

This is a Warren Buffett bill. This is a Clayton bill. And to tell you the truth, this institution is not in the business of originating legislation for particular businesses. This is what this is all about. And I will show you how they do it.

They have different names on their operations, but the ads all look the same. “We will beat the match. We will beat the match.” Same ads for TruValue and the other entities owned by them, but they all belong to Warren Buffett and Clayton.

This bill, again, would harm manufactured housing consumers who are typically more vulnerable than the average homeowner. They are low-income buyers, rural buyers, minority buyers. And reports from the Consumer Financial Protection Bureau, the Manufactured Housing Institute, and the Center for Public Integrity have all shown us that this measure would not create access to affordable housing; but it would, instead, allow an incredibly profitable industry to make even more money at the expense of low-income and rural homeowners, even if the industry itself asserts that it has been growing and highly profitable, even in the years after Dodd-Frank, and the Consumer Bureau’s mortgage protections have been in place.

So just take a look at this. If you take a look back what was happening in 2003, where they had 18 percent share in the market, now they have 39 percent. This is all Clayton, 39 percent. And their portfolio includes about $12.5 billion in customers.

So I would like to just reiterate again that this is about Warren Buffett and this is about Clayton. Let me just share with you that Berkshire Hathaway chairman Warren Buffett has also used its post-Dodd-Frank Act profitability of manufactured housing.

Clayton Homes is Berkshire’s highly profitable manufactured housing subsidy, and it earned a total of $744 million in 2016, a 33 percent increase over 2014. Yes, that is a 33 percent increase after the Dodd-Frank Act rules were in place. Unfortunately, this is the same Clayton Homes that was the subject of a multipart Seattle Times and Center for Public Integrity joint investigation.

Mr. Speaker, the Seattle Times did a scathing series on Clayton. I include in the RECORD these articles that were done by The Seattle Times. Everyone should avail themselves of this damaging information.

[From the Seattle Times]

THE MOBILE-HOME TRAP: HOW A WARREN BUFFETT EMPIRE PREYS ON THE POOR

(By Mike Baker and Daniel Wagner)

FIRST OF A SERIES

EPHRATA, GRANT COUNTY.—After years of living in a 1963 travel trailer, Kirk and Patri- cia Ackley found a permanent house with enough space to host grandkids and care for her aging father suffering from dementia.

THE MOBILE-HOME TRAP: HOW A WARREN BUFFETT EMPIRE PREYS ON THE POOR

(From the Seattle Times)
So, as the pilot cars prepared to guide the factory-built home up from Oregon in May 2006, the Ackleys were elated to finalize paperwork waiting for them at their loan broker’s kitchen table.

But the closing documents he set before them held a surprise: The promised 7 percent interest rate was now 12.3 percent, with monthly payments of $1,100, up from $700.

The terms were too extreme for the Ackleys. But they’d already spent $11,000, at the dealer’s urging, for a concrete foundation to accommodate this specific home. They could look for other financing but desperately needed a space to care for their father.

Kirk’s construction job and Patricia’s Walmart job together weren’t enough to afford the new monthly payment. But, they said, the broker was willing to inflate their income in order to qualify them for the loan.

“You just need to remember,” they re-called him saying, “you can refinance as soon as you can.”

To their regret, the Ackleys signed.

The disaster deal ruined their finances and nearly their marriage. But until informing stunned friends and family, they realized that the homebuilder (Golden West), the dealer (Oakwood Homes) and the lender (21st Mortgage) were all part of a single company.

Berkshire Hathaway’s Clayton, a billion-dollar a year, with its perfect bond rating, could pro-vide the resources the Ackleys needed to repay the company. As long as the Ackleys signed for the deal, they had to deliver $1,100 a month, even if it meant foreclosing their home.

Clayton has hired the stars of the reality-TV show “Duck Dynasty” to appear in ads. Clayton has also hired the Ackleys. The couple now work as Clayton salespeople, selling the same mobile homes they could not afford just six months earlier.

GUIDED INTO COSTLY LOANS

As Buffett tells it, his purchase of Clayton Homes came from an “unlikely source”: Visiting students from the University of Tennessee gave him a copy of a book titled “First, Things First: A Self-Paced Program for Achieving Your Life’s Purpose.”

“I read the book and thought, ‘What a great idea,’ ” Buffett later wrote. “‘That income should be carefully managed.’”

In 2003, Berkshire Hathaway quickly bought up Clayton's homebuilding company for $1.7 billion in cash. Buffett was convinced that Clayton was the real deal. Clayton was profitable every year, generating $58 million in pre-tax earnings in 2014.

The company’s tactics contrast with Buffett’s public profile as a financial sage who values responsible lending and helping poor Americans purchase a home.

Berkshire Hathaway spokeswoman Carrie Sova and Clayton spokesman Audrey Saunders ignored more than a dozen requests for comment by The Seattle Times and Center for Public Integrity in an emailed statement, Saunders said Clayton helps customers find homes “in a way that provides for a better life, one home at a time.”

Clayton provided more than half of new mobile-home loans in eight states. In Texas, where Clayton dealers often sold homes with no cash down payment, numerous borrowers said they were pressured to take on outsized payments by dealers promising that they could later refinance. And the average loan term actually increased from 21 years in 2007 to more than 23 years in 2009, the last time Berkshire disclosed that detail.

Clayton’s loan to Dorothy Mansfield, a disabled Army veteran who lost her previous North Carolina home to a tornado in 2011, in- cludes key features that Buffett condemned a loan with a credit score of 474, court records show. Although she had seasonal and part-time jobs, her monthly income was below the minimum needed for eligibility benefits. She had no money for a down payment when she visited Clayton Homes in Fayetteville, N.C.

The dealer didn’t request any documents to verify Mansfield’s Income or employment, records show.

Mansfield’s monthly payment of $670 was almost 90 percent of her guaranteed income. Within 18 months, she was behind on payments. And that her family already owned free and clear.

Many borrowers interviewed for this inves-tigation described being steered by Clayton dealers into Clayton financing without real- izing the companies were one and the same. Sometimes, buyers said, the dealer described the financing as the best deal available. Other times, the Clayton dealer said it was the only financing option.

Kevin Carroll, former owner of a Clayton-affiliated dealership in Indiana, said in an interview that he uses a Clayton lender to finance inventory for his lot. If he also guided homeowners to work
The government has known for years about concerns that mobile-home buyers are treated unfairly. Little has been done.

Fifteen years ago, Congress directed the Department of Housing and Urban Development to examine lending terms and regulations in order to find ways to make mobile homes affordable. That’s still on HUD’s to-do list.

The industry, however, has protected its interests vigorously. Clayton Homes is represented in Washington, D.C., by the Manufactured Housing Institute (MHI), a trade group that has a Clayton executive as its vice chairman and another as its secretary. CEO Kevin Clayton has represented MHI before Congress.

MHI spent $4.5 million since 2003 lobbying the federal government. Those efforts have helped the company escape much scrutiny, as Buffet’s persona as a man of the people, analysts say.

“There is a Teflon aspect to Warren Buffett,” said James McRitchie, who runs a widely read blog, Corporate Governance.

Still, after the housing crisis, lawmakers tightened protections for mortgage borrowers with a sweeping overhaul known as the Dodd-Frank Act, creating regulatory headaches for the mobile-home industry. Kevin Clayton complained to lawmakers in 2011 that the new rules would lump in some of his company’s loans with “subprime, predatory” mortgages, making it harder for mobile-home buyers “to obtain affordable financing.”

Although the rules had yet to take effect that year, 99 percent of Clayton’s mobile-
home loans were so expensive that they met the federal government’s “higher-priced” threshold.

Dodd-Frank also tasked federal financial regulators with lowering appraisal requirements for risky loans. Appraisals are common for conventional home sales, protecting both the lender and the consumer from a bad deal.

Clayton’s own data suggest that its mobile homes may be overpriced from the start, according to comments it filed with federal regulators. When Vanderbilt was required to obtain appraisals before finalizing a loan, company officials wrote, the home was determined to be worth less than the sales price of the time.

But when federal agencies jointly proposed appraisal rules in September 2012, industry objections led them to exempt loans secured solely by a manufactured home.

Then Clayton pushed for more concessions, arguing that manufactured-home loans tied to land should also be exempt. Paul Nichols, then-president of Clayton’s Vanderbilt Mortgage, told regulators that the appraisal requirement would be costly and onerous, significantly reducing “the availability of affordable housing in the United States.”

In 2013, regulators conceded. They will not require a complete appraisal for new manufactured homes.

Ms. MAXINE WATERS of California. Mr. Speaker, the investigation found that Clayton locked one disabled veteran in Tennessee, Ms. Dorothy Mansfield, into an expensive loan even though the required monthly payment would leave her with only $27 a month to cover the costs of living.

Worst, it was a no-documentation loan, meaning that no one even bothered to verify Dorothy’s income. The investigation also found that Clayton Homes’ in-house lender, Vanderbilt Mortgage, charged minority borrowers substantially higher rates, on average, than their White counterparts.

Unfortunately, this appears not to have been an isolated incident as Federal data reveals that Vanderbilt Mortgage typically has charged African-Americans with down payments who make more than $75,000 a year more than White people who make only $35,000 a year.

Other Clayton Homes borrowers were quoted excessive loan terms only to see interest and fees rocket once they had put down a nonrefundable deposit or paid out large amounts of money to prepare their land for installation of the manufactured home.

Just like subprime mortgage loan borrowers who were preyed on before the financial crisis, many consumers who purchased manufactured housing were convinced to take out high-cost loans based on false promises that they would be able to refinance to lower interest rates, the inability to refinance, meaning that no one even bothered to verify Dorothy’s income. The investigation also found that Clayton Homes’ in-house lender, Vanderbilt Mortgage, charged minority borrowers substantially higher rates, on average, than their White counterparts.

Unfortunately, this appears not to have been an isolated incident as Federal data reveals that Vanderbilt Mortgage typically has charged African-Americans with down payments who make more than $75,000 a year more than White people who make only $35,000 a year.

Other Clayton Homes borrowers were quoted excessive loan terms only to see interest and fees rocket once they had put down a nonrefundable deposit or paid out large amounts of money to prepare their land for installation of the manufactured home.

Mr. Speaker, I urge my colleagues to oppose this rip-off bill, and I reserve the balance of my time.
housing costs of $875 per month. The payment he would have been investing in his own home would have been less than what he was spending on rent. But he couldn't get financing. He contacted his local banks and credit unions, but they no longer finance manufactured home purchases up to $75,000.

This is not about Warren Buffett. This is about helping low-income Americans achieve the American Dream. The reasons for this crippling lack of credit are unaccountable, unelected bureaucrats in Washington, D.C., at the Consumer Financial Protection Bureau and their “high-cost” loan regulations and the definitions of mortgage originator and loan originator established in the Dodd-Frank Act.

These regulations fail to take into account the unique circumstances associated with manufactured housing and the fixed costs associated with the purchase of any home, large or small. They fail to recognize the simple, mathematical fact that fixed costs on smaller loans translate into higher percentages of the total loan. They fail to recognize that even if interest payments on manufactured homes are more than your average home, the payments are still more affordable than the all-in cost of a site-built home or even rent in many markets.

This is especially the case when one considers that purchasing a manufactured home as opposed to renting allows you to build equity, leading to financial stability for their families.

This bipartisan bill, the Preserving Access to Manufactured Housing Act, recognizes the unique nature of manufactured housing, something that bureaucrats in Washington don't know anything about. They don't know anything about what goes on in rural America. This fixes these government-caused problems by modifying the definitions of loan originators and mortgage originators to exclude manufactured housing retailers and sellers from the definition of a loan or mortgage originator, so long as they are only receiving compensation for the sale of the home and not engaged in loan offerings.

The legislation also increases the thresholds for high-cost loans to accommodate manufactured home purchases of up to $75,000.

Mr. HENSARLING. Mr. Speaker, I yield an additional 20 seconds to the gentleman from Kentucky.

Mr. BARRELL. Mr. Speaker, I thank the chairman for the additional time.

Mr. Speaker, it accommodates manufactured home purchases up to $75,000 while maintaining the tough restrictions on lenders to prevent any borrowers from being taken advantage of. Yes, this preserves those consumer protections.

As Members of Congress, we have an obligation to protect the American people from regulations that harm their ability to purchase an affordable home for themselves and their families. We need to end government policies under the guise of consumer protection that are actually protecting Americans right out of homeownership.

It is true that the Consumer Financial Protection Bureau and their “high-cost” loan regulations and the definitions of mortgage originator and loan originator established in the Dodd-Frank Act.

I thank the chairman for his leadership on this issue and I applaud both Democrats and Republicans who support this commonsense solution.

Ms. MAXINE WATERS of California. Mr. Speaker, what you just heard was a description of what some who represent some of these rural communities are doing for them or not doing for them. They say: Vulnerable consumer, you can have a loan at 18 percent. We know you can’t afford it, and we will just come and repossess your manufactured housing. The folks I know are just part of those 17 million people who live in manufactured housing.

If Congress got rid of manufactured housing, the national homeownership rate and price would bust. So manufactured housing, no doubt, is important and is an affordable alternative for many people.

But that doesn't mean the lender can rip them off. That doesn't mean the lender can pick their pockets, and that doesn't mean that the lender can let some big monopoly reach in the borrower's pockets and take their money away from them.

Just because the loan payment on manufactured housing might be lower than rent doesn't mean they get to up the skimp. They have still got to be fair to people.

Look, for folks who are watching this debate, it is important to understand what we are really talking about. I am going to boil it down as best I can. We are saying: If you live in manufactured housing and if the loan is going to be extra high in the interest rate, if the interest rate is 6% or 8% above the annual percentage rate, you could bring you as high as the ranking member said, 18 percent, then certain things kick in for you.

If they are going to charge borrowers that kind of interest rate, the law says we are going to look out for them by saying that the lender has to explain the consequences of default—it will ruin the borrower's credit—that the lender has to disclose the loan terms in the monthly payment, that the lender has to ensure that the borrower receives homeownership counseling. And this is really important: under another regulation, the lender is forbidden from being the dealer and steering that person to a lender. In the case of Clayton Homes, they are both.

They will sell the borrower the unit and give them the loan. They will say: Hey, do you know what? We are going to sell you a new unit here. Don't worry about borrowing or where to look for a loan. We got you covered. We are in that business.

They are a monopoly. What is happening here, Mr. Speaker, is that all these protections that a high-cost-loan borrower is about to face this legislation takes away. That is all we are talking about here. We are saying that if a borrower is going to get a high-cost loan, then he should get certain protections. The borrower is going to get the information and counseling. People should tell the borrower what is going to happen if he defaults.

They are saying: Hey, man, that is getting in the way of my money. We don't want you telling them what their rights are because that is interfering with the millions and millions that we are going to get out of them. A dumb consumer works out for our monopoly just fine, a smart one not so much.

That is what this is all about.

Now, I want to just say—giving my friends on the other side of the aisle the best of intentions—that we do have a philosophical debate here. We believe this is the problem—if there is one—of people lending in this market is not that there are consumer protections, but it is that there is a huge monopoly.

If the Congress wants to fix the problem of manufactured housing, then break up that monopoly. If the Congress wants to get more entrants into the market and get some downward competition in price, then break up the monopoly.
Ms. MAXINE WATERS of California. Mr. Speaker, I yield the gentleman from Minnesota an additional 30 seconds.

Mr. ELLISON. The theory of this legislation is that consumer protection is why you have seen some entrants, some lenders, not be in this space. Our knowledge and our facts indicate that it is because we have got a big, giant monster that controls the whole market.

If Congress wants to do something for manufactured housing residents, we can do it, we can do it now, and we urge Members to vote “no” on this piece of legislation.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. LUETKEMEYER), chairman of the Financial Services Subcommittee on Financial Institutions and Consumer Credit.

Mr. LUETKEMEYER. Mr. Speaker, I thank the gentleman from Kentucky (Mr. RAEM) for his continued commitment to issues surrounding the availability of affordable manufactured housing. He has been a patient champion on this and many other issues that impact Americans seeking access to affordable housing.

The legislation we consider today amends the Truth in Lending Act to specify that a retailer of manufactured housing is not a “mortgage originator” subject to requirements under that act. Similarly, communities can face a severely constricted ability of banks and credit unions to be able to make these kinds of loans.

Housing options in rural America aren’t necessarily the same as those offered in other parts of the Nation. Our rural communities can face a severely limited affordable housing stock, making the availability of and financing for manufactured housing all the more important.

That may not be significant to every Member of this body, but it is certainly important to me and my constituents. Roughly 10 percent of them live in manufactured housing. It is important to the more than 20 million Americans living in manufactured housing today and the many Americans who will turn to manufactured housing to fulfill their housing needs.

As someone whose first home was actually a manufactured home, I can tell you that this is extremely important to lots and lots of people in communities in my district.

Some of my colleagues on the other side of the aisle have suggested this legislation will dilute consumer protections. To the contrary, this bill maintains consumer protections. H.R. 1699 allows, for example, continued CFPB oversight of manufactured housing loans, requires that consumers be provided with the full litany of disclosure requirements, and maintains the “ability to repay” requirements established in Dodd-Frank. The idea that this legislation guts consumer protections, Mr. Speaker, is simply not true.

There has also been the charge that this legislation would help retailers that originate mortgages. To be clear, H.R. 1699 does not exempt parties that are actual mortgage originators. If a retailer is compensated for acting as a mortgage originator, the legal requirements that apply to other mortgage originators will still apply to them after passage of this bill.

Manufactured housing provides not just a housing alternative, but an opportunity for individuals and families to become homeowners. This legislation ensures that manufactured housing remains available and affordable, without eroding important consumer protections.

Mr. Speaker, I urge my colleagues to support this important measure.

Mr. BEATTY. Madam Chairwoman from Ohio (Mrs. BEATTY), a member of the Financial Services Committee.

Mrs. BEATTY. Mr. Speaker, I thank the ranking member, Congresswoman WATERS, for standing up for consumers.

As I stand here today, first, let me just say I echo all of the comments of my colleagues on this side of the aisle, and I, too, rise in opposition of H.R. 1699, a bill that would put the lowest-income and most vulnerable consumers at risk of becoming victims of predatory lending. This bill would increase the chances of consumers being steered into higher cost loans when they could otherwise qualify for lower cost alternatives.

As an aside, it is quite interesting to sit here and listen to my colleagues on the other side have such great interest in affordable housing and low-income residents. I have sat on the Financial Services Committee, I have watched them repeatedly cut funds to the budget for low-income residents and not stand up for some of the statements when former Director Richard Cordray came in to talk about the Consumer Financial Protection Bureau and what they have done to stamp out this type of predatory lending.

It is also quite interesting, and I would be remiss not to mention, that last week President Trump appointed the Director of the Office of Management and Budget, Mick Mulvaney, to lead the Bureau, yet he is the same man who spent years trying to eliminate this organization, a man who did not stand up for low-income, affordable housing.

Mr. Speaker, I will end by saying I think we need someone who can stand up for consumers, and I am pleased to hear my colleagues are that they believe in consumer protection and that they are going to advocate for those with low income and they are going to stand up against predatory lending. So it should be interesting, as we move forward.

Mr. Speaker, I am in opposition to H.R. 1699.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico (Mr. PEARCE), chairman of the Financial Services Subcommittee on Terrorism and Illicit Finance.

Mr. PEARCE. Mr. Speaker, I thank the chairman for bringing this subject to the floor.

Mr. Speaker, I suspect I might be one of the few Members of Congress whose first house was a mobile house. Not only that, but I represent a district where 50 percent of the homes are manufactured housing.

I think that it is important that we kind of separate the two discussions. If manufactured homes were long-term, I would be remiss not to mention, that I have heard talked about from the other side, there might not be a discussion today, but that is not what the CFPB did.

What the CFPB did is say that all balloon notes are bad. I can’t find any bank, from the East Coast to the West Coast, that will come into New Mexico and lend $33,000 for a used mobile home and put it on a 30-year note. You can tear up a mobile home within days.

So balloon notes are simply made in order for people to come in and check. They didn’t use them to maybe put bad adjustments and higher interest rates or anything. They just want to be able to look.

A bill they generally put these loans on a 5-year basis. At the end of 5 years, if everything is good, we continue to roll it. We don’t start from scratch. We don’t charge you prejudicial interest.

But all balloon notes were made illegal by the CFPB. They were declared to be prejudicial in their nature when they weren’t.

Qualified mortgages were another way that they shut off the lending for the manufactured housing in our district. The manufacturer-seller financing was another way.

What happens in New Mexico, somebody will buy a trailer house, a manufactured home. They will live in it, pay for it, buy another one, and over their lifetime accumulate 10 or 15. Then, when they retire, they begin to sell one at a time.

If you sell more than one or two, the CFPB said: You are now a broker-dealer, and we are not going to let you operate unless you become licensed. So it shuts in on the access of just one seller selling to another.

We brought the CFPB in. We brought Kelly Cochran, about 5 years ago, to
walk through these and say: Please, we understand what you are trying to do. No one wants to be protecting those who are violating consumer rights, but just get it within its lane.

Kelly Cochran was there for almost an hour and admitted that she was not aware of the many things brought up that were on-the-ground problems. They never changed them. Mr. Cordray continued to assert that he had solved all the problems, when he had never solved any of the problems.

Most is in New Mexico—and I live right on the 'Texas line—in that region of Texas and New Mexico, just quite offering to finance manufactured housing. That meant the people who needed it the most had no access to credit.

We discussed these items in the open hearings many times with the CFPB Director, Mr. Cordray, and it just seemed like they could never get focused on those.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield the gentleman from New Mexico an additional 15 seconds.

Mr. PEARCE. This bill today is simply saying that we have people with a need, and they have to be able to get access to loans to finance houses to live in. It is the way I began. It is the way I want other people in New Mexico to begin. Let's just restore order to the market. That is what we are trying to do.

Mr. Speaker, I support the bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. DAVID SCOTT), a senior member of the Financial Services Committee.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I want to deal with two things quickly in my 2 minutes. I want to deal with the CFPB's directorship, but let me start with clarifying a few things.

First of all, manufactured housing is the cornerstone of affordable housing in this country. Nobody argues that. Manufactured housing is in every State in this Union. In my State of Georgia, it accounts for 12 percent of all the affordable housing units. In some States, it is even higher than that.

I just simply want to clarify why I support the bill. It is because of two things.

One, it is because of the devastating Federal regulations that are on it for these hundreds of thousands and millions of customers. What it is doing is making the American people unable to purchase manufactured housing. I think we have to look at that.

It is also eroding the home values of existing owners of manufactured housing.

Our bill simply moves to correct it by doing three things: we just simply do some technical clarifications to the definition of "mortgage originator," "loan originator," and "high-cost mortgage."

Let me just say this. I was an original sponsor of Dodd-Frank. What we put in there, we made sure that mortgage protection and Dodd-Frank is protected in here, including anybody steering anybody into any kind of loans with predatory implications. So all that I want to do is make these minor adjustments.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield the gentleman an additional 30 seconds.

Mr. DAVID SCOTT of Georgia. I do want to clarify about the CFPB Director, and I want the American people to listen to me.

In section 1011 of Dodd-Frank, paragraph 5, it states this: the Deputy Director of the Consumer Financial Protection Board shall be appointed by the Director and serve as acting Director in the absence or unavailability of the Director.

We wrote this. This is the law. We must abide by it.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS), the vice chairman of the Financial Services Subcommittee on Financial Institutions and Consumer Credit.

Mr. ROTHFUS. Mr. Speaker, I thank the lady for yielding to me and for her continued advocacy for all consumers, particularly the low-income consumers who are affected by this legislation.

I rise in strong opposition to H.R. 1699, a bill that guts consumer protections for buyers of manufactured homes.

For years, the manufactured housing industry has preyed on low-income households, pushing them into high-interest mortgages. Under this bill, buyers of manufactured homes would effectively get less protection than any other home buyers.

On top of that, the bill would encourage higher interest rates on loans for manufactured homes, taking a bigger bite out of families' paychecks.

This manufactured housing bill is actually part of a multipart attack on safeguards implemented by the Consumer Financial Protection Bureau. President Trump has placed OMB Director Mick Mulvaney at the CFPB to destroy it from within, while Republicans in Congress are chipping away at consumer protections from the outside.

Americans deserve better. I really urge my colleagues to stand up for consumers and vote ‘no.’

You know, it is easy to go after those people who live in these trailer parks who are trying to make their way, who are struggling to make ends meet, and this bill adds another layer of problem for them by allowing for higher interest rates. It is just wrong. We should be voting ‘no.’

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman
from Maine (Mr. POLIQUIN), the land of moose, maple syrup, and lobster, a distinguished member of the Financial Services Committee.

Mr. POLIQUIN. Mr. Speaker, I thank the chairman. He forgot pine trees, but that is okay.

Mr. Speaker, I am thrilled to stand up and support H.R. 1699, Preserving Access to Manufactured Housing Act, and I salute Congressman ANDY BARR from Kentucky to bring this forward.

Mr. Speaker, has shown us the highest homeownership rates in the country. We love our homes in Maine. I represent the rural part of our State, and in our State, Mr. Speaker, we have times of the year where the weather is pretty tough.

If you are building a home that is not manufactured in a warehouse, sometimes you literally cannot build that home because of the weather, the snow, and the cold, and what have you. But there is nothing more important, Mr. Speaker, nothing more important than making sure moms and dads across America and across Maine have an opportunity, have as many options as possible to house their kids, to take care of their kids, and make sure they are safe. Manufactured housing, in many parts of the country, is the only affordable option.

Now, H.R. 1699 makes a small, technical change such that folks who want to get into a home and want to take part in the great American Dream of homeownership have the opportunity to get a loan to do this.

Government, Mr. Speaker, is supposed to help our families, not get in the way. Here is an example of us being able to remove an unnecessary restriction that hurts our families and prevents them from having an opportunity to get in their first home.

We need more options, not less, Mr. Speaker. Let’s help our families and not get in the way. This is an example of us being able to remove an unnecessary restriction that hurts our families.

Mr. Speaker, I yield myself such time to the gentleman from Kentucky (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, I thank the gentleman. He forgot pine trees, but that is okay.

This is why Republicans and Democrats have come together in support of H.R. 1699, the Preserving Access to Manufactured Housing Act, authored by the gentleman from Kentucky (Mr. BARR), our friend, to help millions of Americans become homeowners.

Unfortunately, a provision in Dodd-Frank has put homeownership out of reach for many Americans. Specifically, Dodd-Frank and the CFPB modified the criteria and expanded the types of loans from lenders to manufactured home buyers, which are considered to be “high cost.”

As a direct result, lenders are struggling to make these loans because of a high legal risk associated with this “high cost” definition, ultimately harming low-income buyers in Minnesota.

Mr. Speaker, 22 million Americans live in manufactured homes. The majority of these homes are in rural America. In fact, more than 6 out of 10 manufactured homes are located in rural areas. In my home State of Minnesota, manufactured homes are the State’s largest source of affordable homeownership.

Mr. Speaker, when it comes to achieving the American Dream, government should not be standing in the way. As Members of Congress, it is our duty to stand up for and against this continued overreach, support the American Dream, and vote “yes” for H.R. 1699.

Mr. Speaker, I yield myself such time to the gentleman from Georgia (Mr. LOUDERMILK), a distinguished member of the Financial Services Committee.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield my balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. EMMER), another distinguished member of the Financial Services Committee.

Mr. EMMER. Mr. Speaker, I thank the chairman. I want to tell you, I have the greatest respect for the least of these. Whether you are in the urban area, whether you are in the rural area, you deserve the respect and support from your government. And I want you to know, for those who represent these areas, let’s stop being on the side of the people who exploit them, and let’s get on the side of the consumers.

In this last election, we heard a lot about the fact that people in small towns and rural areas were upset with their government and felt nobody cared about them. I want them to ask the people who represent them: Whose side are they on?

Mr. Speaker, I yield 1 1⁄2 minutes to the gentleman from Arkansas (Mr. HILL), a distinguished member of the Financial Services Committee.

Mr. HILL. Mr. Speaker, I thank the chairman. I want to congratulate my friend, ANDY BARR, for bringing this bill back to the floor of the House to be on the side of the consumer, to be on the side of the American Dream, to be on the side of truly affordable housing in so many areas where there is no alternative.

Many in the urban areas of our country, the East and West Coast elites who make financial policy, have no understanding of the value of housing in so many areas there is no alternative.

As a former community banker down in Ashley County and Chicot County, Arkansas, I know the most affordable, best alternative for many of our families is a manufactured home, working with a relative for a plot of land. Dodd-Frank has made that unaffordable and unavailable.

And to that point, I want to say I got a letter from a pal at the Army National Guard who said: I was turned down on a loan that would be cheaper, lower and better for my family.

It was better than the house, the 60-year-old house, that he was renting. That is why we need this bill, and I thank the chairman for bringing it to the floor today.

Mr. MAXINE WATERS of California. Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 1 1⁄2 minutes to the gentleman from Minnesota (Mr. EMMER), another distinguished member of the Financial Services Committee.

Mr. EMMER. Mr. Speaker, I thank the chairman. Mr. Speaker, 22 million Americans live in manufactured homes. The majority of these homes are in rural America. In fact, more than 6 out of 10 manufactured homes are located in rural areas.

In my home State of Minnesota, manufactured homes are the State’s largest source of affordable homeownership.

Mr. Speaker, I reserve my balance of my time.

Mr. HENSARLING. Mr. Speaker, I reserve my balance of my time.

Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LOUDERMILK), a distinguished member of the Financial Services Committee.
Mr. LOUDERMILK. Mr. Speaker, I thank the chairman for yielding time.

Clearly, Mr. Speaker, the overregulation of Dodd-Frank, coupled with unlettered agencies like the CFPB, have hurt Americans from Wall Street to Main Street. But today, Mr. Speaker, I am not here to talk about Wall Street or Main Street but a little two-lane street in Cassville, Georgia, named “Mac Johnson.”

Cassville is a rural community that has a small post office, a little country store, and a lot of hardworking people who call it their home. Many of the people who live in Cassville work at one of the many factories in the local area.

While these hardworking Americans are not the upper middle class, they are the backbone of America’s economy. And like 22 million other Americans, many of them live in a manufactured home. Along Mac Johnson, you will find a number of manufactured homes—individual lots, some on farmland, and some in quaint, little mobile home parks.

As it is across the Nation, almost half of those living in these homes have incomes of less than $30,000 a year, and many are retired or disabled. Historically, manufactured homes have allowed families, who couldn’t afford the cost of a traditionally constructed house, the ability to achieve the American Dream.

However, the CFPB has expanded enforcement of regulations that were designed for mortgage lending on traditional homes to include manufactured home retailers. This has made it much more difficult for consumers to obtain financing for these homes.

Mr. Speaker, this bill reaps in Federal regulations just enough to give needed relief to the manufactured housing industry and allow families access to these affordable homes.

I fully support this bipartisan bill, which gained the support of two-thirds of the Financial Services Committee industry, and I commend my colleague from the great State of Kentucky for bringing this bill forward.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. CROWLEY), the chair of the Democratic Caucus.

Mr. CROWLEY. Mr. Speaker, I thank the gentlewoman from California for yielding me this time.

This bill before us today, H.R. 1699, as I fully support this bipartisan bill, the gentleman from North Carolina (Mr. BUDD), yet another distinguished member of the Financial Services Committee.

Mr. BUDD. Mr. Speaker, I thank the chairman for yielding. I thank my friend, the gentleman from Kentucky (Mr. BARR), for his leadership on this vital issue.

Mr. Speaker, in regulation and in life, one size simply does not fit all. A requirement that works for one type of business may not work for another type of business.

Right now, the law treats those who make loans on manufactured houses similarly to those who are refinancing mortgages on their homes. The reality is that these are completely different transactions.

Buying a $20,000 manufactured home is simply not the same as financing a $200,000 home with a 30-year mortgage. The borrower is in a different position with very different needs. The lender is making a loan that is often secured differently for a much smaller amount, but with similar paperwork and similar costs.

The Federal Government, since Dodd-Frank, has been treating both of these transactions similarly from a regulation perspective. It has hurt borrowers trying to buy a piece of their American Dream.

In The Wall Street Journal, lenders suggested that they would not make these loans if they continued to suffer under this faulty regulation scenario. One lender says that about one-third of its sales—6,100 homes—would be affected. That is 6,100 American families who would lose out on homeownership, on building equity, and on making an investment instead of paying rent.

The bill simply says: Look, the person making a $20,000 loan on a manufactured home is not the same as a bank or a mortgage broker originating a 30-year fixed rate mortgage and there shouldn’t be treated in the same way.

It is a commonsense solution, and that is why it has gotten bipartisan backing.

Mr. Speaker, I urge support of the bill.

Ms. MAXINE WATERS of California. Mr. Speaker, may I inquire as to how much time I have remaining?

The SPEAKER pro tempore (Mr. ROGERS of Kentucky). The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, you have heard the debate on this bill, and I think everyone can easily recognize that we, on this side of the aisle, are trying to protect our most vulnerable consumers. People who live in manufactured housing and mobile homes in trailer parks need to be respected and given the same protections as anybody else with a mortgage.

I would say to those who are here supporting a bill that would allow interest rates on these mobile homes and on this manufactured housing to increase with no protections are putting their constituents at risk.

Mr. Speaker, I ask for a big “no” vote on this bill, and I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 1 1/2 minutes to the gentleman from Tennessee (Mr. KUSTOFF), a member of the Financial Services Committee.

Mr. KUSTOFF of Tennessee. Mr. Speaker, I rise today in support of the Preserving Access to Manufactured Housing Act of 2017, legislation of which I am proud to be an original co-sponsor.

In west Tennessee, where I am from, and in other rural areas across the country, there is no doubt that manufactured housing is a critical and affordable option for many families. In fact, more than 8 1/2 million families—that is roughly 22 million Americans—have chosen this option because of the affordability and the value. Where I am from, one out of ten west Tennesseans has chosen manufactured housing as the best option to make their home.

For this reason, our legislation is essential to protecting consumer choices and financing options for those seeking to buy a manufactured home, while also leaving in place important consumer protections. In fact, close to 60 percent of new manufactured homes sell for less than $70,000, and are usually available at lower monthly payments than what it
costs to rent. Manufactured homes are offered as a fixed rate, fixed term option.

Mr. Speaker, I am pleased to support this commonsense, bipartisan legislation, which will allow many Americans seeking the American Dream of owning a home to have access to affordable manufactured housing.

Mr. HENSARLING. Mr. Speaker, I yield 1 minute to the distinguished gentleman from South Carolina (Mr. NORMAN), a member of the Small Business Committee.

Mr. NORMAN. Mr. Speaker, I rise today in full support of H.R. 1699. I spent 40 years of my career developing land and actually buying manufactured housing, which makes it possible for families who cannot afford a stick-built home, in many cases, to be able to buy a manufactured house. I have seen firsthand the critical role that manufactured housing plays in the development of local communities and the ability for a family to buy their first home.

As we have seen far too often, regulatory overreach by the Consumer Financial Protection Bureau has impeded and stopped, in many cases, the ability for consumers to receive financing for manufactured housing, and has placed unnecessary requirements on retailers. This legislation addresses this overreach by making commonsense reforms to increase the availability and financing for manufactured housing, while maintaining important protections for consumers.

Mr. Speaker, I urge my colleagues to support this important legislation.

Mr. HENSARLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what we have heard this morning, unfortunately, is an assault on affordable housing from too many on the other side of the aisle. We have Washington elites who are deciding that low-income people are too stupid to make decisions for themselves. We have too many people on the other side of the aisle, Mr. Speaker, who want to take them out of their affordable home—manufactured homes—and are saying: No, go rent, go find someplace on the street.

Here is the reality: when Washington elites at the Orwellian named Consumer Financial Protection Bureau decided to make these manufactured housing loans “high cost,” we saw a 22 percent drop in these type of loans being made. But what we know is that this is vital for so many working Americans.

I heard from one consumer in Windsor, New York. Mr. Speaker, I was falling behind on my own site-built mortgage payments. I was drowning in debt. I needed a cheaper housing alternative that would meet the needs of my family. The manufactured home payment cut my overall housing expense by 57 percent.

Mr. Speaker, that is just one example. I have story after story from consumers who this is their only option for affordable housing. Too many of my friends on the other side of the aisle say: No, no, we can’t allow you to do that. You might pay a little higher interest rate.

Well, here is a news flash, Mr. Speaker: their monthly payment is lower and they get to own their own home.

Washington elites have tried price controls before. They have been tried since the dawn of man, and it always leads to shortages.

We don’t want to shortchange working Americans for affordable housing. We want to protect the vulnerable in society and we want to allow them to have affordable housing. That is why it is so important that today we pass H.R. 1699. Protect affordable housing, protect freedom, and let’s vote this in today.

Mr. Speaker, I yield back the balance of my time.

Ms. SINEMA. Mr. Speaker, thank you to Chairman HENSARLING and Congressman BARR for working with me to make housing more affordable for Arizona families.

Mr. Speaker, I rise in support of H.R. 1699, the Preserving Access to Manufactured Housing Act. Manufactured housing is an important form of affordable housing, in particular for rural and underserved communities. More than 300,000 families in Arizona live in manufactured homes. Low- and moderate-income families count on manufactured homes as an affordable choice.

Just last week, we had the honor of working with Habitat for Humanity to help Ed, a Vietnam veteran living in Tempe, spread gravel and improve his front yard. Ed first moved to the Valley in 1950 and bought a manufactured home a few years ago.

If Ed wanted to use his VA eligibility to purchase a home, a realtor would be able to connect Ed with a number of lenders who offer VA home loans. However, if Ed wanted to purchase a manufactured home, he would be instructed to go to a table by himself and sift through the countless brochures and loan programs to decide which lender is best. This is a daunting and discouraging process for most borrowers, especially for first-time homebuyers.

Current regulations harm existing manufactured homeowners and potential buyers by curtailing access to manufactured home loans or assistance in the home-buying process. These regulations unintentionally make it more difficult to match borrowers with lenders who can help them in a timely and efficient manner.

H.R. 1699 is a commonsense fix for Ed and the hundreds of thousands of Arizonans who own or are looking to own manufactured homes. The bill ensures that regulations give homebuyers more options, better advice, and greater confidence when buying a new home. The bill ensures the definition of a high-cost mortgage and corresponding thresholds to ensure that consumers of small-balance mortgage loans will have the opportunity to access mortgage credit.

It was a privilege to meet Ed and thank him for his service to our country. We should make it easier, not harder, for veterans and fellow Arizonans like him to purchase a home of their choice. I urge members of both parties to join me in supporting H.R. 1699.

Mr. Speaker, I move to recommit the bill to its proper committee.

Pursuant to House Resolution 635, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Ms. MAXINE WATERS of California.

Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Ms. MAXINE WATERS of California.

In its current form, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Ms. Maxine Waters of California moves to recommit the bill H.R. 1699 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Add at the end the following:

SEC. 4. PROTECTING CONSUMERS FROM EXCESSIVE HOUSING COSTS AND PREDA-TORY LENDERS.

(a) IN GENERAL.—No lender or other person may make use of the amendments made by this Act if the lender or person has either been:

(1) found to have committed or engaged in an unfair, deceptive, or abusive act or practice under Federal law in connection with any transaction with a consumer for a consumer financial product or service; or

(2) convicted of fraud under Federal or State law in connection with any transaction with a consumer for a consumer financial product or service.

(b) DEFINITIONS.—For purposes of this section, the terms ‘‘State’’ and ‘‘consumer fi-nancial product or service’’ have the meaning given those terms, respectively, under section 1002 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Ms. MAXINE WATERS of California (during the reading). Mr. Speaker, I ask unanimous consent that the reading be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California is recognized for 5 minutes in support of her motion.

Ms. MAXINE WATERS of California.

Mr. Speaker, my amendment is simple. It would prohibit bad actors from being able to use the exemptions in the underlying bill and evade the consumer protections in the Truth in Lending Act.

If a lender has committed or engaged in an unfair, deceptive, or abusive act or practice under Federal law in connection with any transaction with a consumer, it would be barred from using those exemptions in the underlying bill.

It would provide much-needed protection to consumers in California and across the country.
The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, this is a vaguely worded and unneeded MTR.

We continue to hear from our friends on the other side of the aisle that we don’t have sufficient consumer protection in place, but I wonder how denying a low-income family access to credit to buy an affordable home is somehow construed as consumer protection. I wonder how denying a low-income family the ability to own a home at a lower cost with a lower monthly payment somehow can be construed as consumer protection. I wonder how a policy that has led to a 22 percent drop in the availability of manufactured housing credit can somehow be construed as consumer protection.

Only in Washington could you have such an absurd result, but I have good news for all Members of the House. After the passage of H.R. 1699, guess what? Manufactured housing loans will still be subject to the Equal Credit Opportunity Act. They will still be subject to the Fair Housing Act. They will still be subject to the Fair Credit Reporting Act. They will still be subject to the Truth in Lending Act. They will still be subject to the Home Mortgage Disclosure Act. They will still be subject to the Real Estate Settlement Procedures Act. And the list, Mr. Speaker, goes on and on and on.

What we have heard is an attempt again by Washington elites to take away affordable housing. No one who votes against H.R. 1699 ought to be able to look themselves in the mirror and claim they are an advocate for affordable housing, not when they take it away, not when we have seen a 22 percent decrease after the actions of the elites at the so-called Consumer Finanical Protection Bureau. It shouldn’t be done.

It is time to reject this motion to recommit. It is time to stand for low- and moderate-income Americans. It is time to stand for affordable housing. It is time for us to vote for H.R. 1699.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the nayes appeared to have it.

Ms. MAXINE WATERS of California. Mr. Speaker, that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on Passage of the bill, if ordered; and Agreeing to the Speaker’s approval of the Journal, if ordered.
The vote was taken by electronic device, and there were—ayes 256, noes 103, not voting 14, and as follows:

[Roll No. 651]

AYES—256

Mr. Schneider, Mr. Doggett, Mrs. Lawrence (MS), Mrs. Lowey, and Mrs. Gutiérrez. No other Ayes were recorded.

RECORDED VOTE

The Ayes appeared to have it.

The SPEAKER pro tempore. The question is on the passage of the bill. The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

The vote was announced as above recorded. A motion to reconsider was laid on the table.

Stated against: Mr. AMODEL. Mr. Speaker, I intended to vote "nay" on rollcall No. 651.

The SPEAKER pro tempore. The question is on the passage of the bill. The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

The vote was announced as above recorded. A motion to reconsider was laid on the table.

Stated against: Mr. FRESNO. Mr. Speaker, I intended to vote "nay" on rollcall No. 651.

The SPEAKER pro tempore. The question is on the passage of the bill. The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

The vote was announced as above recorded. A motion to reconsider was laid on the table.

Stated against: Mr. WEBSTER of Florida. Mr. Speaker, I missed Friday's votes to be in Florida with my wife while she was having surgery. Had I been present, I would have voted "nay" on rollcall No. 651.

PERSONAL EXPLANATION

Mr. WEBSTER of Florida. Mr. Speaker, I missed Friday's votes to be in Florida with my wife while she was having surgery. Had I been present, I would have voted "nay" on rollcall No. 651 and "aye" on rollcall No. 651.

THE JOURNAL

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the Speaker's approval of the Journal, which the Chair will put de novo. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GOODLATTE. Mr. Speaker, on that I demand the yea and nays.
The yeas and nays were ordered. The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 209, nays 169, answered "present" 2, not voting 53, as follows: (Roll No. 662)

**YEAS—209**


The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan? There was no objection.

**RECOGNIZING PERKASIE’S 108TH COMMUNITY CHRISTMAS TREE LIGHTING**

(Mr. FITZPATRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITZPATRICK. Mr. Speaker, this Saturday evening, Santa Claus will arrive in the Borough of Perkasie atop a borough electric truck to light the town’s Christmas tree and, in doing so, continue a tradition over 100 years old. Since 1909, residents of this small borough in upper Bucks County have gathered together to participate in the community tree lighting ceremony recognized as the oldest tree lighting in the Nation. While a lot has changed over the generations, community leaders, elected officials, and local residents have kept this annual event’s unique, small-town charm and enshrined it as a timeless Christmas ritual.

Now in its 108th year, this official start to the holiday season continues to serve not only as a source of pride for the people of Perkasie, but also as an example of what makes the communities across my district special and an honor to represent.

I am proud to recognize Perkasie’s 108th Christmas tree lighting and join in the celebration of this enduring holiday tradition.

**THE GOP TAX PLAN**

(Mr. ESPAILLAT asked and was given permission to address the House for 1 minute.)

Mr. ESPAILLAT. Mr. Speaker, the GOP tax plan is more than a bad deal for all working families, but also an assault on my constituents. Repealing the State and local tax deduction, also known as SALT, is an assault on my constituents.

My district will have the highest tax increases in the Nation without SALT. Mr. Speaker, repealing SALT means that 7,000 New Yorkers residing across the State will have their taxes increased.

This is a bad deal for them and all Americans. This will mean an average of almost $5,000 for middle class families, investing in education, firefighters, police services, and many other essential services keep our cities running. They are not an option. City services are not a luxury, and we should not be punishing taxpayers who pay for them.

Mr. Speaker, I urge my colleagues to reject this tax scam and negotiate a better deal.
Ms. TENNEY. Mr. Speaker, I rise today to recognize Mr. Michael McDermott of Homer, New York. Mike is a veteran of the United States Navy. Mike is a veteran of the United States Navy, having served from 1964 through 1967, including 13 months of service in Vietnam. When Mike returned home from the service, he began to work in the American Legion Post 465 in Homer where he has been a member for over 34 years. During his time with Post 465, Mike has served in many roles, including commander for 13 years. He also served as commander of the Cortland County American Legion.

Mike is also involved in State and national leadership for The American Legion. He serves on the National Security Council for The American Legion and with the National and New York American Legion Post Press Associations.

Most importantly, Mike continuously gives back to Cortland County’s and Homer’s veterans, hosting a veterans service officer at the Legion Post 465. Mike also supports veterans’ causes throughout the village and county each and every year.

We are grateful to compassionate citizens like Michael McDermott throughout our communities, and we are grateful for their service and dedication to our Nation’s veterans. Thank you to Michael McDermott for giving and warm community. We appreciate his service.

WORLD AIDS DAY

(Ms. LEE asked and was given permission to address the House for 1 minute.)

Ms. LEE. Mr. Speaker, I rise today to commemorate World AIDS Day. The theme this year is Increasing Impact Through Transparency, Accountability, and Partnerships.

First, I would like to thank Leader PELOSI for her steadfast commitment to fighting HIV and AIDS and for guaranteeing strong United States leadership in this area.

As the cofounder and co-chair of the bipartisan Congressional HIV/AIDS Caucus with my good friend, Congresswoman LEANA ROBINSON, we have seen significant progress that we have made in the global fight against HIV. Year after year, Congress has come together in a bipartisan way to stop the spread of this disease. From PEPPAR and the Global Fund to fight AIDS, tuberculosis, and malaria—which I was very proud to help write—to the Ryan White CARE Act and the Minority AIDS Initiative, the United States has been a global leader in committing the critical resources needed to end this disease both here at home and abroad.

Partly due to our efforts, over 20 million people around the world have access to lifesaving antiretroviral treatment. Twenty million people getting lifesaving medicine is more than the population of the State of New York. So in memory of those who died much too soon, let’s recommit ourselves to ending AIDS by 2030 and realizing an AIDS-free generation.

70TH ANNIVERSARY OF NATIONAL URBAN SECURITY TECHNOLOGY LABORATORY

(Mr. PANETTA asked and was given permission to address the House for 1 minute.)

Mr. PANETTA. Mr. Speaker, I rise today to acknowledge the 70th anniversary of the National Urban Security Technology Laboratory, also known as NUSTL.

Located in New York City, NUSTL has been a critical asset in protecting our homeland since 1947. It began as a lab to measure radioactive fallout. Now, as part of the Department of Homeland Security’s Science and Technology Directorate, it has been transformed into a one-of-a-kind testing and evaluation laboratory for the first responder community.

I have had the opportunity to visit NUSTL and saw firsthand the impressive work being done on a daily basis. It is constantly developing and testing new tools that ensure the brave women and men on our front lines can protect our homeland, and it is critical they have the resources needed to continue their innovative work.

I thank the dedicated women and men of NUSTL for their services. Congratulations on this important anniversary. I look forward to continuing to celebrate your remarkable accomplishments for years to come.

OPPOSE SENATE TAX BILL

(Mr. PANETTA asked and was given permission to address the House for 1 minute.)

Mr. PANETTA. Mr. Speaker, I rise today to speak out against the Senate’s version of the tax reform bill because this bill will hurt the central coast in California. By fully repealing the State and local tax deduction, 177,000 households in my district that deduct an average of $23,000 each year will be hurt.

By repealing the student loan interest deduction, low- and middle-income students in my district will find college further out of reach and will be hurt. By allowing individual tax cuts to expire on people earning less than $75,000, over 140,000 households in my district will see their taxes go up and they will be hurt.

Now, with confirmation that the tax cuts will not pay for themselves but will add over $1 trillion to our already over $20 trillion national debt, this tax reform bill will be a tax burden bill not only for our constituents in my district, but for all of our constituents in our Nation. Worse, this bill will hurt

WATER IS LIFE

(Mr. PAYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAYNE. Mr. Speaker, when the sun barely peeks over the sky, millions of women and children across the developing world wake up and make their daily, dangerous walk in search of the necessity of life: water.

They walk for miles in water-scarce regions to a well or polluted river for water. During these long walks, they are often put at risk of sexual abuse and assault. Also, bad guys control the wells and abuse women in return for the sometimes polluted water.

The time-consuming search for water results in rape, pregnancy, child kidnapping, and high educational dropout rates. Access to water, sanitation, and hygiene prevents disease. It also improves the safety and security of women and children across the entire world.

It is encouraging to see our Nation and Congress recognizing water as the global security crisis that it is and the need to build capacity to clean water. With our God-given resources, we have it within our power and our duty to help others access clean water—the key to life.

And that is just the way it is.

WORLD AIDS DAY

(Mr. PAYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAYNE. Mr. Speaker, today is the 29th World AIDS Day. Let us commemostrate those who lost their lives and commit to reducing the 37,000 new HIV infections that occur each year in the United States.

In my hometown of Newark, New Jersey, new HIV cases have been rising among young people under the age of 25. According to experts, the rise in new HIV/AIDS cases among young people in Newark is linked to the opioid crisis.

Mr. Speaker, there has been a lot of discussion lately about the opioid crisis, but we forget that it is linked to so many other issues—mental health access, poverty, communicable disease, joblessness, and the list goes on.

Congress can help end the opioid crisis and the HIV/AIDS crisis here in the United States soon. But to do that, we must increase funding for healthcare access, mental health treatment, anti-poverty programs, disease control, education, and access to HIV PrEP medication.

RECOGNIZING MICHAEL MCDERMOTT OF HOMER, NEW YORK

(Ms. TENNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)
not only my two daughters, but all of our sons and daughters.
That is why I oppose the Senate bill, and I urge my colleagues to do the same.

NO FEDERAL DOLLARS FOR SANCTUARY CITIES
(Mr. CULBERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CULBERSON. Mr. Speaker, over a year ago, Kate Steinle, a young woman in San Francisco, was murdered by a criminal illegal alien and died in the arms of her father.
At that time, as chairman of the Commerce, Justice, Science, and Related Agencies Subcommittee on Appropriations, I swore that I would do whatever it would take to cut off every dollar of Federal money to every sanctuary city in America.
I persuaded the previous Attorney General to put that policy in place. Thankfully, with President Trump's election and the appointment of our new Attorney General, Jeff Sessions, they moved aggressively to enforce existing law, secure our border, and restore respect for the rule of law in this great Nation.
It is appalling and outrageous that a jury in San Francisco acquitted the killer who murdered Kate Steinle. This should be a call to the Representatives of the people of this country to restore respect for the rule of law by cutting off every dollar of Federal money to every sanctuary city in America and to do whatever it takes to protect our citizens from criminal aliens who enter this country illegally and then commit crimes against the people of this great Nation.

What happened in San Francisco is an outrage, and I will not rest until we cut off every dollar to every sanctuary city in the United States of America.

TAX SCAM
(Mr. HUFFMAN asked and was given permission to address the House for 1 minute.)

Mr. HUFFMAN. Mr. Speaker, the Republican tax scam picks clear winners and losers, yet our colleagues are rushing it through Congress faster than President Trump can retweet British racists.
Let's be clear: the winners in this tax scam are the country's wealthiest, including Donald Trump, his family, and his billionaire cronies in his Cabinet. Meanwhile, students, middle class families, homeowners, and seniors across this country are the losers. They are left holding the bag.

Californians get an especially raw deal because my Republican colleagues want to impose an unfair double tax on the State and local taxes that we pay.

There is more bad news for Californians. Homeowners will be hit by a new cap on mortgage interest deductions, students will have to start paying taxes on student loan interest, graduate students will lose tax-free tuition waivers, and biotech companies who focus on ultra rare diseases will see their tax credit disappear.
The Republican tax bill is unbelievably bad and historically unpopular, for good reason, but it is not too late for my Republican colleagues to stop it.

REMEMBERING ROSA PARKS
(Mrs. LAWRENCE asked and was given permission to address the House for 1 minute.)

Mrs. LAWRENCE. Mr. Speaker, I rise today to pay tribute to Rosa Parks, who, 62 years ago today, changed the face of the United States.
On December 1, 1955, Rosa Parks refused to give up her seat on a segregated bus in Montgomery, Alabama. This simple act led to a bus boycott that helped to energize the civil rights movement.

Reflecting on that day, Rosa Parks once said: "The only tired I was, was tired of giving in."
She didn't give up. She didn't give in.

Rosa Parks reminds us that we all must never, never give in when faced with injustice. Her brave actions have inspired all of us. Each and every one of us have an opportunity to stand up, sit down, or kneel for what is right.

It is because of civil rights champions like Rosa Parks that future generations can grow up in a nation that is free and fair for all.

REPUBLICAN TAX PLAN BAD TAX POLICY
(Mr. DEUTCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEUTCH. Mr. Speaker, the Republican tax plan that provides massive, permanent tax cuts to the largest corporations and tax increases for millions of middle class Americans is bad tax policy.

Let's be honest about what it does. This $1.5 trillion tax cut will trigger cuts to domestic programs in the amount of $150 billion every year, including $25 billion in cuts to Medicare, with 55 million Americans who rely on it being put at risk if this bill becomes law.

Mr. Speaker, it is bad enough that this tax policy favors the largest corporations over middle class Americans, but to effect these kinds of massive cuts by tricking the American people in order to try to do it is shameful.

We have to defeat this bill, prevent these massive cuts, and protect the 55 million Americans on Medicare from a $25 billion cut.

SALT DEDUCTION
(Mr. LOWENTHAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWENTHAL. Mr. Speaker, I want to quote from one of my colleagues from California: "Eliminating the State and local tax deduction would ensure that all of the bill's tax cuts would be distributed to other States, leaving California with the bill."

That was from my Republican colleague, DARRELL ISSA.
Mr. Speaker, he was right on this. The Republican tax plan is cruel in so many ways. But perhaps the worst provision specifically targets States like California, New York, and New Jersey.
Our States have stepped into the breach left by the Federal Government. We have raised taxes to pay for infrastructure. We have raised taxes to pay for hospitals. We have raised taxes to pay for schools.

Now the Republicans want to punish us?
Mr. Speaker, this is a political game, plain and simple. Californians are smart enough to see through it.

FACING A CRISIS IN OUR COUNTRY
(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, today, in Federal district court in Washington, Michael Flynn pled guilty to lying to the FBI, a felony. It is a strong indication that he is cooperating with the Mueller investigation concerning Russia and its involvement with President Trump and his team and the election of the President of the United States.

We are facing a crisis in our country with our Constitution, our form of government, and the rule of law. I have filed a bill to amend the Constitution to not allow pardons of people from any President's campaign team or family. I am also the sponsor of a bill that says you can't fire a special counsel without cause. The special counsel would have the right to seek redress in court.
We must be ready to protect Bob Mueller and the integrity of the rule of law in this country, for I foresee this President firing him, as Nixon did in the Saturday Night Massacre.
We are repeating the horrors of Watergate and the shredding of our Constitution, common sense, and decency.

ISSUES OF THE WEEK
The SPEAKER pro temore (Mr. FERGUSON). Under the Speaker's announcement of policy of January 3, 2017, the gentleman from Texas (Mr. GOMERT) is recognized for 60 minutes as the designee of the majority leader.

Mr. GOMERT. Mr. Speaker, as folks head back to their districts, I will be among so many of you who have to take a look at some things that have been rather important here in our country.
The Department of Justice does need an investigation into the matters that have been raised and clearly were not handled properly regarding the Russian Uranium One program and the sale of a significant percentage of United States uranium, ultimately, to Russia.

There appears to be collusion, for sure. It is still staggering to think that the person who accepted the role as special prosecutor, Robert Mueller, would accept that, knowing that he and the people he selected him as—special prosecutor, Mr. Rosenstein, were involved in the Russian investigation that went on for a number of years and involved a person working undercover and clearly established for Director Mueller, though it wasn’t just Hillary Clinton that signed off on it. It was also Eric Holder and some others.

Yet while you had a man like Jeff Sessions trying to go out of his way to ensure that nobody could say he acted inappropriately—I think it was done prematurely, but he recused himself—not wanting to be a burden to the President.

As much as Attorney General Jeff Sessions was trying to be fair and avoid even the appearance of questions about him handling the Russian investigation, you had Robert Mueller and the Deputy Attorney General acting—or appeared to be—even more inappropriately than Jeff Sessions was acting, beyond the pale of honor, as they are two people involved in the investigation of Russia acquiring American uranium, even though it wasn’t just Hillary Clinton that signed off on it. It was also Eric Holder and some others.

All that needed to be investigated, but not by the people who covered up the prior Russia investigation and saw to the sealing of many of the documents involving that investigation. In fact, the same people are using their names to actually on the motion to seal matters involved in that investigation.

It seemed pretty clear that if you are going to go to the trouble of sealing an investigation like that, and the extraordinary measure of getting the person who is acting undercover, force him, threaten him, get him to sign a nondisclosure agreement under threat, that seems to me that wasn’t an arm’s-length negotiation. That was done under coercion by the most powerful law enforcement people in the country at the time, threatening to bring down the full weight of the United States Government on the man who was working for them, helping them find the evidence that showed how Russia was acting so inappropriately and illegally trying to get hold of our uranium.

Just when you think, “Well, just can’t be much more in the way of surprise,” The Daily Caller’s Richard Pollock has a story on November 30: “DOD Inspector General Opens Probe Into Alleged Retaliation by Obama Holdover.”

It says: “The Pentagon’s Inspector General has launched a preliminary investigation into charges that James H. Baker, the Director of the Defense Department’s Office of Net Assessment, ONA, is retaliating against a whistle-blowing former LTSG employee by signing off on severance agreements for outside consultants. The Daily Caller News Foundation has confirmed.”

“The DCNF verified through two independent sources that the Acting IG, Glenn A. Fine, initiated a formal ‘Whistleblower Reprisal Investigation’ September 28 to look into allegations that Baker unleashed various reprisals against Adam Lovinger, a senior ONA official. Lovinger warned about potential sweetheart deals to politically connected outside contractors, including one with a woman Chelsea Clinton has referred to as her ‘best friend.’”

“The IG is investigating Baker’s actions under National Security Advisor Directive-19, an October 2012 directive designed to protect members of the intelligence community who report waste, fraud, and abuse. The directive pointedly states that it ‘prohibits retaliation against employees for reporting waste, fraud, and abuse.’”

“Baker is an Obama holdover appointed by Secretary Ashton Carter in May 2015, who remains the ONA Director 11 months into the Trump administration. I might insert here: This has got to be so frustrating to the President of the United States as the Senate Democrats continue to hold up efforts to get nominations that he can start implementing the policies that he was elected to carry out. They are thwarting him by continuing to have Obama holdovers, even though that term apparently, we are told, offends our National Security Advisor. McGovern being named as the Deputy Attorney General acting—number one, you had the judge—number one, you had the judge—number one, you had the judge protecting him, to the detriment of its residents, the jury comes back and says he wasn’t even negligent in firing the guy that killed Kate Steinle. I mean, that is just staggering beyond words. But when a verdict is seen that just goes against what the evidence shows clearly, I mean, it could have easily found that, yes, they don’t find him to be culpable; but, of course, you had the judge number—number one, you had the judge protecting him, going way beyond what would seem normal to many judges in order to protect this guy.”

But as a former prosecutor, former judge, former chief justice, what occurred by a decision by the jury in the Kate Steinle home—extravagant. You know, when I was handling cases as a felony judge, I know sometimes juries surprised me. But in this case, for a jury to find that he wasn’t—this person, this illegal alien who had been deported five times and who should have been deported the sixth, except San Francisco was protecting him, to the detriment of its residents, the jury comes back and says he wasn’t even negligent in firing the guy that killed Kate Steinle. I mean, that is just staggering beyond words. But when a verdict is seen that just goes against what the evidence shows clearly, I mean, it could have easily found that, yes, they don’t find him to be culpable; but, of course, you had the judge—number one, you had the judge protecting him, going way beyond what would seem normal to many judges in order to protect this guy.”

Richard Pollock from The Daily Caller goes on to say: “Perle called Baker ‘a shallow and manipulative character that should have gone with the change in administration.’”

Baker being the Obama holdover. In any event, it is just incredible when you think there can’t be as many more shoes to drop and improprieties from the last administration. They just keep coming.

But as a former prosecutor, former judge, former chief justice, what occurred by a decision by the jury in the Kate Steinle home—extraordinary. You know, when I was handling cases as a felony judge, I know sometimes juries surprised me. But in this case, for a jury to find that he wasn’t—this person, this illegal alien who had been deported five times and who should have been deported the sixth, except San Francisco was protecting him, to the detriment of its residents, the jury comes back and says he wasn’t even negligent in firing the guy that killed Kate Steinle. I mean, that is just staggering beyond words. But when a verdict is seen that just goes against what the evidence shows clearly, I mean, it could have easily found that, yes, they don’t find him to be culpable; but, of course, you had the judge—number one, you had the judge protecting him, going way beyond what would seem normal to many judges in order to protect this guy.”

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lied to us on this, so he is probably guilty of the crime. I mean, I am just talking from a practical standpoint. The way sometimes jurors look at things.

But in this case, it didn’t bother the judge. And from what the jury was allowed to hear, that the judge didn’t obstruct, it should have been clear this was not an honest individual and that there is likely a very good chance he would lie to avoid a murder conviction, and more is why the different stories about how he came to shoot Kate Steinle as she walked along arm-in-arm with her father. Just incredible.

This story from John Diaz of the San Francisco Chronicle says: “As they awaited the verdict in the trial of Kate Steinle’s accused killer, her parents and brother had one overriding wish. It had nothing to do with the severity of the defendant’s conviction.

‘Above all, they wanted it to mark the end of a public profile they neither sought nor enjoyed. Each media interview, each exploitation of Kate’s name for political gain, each still shot of her smile on television only amplified the anguish of their loss. Yet they also wanted to convey their appreciation for the many strangers who, having heard their story, offered solace and assistance.

“We just want to get this over with and move on with our lives and think about Kate on our terms. Nothing’s been on our terms. It’s been on everyone else’s terms,’ said Jim Steinle, who was strolling with his 32-year-old daughter on a crowded San Francisco pier when she was shot and killed July 1, 2015. He, his wife, Liz Sullivan, and their son, Brad Steinle, sat down with the Chronicle recently at their longtime East Bay home for an exclusive interview they planned to be their last.

“We had a second of anger—not a moment,’ Jim said. ‘Frustration, maybe, and sadness for sure, but no anger and no retaliation or vindictiveness or anything like that. We’re not that kind of people. And if this guy had lived 100 years in prison, it still doesn’t solve anything; it doesn’t help anything. We would just like people to know . . . that’s the Steinles’ feelings.’

‘They had decided not to attend court to hear the jury’s decision.

“On Thursday, the verdict arrived: Jose Ines Garcia Zarate was acquitted of all murder and manslaughter charges. He was convicted merely of being an accessory to murder and manslaughter. He had many DWIs. I got a report 3 or 4 months after he had a second of anger—not a moment,’ Jim said. ‘Frustration, maybe, and sadness for sure, but no anger and no retaliation or vindictiveness or anything like that. We’re not that kind of people. ‘We were just shocked—saddened and shocked . . . that’s about it,’ Jim said.

‘There’s no other way you can coin it. Justice was rendered, but it was not considered a victory. There’s no other way you can coin it. It’s not a victory—not a moment,’ Jim said. ‘Frustration, maybe, and sadness for sure, but no anger and no retaliation or vindictiveness or anything like that. We’re not that kind of people. And if this guy had lived 100 years in prison, it still doesn’t solve anything; it doesn’t help anything. We would just like people to know . . . that’s the Steinles’ feelings.’

‘They had decided not to attend court to hear the jury’s decision.

“The President is exactly right; Trump promised to do something about illegal aliens and he is in a lockdown, he can’t go anywhere, a confined place, with others who are either drug addicts or alcoholics. But it put people at risk, and Americans have known that. And Candidate Trump promised to do something about it, and he sure is trying, but he needs Congress’ help.

“I am stunned that they couldn’t even get him using the weapon.” Brad said.
beautiful, beautiful place, a wonderful place. We have vacationed there, certainly not in recent years. But it is incredible, the beauty that lies in different places in Mexico.

And we know—from people there and from people who have come from Mexico into the United States: many of them I have gotten to know and love, people I went to church with, people who came legally—these are hardworking, God-fearing folks. And although I have an overgeneralization, still the fact is that most of the people who emigrate to the United States from Mexico whom I have ever gotten to know—and it is a lot—they love God, they love their family, and they are hardworking.

I also have to think an abundance of those three feelings are what made America the greatest, freest, most opportunity country in the history of the world. I was reading again last night about Solomon's reign in Israel. Israel didn't even have the individual assets during that incredible wise man's reign—well, wise until he started having so many wives. That will take anybody's wisdom away from them. But an incredible person, with a rugged frontier, with the advantages that were found in Israel, back during Solomon's reign.

But they didn't have individual opportunity, individual assets, individual freedoms, like we have in America. And America went to church because they didn't know the history of the world—they get to thinking that: Gee, even if things don't work out and we lose our freedom here in America, another America will pop up somewhere: a country that loves freedom to the extent that its own citizens will travel to other places in the world and fight and die for other people's freedom. I mean, there has just never been a place like the United States of America.

And I have mentioned him before, and I will mention him again. The gentleman from west Africa named Ebeaney, an older gentleman, who, with other west Africans, met with me before I left. My wife had been there with Mercy Ships. And, ultimately, at the end of our reception together, he pointed out and said: America has been getting weak, and we were excited when you elected your first Black President, but we saw in this election, because they just don't know the history of the world—there is a reason why—because they don't know the history of the world—why they get to thinking that: Gee, even if things don't work out and we lose our freedom here in America, another America will pop up somewhere: a country that loves freedom to the extent that its own citizens will travel to other places in the world and fight and die for other people's freedom.

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I mean, there has just never been a place like the United States of America.

But they didn't have individual opportunity, individual assets, individual freedoms, like we have in America. And America went to church because they didn't know the history of the world—they get to thinking that: Gee, even if things don't work out and we lose our freedom here in America, another America will pop up somewhere: a country that loves freedom to the extent that its own citizens will travel to other places in the world and fight and die for other people's freedom. I mean, there has just never been a place like the United States of America.

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I mean, there has just never been a place like the United States of America.
I know there are plenty of Americans who have bought property there, but the restrictions on Americans buying property in Mexico is so significant, if we applied the same terms on Mexicans seeking to buy property in America, the vote of the House would be absolutely outraged that we were treating them the way they treat us.

As this article in the Washington Examiner points out that President Trump said it, and he is accurate in saying it, the Kate Steinle verdict is one we should build the wall on. I hope and I pray we won't have to wait until more people are killed, as is occurring regularly, by illegal aliens.

It doesn’t even have to be deaths. I mean, constituents of mine have been harmed by people who come into this country illegally, driving without a driver’s license or driving without insurance, hitting cars, whether they do injury to the occupant or not.

I mentioned before, a girl weeping. She is in high school. She has to work. An illegal alien rammed her car, had no insurance, and she and her mom, single mom, could only afford the insurance for others, liability insurance; they couldn’t afford the insurance to cover two of themselves, so she couldn’t replace her car. If she can’t replace her car, she cries that: I can’t work, and my mother and I can’t live.

How can you let people come in illegally and do such harm to Americans and then be allowed to live? He even drove away in his car without a license, without insurance. He drove away in his car after he totaled hers.

It is time that we did the job we took an oath to do. If we enforce the Constitution, the laws of the land, then Americans will be protected and we become stronger.

Because of the idealistic nature of this Nation, it has assured the freedom of more and more people; first the people in their Nation—the Constitution eventually came to represent what it said, all people were to be treated equally—and now to the point that, for 100 years, we have been in wars off and on that ensured freedom for others as well.

It is time to build the wall.

In the meantime, hopefully, we are about to have a major tax reform bill. I would like to have seen a flat tax across the board. You make more, you pay more; you make the more you pay. That is not what we have done, but it is a reform.

It will mean that even more poorer Americans pay no income tax, and the poorer working poor, fewer of them will pay any income tax, and people will pay less tax.

The only rate that is not lowered in the tax proposal the House and Senate had was the wealthiest Americans. That was left at 39.6 percent.

Some of us think we should have had a smooth, even percentage cut across the board for everybody. How could you argue that that was not fairness?

Republican leaders thought: No. We will leave the highest rate on the wealthiest Americans. We will leave that percentage right where it is so we can’t be accused of taxing the poor to help the rich.

Now, some will take the actual numbers of the amount of money that will be saved and say: See who people are making more are saving more.

Well, yeah. People who pay a lot more in income tax will save a little bit, but not nearly the percentage that people who are the working poor will save percentage wise.

The best thing for the American economy will be the cut in corporate taxes. The corporate tax has been a gimmick by both parties for so many years, telling people: Oh, no. These rich, greedy corporations, we will make them pay.

Well, that is hiding the ball, because the fact is no corporation can stay in business unless they pass on the cost of the corporate tax to their customers, their clients, for their goods and services. They have to pass on that cost or they can’t stay in business. They just can’t.

We have the highest corporate tax of any industrialized nation in the world. China is little better than half of our 35 percent. That is why President Trump was pushing so hard, as were many of us: Let’s at least take it to 15 percent.

Whatever the percentage is, unless it is zero, it is a tariff on Americans’ goods and services. How insane for a country to pass on its own goods and services so that it makes us less competitive in the world market.

If you took away the 35 percent tariff called the corporate tax on American-made goods, we could compete globally; but because we put such a huge tariff on our own goods, 35 percent, our goods are far too often not competitive in the world market.

If we make our own products competitive anywhere, people around the world, if American prices were more competitive, they would love to buy American products.

When some of us went to China, talked to CEOs about why they moved there, I heard the number one answer being the corporate tax.

I loved hearing them say: Now, our best quality control was in America. We have got better quality control. We have got better workers. I love hearing that around the world. Yeah, the best workers are in America, best quality control for our products is in America, lowest margin of error among our plants in America. We make good stuff. Those who take pride in what they do, that is an American way.

People would love to buy them, but not when our 35 percent tariff we put on our own corporate-made goods are not going to compete as they would if we removed it.

But at least at the 15 percent the President and some of us were pushing for—we would have undercut China’s income tax for corporations, and just even a point or two undercutting China’s income tax or corporate income tax would have brought so many manufacturing jobs back to America.

I know that there is America who says: Well, yeah, but those manufacturing jobs, those are not for classy countries like America. No, we have evolved upward into a service economy. We provide elegant services. We are not into manufacturing goods. We leave that to more developing nations.

But the historical fact is clear: any powerful nation that cannot manufacture what it needs in a time of war will not be a powerful nation past the next war.

Just as Jesus assured there will always be wars and rumors of war, we have to be aware. As long as we are in this world, we have to protect our country, protect ourselves, and it doesn’t matter if you are a Christian or a non-Christian. There are Christians who say: Oh, yeah, but Jesus said we have got to love our neighbors as ourselves. Blessed are the meek, his Sermon on the Mount and all.

That is absolutely the way Christians are supposed to live, but when they are acting as the government, we are to be mindful of Romans, Romans 13. The government is to be an encourager of good conduct. We are not supposed to design programs to lure people away from their productivity, lure them away from their potential and that wonderful, awesome feeling of multiple employers wanting you to come work for them.

Too many young people have never experienced that. I really believe, with a major tax cut like we have passed in the House, there will be more and more young people that will know that feeling. It is such a gratifying feeling when multiple firms want you to work for them. You can decide whether you want to be on your own, start your own business, or go to work for someone. It is just an awesome feeling.

The economy has struggled so, never hit 3 percent growth in any year in the last 8 years, and now we have had 2 months back-to-back where we hit over 3 percent growth. If we can do that, we are going to bring in more Federal revenue, even with the lower taxes. It is going to be great for America. People are going to see that our tax is not going to have more companies wanting you.

We do need to come to grips with the number of people we are allowing in this country, both illegally and legally. No country in the world allows a million people to come into its country legally like the United States does. We allow that many legally.

I happen to be helping a fellow Texan who emigrated from Mexico, has been here on visas legally for 15 years. She is trying to get her citizenship. She has done everything she can legally, but it gets really frustrating for someone from Mexico who is following the rules.
I stand here today because this is World AIDS Day. Since 1988, we have commemorated World AIDS Day. I have on my lapel, if you will, on my shawl, a red ribbon which symbolizes remembrance.

Earlier this morning I called in to the Thomas Street Clinic, as I have celebrated with them for many years, and while I was in Washington, I wanted to give them the recognition as fighters against HIV/AIDS.

It does not seem that long ago, but HIV/AIDS affected many around the world before the disease even made its way to America’s shores. Countless researchers, healthcare providers, politicians, and educators have contributed to the global initiative to contain and eventually eliminate its presence in all corners of the world.

I remember going to Zambia on the first Presidential trip dealing with HIV/AIDS around the world. 38.6 million people are living with HIV at the end of 2005, and more than 25 million have died of AIDS since 1981.

In December, we remember that, and that is what this day is: a day of remembrance, when an estimated 1 million to 2 million individuals live in the United States and approximately 56,000 new infections occur every year.

Mr. Speaker, my district is impacted, upwards of 22,000 people, Texas is impacted.

Today is a day of remembrance to honor those we lost and to commit to those we fight for.

Mr. Speaker, established by the World Health Organization in 1988, December 1st is universally known as World AIDS Day. World AIDS Day serves to focus global attention on the devastating impact of the HIV/AIDS epidemic.

All governments, national AIDS programs, churches, community organizations and individuals are given the opportunity to display their commitment to fight this deadly disease. It has been more than 30 years since the first AIDS case was reported in the United States.

It does not seem like it was too long ago, but HIV/AIDS had affected many around the world before the disease even made its way to America’s shores.

Since then, countless researchers, healthcare providers, politicians, and educators have contributed to the global initiative to contain and eventually eliminate its presence in all corners of the world.

Although HIV/AIDS is no longer a mysterious and mischaracterized entity, it is the most relentless and indiscriminate killer of our time.

And though a diagnosis is no longer the sealing of an immediate fate, it is the beginning of an indefinite battle for life, adequate health care, and social belonging.

With an estimated 38.6 million people worldwide living with HIV by the end of 2005, and more than 25 million people having died of AIDS since 1981, December 1st is a date which serves to remind everyone that action must be taken to prevent the spread of HIV/AIDS.

Let there be no mistake, we are here to acknowledge that AIDS is a deadly enemy against which we must join all our forces to fight and eliminate.

Americans should be reminded that HIV/AIDS does not discriminate.

With an estimated 1,039,000 to 1,185,000 HIV-positive individuals living in the U.S., and approximately 56,000 new infections occurring every year, the U.S., like other nations around the world, is deeply affected by HIV/AIDS.

The detrimental effects of HIV/AIDS have also hit home. More than 65,000 people in Texas are living with HIV.

Thirty-six percent more Texans are living with HIV today than just seven years ago. In 2010, studies showed that 1 in every 3 diagnosed persons in Texas were not getting proper medical treatment.

We must make certain that every affected individual receive efficient medical treatment that will afford them long life.

Not only is the state of Texas suffering from HIV and AIDS, but my district, the 18th Congressional District of Texas, has seen an increasing number of people living with the disease.

In 2010, there were over 22,000 reported persons living with HIV (non-AIDS) in the greater Houston area, and more than 9,000 reported persons living with AIDS.

This problem continues to escalate as there have been 1,700 new infections each year among individuals in Harris County, particularly among racial and ethnic minorities.

We must continue to fight a tough fight to reverse all of these costly and tragic trends.

I will continue to sponsor and co-sponsor legislation that addresses the HIV/AIDS epidemic.

The fight is not over.

We must continue to stand strong in our struggle to conquer some old and new challenges that we as Americans and members of the global community encounter.

Today, Friday, December 1st, is World AIDS Day.

And, we will focus on HIV/AIDS, prevention and awareness, and continue to fight for life.

Together, we will help all of our friends, relatives, and children live healthy and full lives.

REASONS WHY PRESIDENT DONALD J. TRUMP SHOULD BE IMPEACHED

The SPEAKER pro tempore (Mr. BUCHON). Under the Speaker’s announced policy of January 3, 2017, the gentleman from Texas (Mr. AL GREEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. AL GREEN of Texas. Mr. Speaker, I thank the leadership for this opportunity. I greatly appreciate any opportunity to stand here in the well of the Congress of the United States of America.

I rise today, Mr. Speaker, because I do love my country. I rise because I want persons to know that there are certain things that are not being presented properly, and one of the things that is not being presented properly as it relates to impeachment is the notion that a President has to commit a crime to be impeached. I would like to talk about this for a moment and then address some of the issues associated with impeachment.
A President doesn’t have to commit a crime to be impeached. Article II, section 4 of the Constitution of the United States of America is where we find information, if you will, on impeachment. It is stated in Article II, section 4 that a President can be impeached for "misdeeds, if you will. The President’s acts, behavior, or misdeeds—important word, "misdeeds"—would mean misled.

In fact, we have had a President impeached for a misdeed. Andrew Johnson, in 1868, President, was impeached for the high misdemeanor, misled, if you will, of saying things that were unkind about Congress.

He committed no crime. He breached no statute by the wil of Congress, and as such, he was impeached in article X of the Articles of Impeachment that were placed against him.

I would like to share some intelligence from some others who have spoken on this issue.

Gene Healy has spoken on the issue. He is with the Cato Institute, and his article is styled "The Overcriminalization of Impeachment." In this article, he states explicitly, on the second page, for whose who might have a copy of it, that he talks with this House, previously—"Impeachable offenses aren’t limited to crimes." He indicates that that is settled quite well among constitutional scholars.

He also goes on to say: "Had the Framers restricted impeachment to statutory offenses, they’d have rendered the power a ‘nullity’ from the start."

In the early Republic, there were very few crimes, and certainly not enough of the range of misdemeanors—important word, "misdeeds"—that would rightly disqualify public officials from continued service—misdeeds, misdemeanors.

He goes on to say that it is important to get this straight because confusing impeachment with a criminal process can be harmful to our political health. It may lead us to stretch criminal law to get the President or his associates warping its future applications to ordinary citizens.

It is important that we get this straight because a crime, obviously, can be deducted while in offense, but it can also be something that a person is not impeached for, a President is not impeached for, depending upon the severity, I suppose. But a President can also be impeached for the misdeeds committed.

One of the things that Mr. Healy addresses that I would like to point out that is important as it relates to why we have this belief that a President must be impeached for a crime is this: unfortunately, we have outsourced the investigative function associated with impeachment to some other body, to some independent agency, to the Justice Department, if you will. In so doing, we have given the impression that this is something that involves a crime.

But the Framers of the Constitution thought long and hard about this, and they saw that there could be the appearance of impropriety, if we allowed the investigative branch to investigate itself in the sense that the Justice Department is a part of the executive branch.

So you really want the executive branch investigating the President, who is the chief executive officer? There are times, such as what we have now, when you have the executive outsourcing the actual investigation to a third party. And my suspicion is that this can work quite well, but we should not condone it not working, that because there is some functionality that seems to be positive for some, negative for others, that because it appears to be working that this is the only way that it can be done.

We shouldn’t conclude that at the end of an investigation, if there is no finding of criminality, that an impeachment cannot go forward. Because notwithstanding the findings of a special investigator, or a special body that is assigned the task of investigating, we should not conclude that if there is not a finding of criminality that we cannot go forward with an impeachment.

As a matter of fact, we can go forward with an impeachment while a body is performing this function, while a body is investigating. We can go forward before there is an investigation by a body. We can go forward after there is an investigation.

The House of Representatives is the place where impeachment takes place. Any Member of the House of Representatives can bring Articles of Impeachment, and these Articles of Impeachment will have to be brought before the entirety of the House of Representatives. Impeachment is not limited to crimes committed, and a Member can bring Articles of Impeachment based upon the harm that a President is imposing upon society by virtue of the President’s acts, behavior, or misdeeds, if you will. The President can be impeached without committing a crime.

I had the good fortune of being on a program with Chris Hayes last night. He is the host. He mentioned an article that is written by Ezra Klein. It is styled, "The case for normalizing impeachment. Impeaching an unfit President has consequences. But leaving one in office could be worse."

In this article, he has written, on the very last page he indicates that—by the way, I would commend this to persons to read in its entirety, but I am, for need of time, going to limit myself to excerpts. He indicates that: "Impeachment is not a power we should take lightly; nor is it one we should treat as too explosive. There will be Presidents who are neither competent nor miscreants but who are wrong for the role, who pose a danger to the country and the world."

This is true. It can happen. I will say more about the possibilities in just a moment. Then there’s an article from The Times, a U.K. newspaper, that I would commend to persons, and it indicates that "MPs accuse Donald Trump of 'spreading evil' over Britain First retweets."

This is an article that I highly commend because it speaks of how things can extend beyond our borders that start within our borders. I will read some of the excerpts. The article is styled, "The Prime Minister said that Britain First, whose Twitter post the President retweeted, was a ‘hateful organization’ that ‘seeks to spread division and mistrust among communities.’ • ‘She said the group stood in opposition to Britain, British values of respect, tolerance, and decency, and stressed that British Muslims were ‘peaceful, law-abiding people who have themselves been victims of attack, of terror by the far right.’"

She went on to indicate, serving notice to Mr. Trump, that she would not shy away from tackling him if she thought these actions—excuse me—if she thought his actions misguided. She said: "The fact that we work together does not mean that we are afraid to say when we think the United States has got it wrong. And to be very clear with them, I am very clear that retweeting from Britain First was the wrong thing to do."

We have been criticized greatly for the retweet that was inaccurate, a retweet that, quite frankly, could have been avoided. When the President of the United States of America, you have access to intelligence about things happening around the world. You can validate, you can verify, you can vet things that are presented to you. The President has access to the greatest intelligence operation in the world and could easily vet before tweeting.

The information that was retweeted was not entirely correct, and it was not helpful. It was designed to incite hate and it should not be the kind of thing that a President should retweet.

I would like to also read the style of an article from Foreign Policy. This article is styled, "This Is How Every Genocide Begins." This is by Daniel Altman. He indicates that Donald Trump’s retweeting anti-Muslim propaganda videos in the most un-American—excuse me just a moment, please. I want to be catching something. So please tolerate me. If you wanted. Mr. Speaker. I thank the person who brought the elixir of life, water, over to me.
Again, Donald Trump’s retweeting of anti-Muslim propaganda videos is the most un-American thing he has done as President. And he goes on to explain that we have to remove this President and his administration as soon as possible, to have to do it by legal means, upholding the foundations of our democracy.

We cannot expect help from the President’s silent Cabinet, or his toadies in Congress who seem more interested in maintaining their own power than in being a word against him. We have to use the only branch of government left to us, the courts.

Now, he and I differ on this point. I do believe we can still bring Articles of Impeachment, but he concludes by saying: The President is trying to generate panic against Muslims in America—and I am paraphrasing—clearly putting them at risk of mob violence. He says he hopes that he will face the full force of the law before it is too late.

I might also go back a page or two and read this from this article. He indicates that the first thing that is done when we are going to move towards some sort of mob violence is to target a group of people by smearing it by a campaign of hateful information.

He goes on to say: This is presented as legitimate information by people in positions of trust. This article, I commend to persons as well.

Now, moving forward to our current situation. It is my opinion, Mr. Speaker, that a President who is unmindful of the high duties of his high office, a President who is unkind of the dignities and proprieties thereof, a President who has brought shame and disrepute upon the Presidency, who has breached his trust as President to the manifest injury of American society, such that he creates hate and hostility, this is what shows these seeds of discord, this kind of President should be impeached.

It is my opinion that a President who deems a Member of Congress, as one example; who indicates that a Member of Congress performing duties as a Member of Congress, duties that were associated with a constituent, that such a Member of Congress is wacky; a President saying that a Member of Congress is wacky creates circumstances for the Member of Congress that are, to be very kind, quite unpleasant.

A President doing this to a Member of Congress has caused a great deal of concern. The Member of Congress has had threats made. The Member of Congress has had to take on extra security with great care and protect the staff. This is the kind of thing that we don’t expect a Member of Congress to have to endure as a result of something a President might say.

A President who indicates that there will be a ban on Muslims coming into our country, a President should not single out a religious group and indicate that they should be banned from a country. In doing this, the President singles out people such that those who are of ill will will look upon them as persons to be treated with some degree of disrespect and even horror.

A President who talks about persons who have served in our military and who have not done anything dishonorable, but who says that, because they are transgressor persons, they are persons who are not acceptable in the military, this sends a signal to people who believe that the President sees these persons as less than persons who should be in the military, persons who should be treated in some way other than respectful as members of the military.

A President who calls the mothers of persons who are professional athletes—SOBs is the term that was used; the “B” meaning that those persons were dogs, the mothers; calling them, the athletes themselves, sons of dogs—such a President is one who is sowing seeds of discord. Such a President is a person who is inciting people to behave in a manner such that they would be antithetical to those persons who are the sons of persons that he had labeled as dogs. This is inappropriate behavior for a President.

A President who concludes that persons who are members of the KKK, persons who are neo-Nazis, call themselves supremacists. Such persons, when they are said to be very fine people, is a means of legitimizing people who are hateful, who are bigots, persons who have ill will for others in society simply because of who the others are. A President should not legitimize them by calling them very fine people.

This is a President who believes that the people of a given country who are subjects of the United States of America, the President who indicates that these people want others to do things for them that they should be doing for themselves. It is a drain on the budget because they have been the victims of a force of nature.

A President who says these kinds of things sends a signal that indicates that these persons are not persons who are the best that we have in American society, because they are citizens. Puerto Ricans are citizens. A President who does this is a President who is sowing seeds of mistrust and sowing seeds of discord.

A President should not sow seeds of mistrust and discord. A President ought to be a unifying force within a country, to be the person whom we look to for some sense of stability. A President ought to be about the business of keeping a country together rather than creating chasms within various persons and groups within a society.

This is what young people expect of a President—young people who are witnessing a President do things that bring about distrust and sow the seeds of discord are seeing something that is unusual and something that is not normal. We don’t want them to assume that what they are seeing is the norm. As a matter of fact, we need to let them know that this is not the norm. Mr. Speaker, I want to make it clear that these kinds of activities that create hate and hostility and that sow seeds of discord are impeachable.

These are the kinds of things that the Framers of the Constitution had in mind when they created Article II, section 4 of the Constitution.

This is what Alexander Hamilton had in mind when he penned Federalist No. 65. Hamilton so much as indicated that impeachment would create a lot of discord within society. The act itself, he indicated, could be very partisan. He indicated that there would be rancor—probably not in that specific term—but he indicated that people would be discord related to a President.

So, Mr. Speaker, I want to make it clear that these kinds of activities that create discord are impeachable. So, Mr. Speaker, I want to make it clear that these kinds of activities that create discord are impeachable.
These impeachable offenses need not be crimes. I keep emphasizing this because really that is what this time is to be used efficaciously for. We want people to know, in no uncertain terms, that a President does not have to commit crimes to be impeached, that any of the 435 Members of the House of Representatives can bring Articles of Impeachment before the body, and that when these Articles of Impeachment are brought before the body, the House has to act.

How does the House have to act? The House of Representatives will allow the articles to be read once. Once they are read, there is a time set for them to be read a second time. I read Articles of Impeachment earlier, and I chose not to read them the second time. As a result, they were not read, and as a result of not being read, the articles were not acted upon by the body.

This is something every Member can do. By the way, when I did it, I did it as a result of my conscious decision to do so without any influence from any person on the planet Earth. It was a decision that was made before I came without any influence from any person. I am saying this with the emphasis that it is important, Mr. Speaker, because there is some misinformation. I am not offended by the misinformation, I just want to correct the record. These things get confused, and I understand it. Most people are not familiar with how this works.

Moving along, once the time is set for the second reading, the articles are read the second time; and, thereafter, the articles may be voted up or down or there may be a request made that the articles be sent to a committee. If so, if a majority of the body concludes that they should go to committee, then they will, or there could be a motion or a request made to table the articles. If they are tabled, they will be tabled and likely not brought before the body again. But if they are allowed to be voted up or down, if a majority of the Members conclude that impeachment is appropriate and say so by their vote, saying yes by their vote, then the President would be impeached, and it would go to the Senate. In the Senate, you would have to have a two-thirds vote to convict.

But if the request is to table the Articles of Impeachment, then those who do not favor impeachment can vote to table, because if you vote to table that is successful, then you don’t have to vote to impeach.

Those who do not favor impeachment can vote to have the articles sent to the Judiciary Committee. If they don’t favor impeachment, then you can vote to send it to the Judiciary Committee, and there won’t be a vote on impeachment.

There can be other reasons. I don’t want to come to a decision that a person would want to vote to impeach, but these are the reasons that are ostensibly viewed as reasons for not voting for these various motions that can be made.

If I bring Articles of Impeachment, my desire will be to have the articles voted up or down. If they are voted up or down, that would accord everyone an opportunity to say in the world whether the House would stand on the question before the House, which, of course, would be impeachment. If a motion is made to table or a request to table, then I would vote against that because I support impeachment. If a motion is made to send to a committee, Mr. Speaker, I will vote against this because I favor impeachment.

This is important not only to me, but to my country. This is not about Democrats. It really is not. It is about the democracy. It is about government of the people, by the people, and for the people. It is about the Republic. It is not about Republicans. It is about whether we will be able to retain the Republic that we have. Many will recall Mr. Chester A. Arthur’s attention that we have a republic when he addressed a certain person and indicated that you have “a republic, if you can keep it.”

This is about keeping the Republic, Mr. Speaker. It is not about Democrats, and it is not about Republicans. It is about them in the sense that they are part of the House and they all have an opportunity to cast votes, but it is really not about something as simple as politics.

This is something to be taken seriously. I do take it seriously. It is something that the country is monitoring. The country, when polled, indicates its opinion, Mr. Speaker, that impeachment is not only appropriate but necessary.

Therefore, Mr. Speaker, I would like to announce that next week here in the Congress of the United States of America, I will bring Articles of Impeachment to present to this body such that Donald J. Trump will be impeached.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Members are reminded to refrain from engaging in personalities toward the President.

ADJOURNMENT

Mr. AL GREEN of Texas. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to, and at 1 o’clock and 17 minutes (p.m.), under its previous order, the House adjourned until Monday, December 4, 2017, at 6 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker’s table and referred to the following:

3262. A letter from the Regulations Coordinator, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting the Department’s Major notice — Medicaid Program; Final FY 2015 and Preliminary FY 2017 Disproportionate Share Hospital Allotments, and Final FY 2015 and Preliminary FY 2017 Institutions for Mental Diseases Disproportionate Share Hospital Limits (CMS-2409-N) (RIN: 0938-AB43) received December 5, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 668); to the Committee on Energy and Commerce.

3263. A letter from the Secretary, Federal Trade Commission, transmitting the thirteenth annual Federal Trade Commission
PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Ms. FOXX (for herself and Mr. DeLUNA): H.R. 4508. A bill to support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for life-long success; to the Committee on Education and the Workforce.

By Mr. BLUM: H.R. 4509. A bill to prohibit the use of official funds for airline accommodations for Members of Congress which are not coach-class accommodations, and for other purposes; to the Committee on House Administration.

By Mr. BLUM: H.R. 4510. A bill to prohibit the use of official funds provided for the operations of a House of Congress for long-term vehicle leases, and for other purposes; to the Committee on House Administration.

By Mr. BLUM: H.R. 4511. A bill to amend title I, United States Code, to prohibit former Members of Congress from serving Members, officers, or employees of Congress; to the Committee on the Judiciary.

By Mr. BLUM: H.R. 4512. A bill to provide that the rates of pay for Members of Congress shall be reduced following any fiscal year in which there is a Federal deficit; to the Committee on House Administration, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LAWSON of Florida (for himself, Mr. KHANNA, Mr. GONZALEZ of Texas, Ms. LEE, Mr. SOTO, Mr. DEUTCH, Ms. NORTON, Mr. MCGOVERN, Mr. CRUZ, Mr. JONES, Mr. JACOBSON, Mr. COHN, Mr. BLUMENAUER, Mrs. WATSON COLEMAN, Mr. MENAUER, Mrs. ROSEN, Ms. ROYBAL ALLARD, and Mr. BRYER): H.R. 4513. A bill to extend the boundaries of the Bears Ears National Monument, to ensure prompt engagement with the Bears Ears Commission and prompt implementation of the Bears Ears Commission's recommendation that will prepare them to enter the Bears Ears National Monument, and for other purposes; to the Committee on Natural Resources.

By Mr. HUIZENGA: H.R. 4514. A bill to amend the Securities Exchange Act of 1934 to repeal certain disclosure requirements related to resource extraction, and for other purposes; to the Committee on Financial Services.

By Ms. JENKINS of Kansas (for herself and Mr. LOEBSACK): H.R. 4520. A bill to provide for the extension of the enforcement instruction on supervision requirements for outpatient therapeutic services in critical access and small rural hospitals through 2017; to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LAWSON of Florida (for himself, Mr. KHANNA, Mr. GONZALEZ of Texas, Ms. LEE, Mr. SOTO, Mr. DEUTCH, Ms. NORTON, Mr. MCGOVERN, Mr. CRUZ, Mr. JONES, Mr. JACOBSON, Mr. COHN, Mr. BLUMENAUER, Mrs. WATSON COLEMAN, Mr. MENAUER, Mrs. ROSEN, Ms. ROYBAL ALLARD, and Mr. HASTING): H.R. 4521. A bill to amend the Food and Nutrition Act of 2008 to simplify the SNAP recertification process for the elderly and disabled, and to spur innovation in the application processes of SNAP, the Medicare Savings Program, and supplemental security income that will increase the utilization of entitlement programs among the most vulnerable of populations; to the Committee on Agriculture, and in addition to the Committees on Ways and Means, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. LOVE: H.R. 4522. A bill to amend the Congressional Accountability Act of 1995 to prohibit the use of public funds for the payment of a settlement or award under such Act in connection with a claim arising from sexual harassment or sexual abuse, and for other purposes; to the Committee on Ways and Means.

By Mr. COSTELLO of Pennsylvania (for himself, Mr. WALDEN, and Mr. BURGESS): H.R. 4515. A bill to amend title XXI of the Social Security Act to provide for a special one-time supplemental payment for the fiscal year 2018 for the redistribution of certain Children's Health Insurance Program allocations for certain shortfall States; to the Committee on Energy and Commerce.

By Ms. DELBENE: H.R. 4516. A bill to amend the Internal Revenue Code of 1986 to modify the treatment of certain payments made with respect to sexual misconduct; to the Committee on Ways and Means.

By Mr. FASO (for himself, Mr. COLLINS of New York, and Mr. STIVERS): H.R. 4517. A bill to amend the Home Owners' Loan Act to allow mutual holding companies to clarify requirements related to the waiver of dividends, and for other purposes; to the Committee on Financial Services.

By Mr. GALLAGHER of Wisconsin (for himself, Mr. GRJALVA, Ms. TSONGAS, Mr. LOWENTHAL, Mr. McCARTHY, Mr. BROWN of Maryland, Mr. GOMEZ, Mrs. NAPOLITANO, Mr. HUFFMAN, Ms. BARRAGAN, Mr. SOTO, Mr. TED LIEU of California, Mr. POLIS, Ms. LEE, Mr. MCGOVERN, Ms. MCCULLOM, Mr. BLUMENAUER, Mrs. WATSON COLEMAN, Mr. O’HALLRAN, Mr. PANETTA, Ms. SHAPIRO, Ms. ROSEN, Ms. ROYBAL ALLARD, and Mr. BRYER): H.R. 4518. A bill to extend the boundaries of the Bears Ears National Monument, to ensure prompt engagement with the Bears Ears Commission and prompt implementation of the Bears Ears Commission’s recommendation that will prepare them to enter the Bears Ears National Monument, and for other purposes; to the Committee on Natural Resources.
By Mr. NEAL:
H.R. 4523. A bill to amend the Internal Revenue Code of 1986 to expand retirement plan coverage, increase retirement security, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NEAL:
H.R. 4524. A bill to expand retirement coverage, preserve retirement income, simplify rules related to retirement plans, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PALLONE:
H.R. 4525. A bill to direct the Administrator of the National Oceanic and Atmospheric Administration to make grants to States and local governments for purposes of carrying out shoreline stabilization projects utilizing natural materials; to the Committee on Natural Resources.

By Mr. ROKITA:
H.R. 4526. A bill to amend title 18, United States Code, to provide penalties for certain obstructions of the enforcement of Federal immigration laws; to the Committee on the Judiciary.

By Mr. SERRANO (for himself, Mr. JEFFRIES, Ms. DELBENE, Mrs. NAPOLITANO, Mr. Wilson of Florida, Mr. MECKS, Ms. JAYAPAL, Ms. VELAZQUEZ, Mr. LEWIS of Georgia, Ms. CLARKE of New York, Ms. CLARK of Massachusetts, Mr. COHEN, Mr. ESPAILLAT, Mr. KILMER, and Mr. SARLAN):
H.R. 4527. A bill to direct the Assistant Secretary of Commerce for Communications and Information to prepare and submit periodic reports to Congress on the role of tele-communications in hate crimes; to the Committee on Energy and Commerce.

By Mr. SOTO:
H.R. 4528. A bill to make technical amendments to certain marine fish conservation statutes for purposes; to the Committee on Natural Resources.

By Mrs. WAGNER:
H.R. 4529. A bill to direct the Securities and Exchange Commission to revise Form S-3 so as to add listing and registration of a class of common equity securities on a national securities exchange as an additional basis for satisfying the requirements of General Instruction I.B.1. of such form and to remove such listing and registration as a requirement of General Instruction I.B.6. of such form; to the Committee on Financial Services.

By Mr. ROSS (for himself, Mr. HASTINGS, Mr. GRAVES of Georgia, Mr. CUELLAR, Mr. STIVER, and Mr. PETERSON):
H.J. Res. 122. A joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Bureau of Consumer Financial Protection relating to ‘‘Payday, Vehicle Title, and certain High-Cost Installment Loans’’; to the Committee on Financial Services.

By Mr. TAYLOR (for himself, Mr. LINDSEY, Mr. FLEISCHMANN, and Mr. KILMER):
H. Con. Res. 95. Concurrent resolution expressing support for the use of public-private partnerships to bring computer science education to more K-12 classrooms; to the Committee on Education and the Workforce.

By Mrs. NAPOLITANO (for herself, Ms. JUDY CHU of California, Mrs. TORRES, Mr. SCHIEFF, Ms. BROWNLEY of California, Mr. LOWENTHAL, Ms. SÁNCHEZ, Mr. ROYBAL-ALLARD, and Ms. BARRAGÁN):
H. Res. 639. A resolution honoring the success of the more-than-a-decade-long process by Sacramento locals to create the San Gabriel Mountains National Monument; to the Committee on Natural Resources.

By Mr. POSTER (for himself, Mr. RYAN of Ohio, Mr. CICILLINE, Mr. TAKANO, Ms. KAPTUR, Mr. BEN RAY LULIAN of New Mexico, Mr. KHANNA, Ms. HANABUSA, Mr. LIFITZ, and Mr. FARENTHOLD):
H. Res. 640. A resolution expressing support for the designation of December 3, 2017, as the ‘‘National Day of 3D Printing’’; to the Committee on Energy and Commerce.

By Mr. LEWIS of Georgia (for himself, Mr. BISHOP of Georgia, Mr. RICHMOND, Mr. DAVID SCOTT of Georgia, Mr. JOHNSON of Georgia, Mr. WOODALL, Mr. COLLINS of Georgia, Mr. JODY B. HICE of Georgia, Mr. FERGUSON, Mrs. BEATTY, Mr. CARMON of Indiana, Ms. CLARK of New York, Mr. COHEN, Mr. NORTON, and Mrs. WATSON COLEMAN):
H. Res. 641. A resolution recognizing the 150th Anniversary of Morehouse College and its contributions to the United States and the world; to the Committee on Education and the Workforce.

By Mr. BRANDSKY:
H. Res. 642. A resolution prohibiting the use of the Members’ Representational Allowance of a Member of the House of Representa- tives to pay awards, settlements, or other compensation in connection with allegations of sexual harassment or sexual misconduct by the Member or the employees of the Mem- ber’s office, and for other purposes; to the Committee on House Administration.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representa- tives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution:

By Ms. FOXX:
H.R. 4508. Congress has the power to enact this legislation pursuant to the following:

By Mr. BLUM:
H.R. 4509. Congress has the power to enact this legislation pursuant to the following:

By Mr. BLUM:
H.R. 4510. Congress has the power to enact this legislation pursuant to the following:

By Mr. BLUM:
H.R. 4511. Congress has the power to enact this legislation pursuant to the following:

By Mr. BLUM:
H.R. 4512. Congress has the power to enact this legislation pursuant to the following:

By Mr. BUSTOS:
H.R. 4513.

Constitutional Authority Statement

Pursuant to clause 7 of rule XII of the Rules of the House of Representa- tives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution:

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H.R. 4509. Congress has the power to enact this legislation pursuant to the following:

By Mr. BLUM:
H.R. 4510. Congress has the power to enact this legislation pursuant to the following:

By Mr. BLUM:
H.R. 4511. Congress has the power to enact this legislation pursuant to the following:

By Mr. BLUM:
H.R. 4512. Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8 Clause 4: “To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States.”

By Mr. SERRANO:
H.R. 4527.

Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 1 of the United States Constitution related to general welfare of the United States.

By Mr. SOTO:
H.R. 4529.

Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, of the United States Constitution.

By Mrs. WAGNER:
H.R. 4529.

Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 3 of the Constitution of the United States, “to regulate Commerce with foreign nations, and among the several States, and with the Indian Tribes.”

By Mr. ROSS:
H.R. 68.

Congress has the power to enact this legislation pursuant to the following:
Article I, Section 8, Clause 3 of the Constitution of the United States, “to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.”

By Mrs. WAGNER:
H.R. 68.

Additional Sponsors
Under clause 7 of rule XI, sponsors were added to public bills and resolutions, as follows:

H.R. 140: Mr. WEBER of Texas and Mr. WALLEBOURG.
H.R. 632: Mr. GOMEZ, Mr. NADLER, and Mrs. CAROLYN B. MALONEY of New York.
H.R. 644: Ms. JENKINS of Kansas.
H.R. 660: Mr. FITZPATRICK and Mr. CRAMER.
H.R. 807: Mr. COLLINS of New York.
H.R. 820: Ms. JACKSON LEE, Mr. BROWN of Maryland, Ms. MENG, and Mr. JONES.
H.R. 912: Ms. JAYAPAL, Mr. GOVINDEN, and Mr. TAKANO.
H.R. 913: Mr. GONZALEZ of Texas, Mr. McGovern, and Ms. NORTON.
H.R. 1136: Mr. GIANFORTE.
H.R. 1164: Miss RICE of New York.
H.R. 1271: Mr. HASTINGS.
H.R. 1562: Mr. WOMACK.
H.R. 1563: Ms. SÁNCHEZ.
H.R. 1569: Mr. MCMURRHEY, Mr. SOTO, Mr. LOWENTHAL, and Mr. HUFFMAN.
H.R. 1872: Mr. HIMES and Mr. CHARLOT.
H.R. 1874: Mr. PETERS.
H.R. 1897: Mrs. NAPOLITANO and Mr. BEYER.
H.R. 2147: Mr. POCAN and Miss RICE of New York.
H.R. 2215: Mr. CÁRDENAS, Mr. DE SAULNIER, Mr. KHANNA, and Mr. LOWENTHAL.
H.R. 2234: Ms. ROYBAL-ALLARD.
H.R. 2236: Mr. FRANCIS ROONEY of Florida.
H.R. 2304: Ms. ROYBAL-ALLARD.
H.R. 2307: Mr. COOK.
H.R. 2340: Ms. WASSERMAN SCHULTZ.
H.R. 2343: Mr. BUCHON.
H.R. 2347: Mr. FOSTER.
H.R. 2389: Mr. BERND J. BOYLE of Pennsylvania.
H.R. 2360: Ms. MENG.
H.R. 2370: Mr. PAYNE.
H.R. 2382: Mr. HECK.
H.R. 2392: Mr. FOSTER.
H.R. 2433: Mr. COLLINS of New York.
H.R. 3032: Ms. DELAURÉ, Mr. COHEN, and Ms. MATSUI.
H.R. 3055: Ms. KUSTER of New Hampshire.
H.R. 3223: Mr. FERGUSON.
H.R. 3396: Ms. ESTY of Connecticut.
H.R. 3512: Mr. DONOVAN.
H.R. 3576: Mr. DUNCAN of South Carolina.
H.R. 3598: Mr. RUTHERFORD, Mr. BACON, Mr. FERGUSON, and Mr. G dioto.
H.R. 3642: Mr. JOYCE of Ohio.
H.R. 3695: Mr. SCHRADER.
H.R. 3712: Mr. BERCHEM.
H.R. 3758: Mr. DEFAZIO.
H.R. 3770: Mr. ESFAILLAT and Mr. AMODEI.
H.R. 3790: Mr. SMUCKER.
H.R. 3793: Mr. COOK.
H.R. 3881: Mr. VALADAO, Mr. MACARTHUR, Mr. DENHAM, and Mr. PASO.
H.R. 3956: Mr. GOODLATTE.
H.R. 4022: Mr. ROONEY of Illinois, Mr. POCA,
Mr. RENACCI, Mr. ESFAILLAT, Mr. HULTOREN, and Ms. SHA-POR.
H.R. 4057: Mr. AGUILAR.
H.R. 4084: Mr. COHEN, Ms. DELBNE, and Ms. JACKSON LEE.
H.R. 4099: Miss RICE of New York.
H.R. 4143: Mr. MESSER, Mr. PASCHEN, Ms. STEFANIK, Mr. FASO, Mr. THOMPSON of Mississippi, and Mr. PALAZZO.
H.R. 4155: Ms. JAYAPAL and Mr. WALZ.
H.R. 4179: Ms. VRALQZUEZ, Ms. LEE, Mr. HUFFMAN, Mr. SOTO, and Mr. SERRANO.
H.R. 4186: Mr. DOUGGETT, Mr. KILMER, and Mr. QUIGLEY.
H.R. 4202: Mr. HULTOREN and Mr. B Raspberry.
H.R. 4223: Mr. DENHAM and Mr. COSTA.
H.R. 4240: Mr. ELISSON.
H.R. 4253: Mr. KENNEDY and Ms. BONAMIC.
H.R. 4300: Mr. COOK and Mrs. DINGELL.
H.R. 4306: Ms. HANABUSA.
H.R. 4328: Mrs. DINGEL.
H.R. 4342: Mr. POLIS, Mr. COOK, Mr. ROY-
BAIL-ALLARD, Mr. TAYLOR, Mr. DELANEY, Mr. RICHMOND, Mrs. BUSTOS, Mr. KRISHNAMOORTHI, Mr. DES-JARLAIS, Mr. SIMPSON, Ms. SLAUGHTER, and Mr. KATKO.
H.R. 4396: Ms. SLAUGHTER, Mr. O’HALLERAN, Mr. GRIJAVALA, Ms. SHEA-POR-
TER, Mr. McEACHIN, Mr. TONKO, and Mr. SWALLWE of California.
H.R. 4404: Mr. WALZ.
H.R. 4410: Mr. NOLAN.
H.R. 4417: Mr. RUSSELL.
H.R. 4444: Mr. COURTNEY, Mr. LARSON of Connecticut, Ms. MCCOLLUM, Mr. LEWIS of Georgia, and Mr. CRIST.
H.R. 4458: Mr. FITZPATRICK.
H.R. 4460: Mr. GRAVES of Louisiana.
H.R. 4465: Mr. PEARCE.
H.R. 4478: Mr. CROWLEY and Mr. CHABOT.
H.R. 4478: Mr. CONAWAY, Mr. KING of New York, Mr. LOBONDO, Mr. THOMAS J. ROONEY of Florida, Ms. ROS-LEHTTEN, Mr. TURNER, Mr. WENSTUP, Mr. STEWART, Mr. CRAWFORD, Mr. GODDY, Ms. STEFANIK, Mr. HURD, Mr. CALVER, Mr. THORNBY, Mr. GRANGER, and Mr. FREILINGHUYSEN.
H.R. 4483: Mr. EVANS, Mrs. DINGELL, and Mr. O’HALLERAN.
H.R. 4494: Mr. THOMAS J. ROONEY of Florida, Mr. SANFORD, Mr. KATKO, Mr. TED LIEU of California, Mr. LATTI, Ms. ROSEN, Mr. SCHWEIKER, Mr. LAMALFA, Mr. GIBBS, Mr. MCKINLEY, Ms. MICHELLE LUIAN GRISHAM of New Mexico, and Mr. BUCHANAN.
H.R. 4595: Ms. FREED.
H.J. Res. 121: Mr. DUNCAN of Tennessee and Mr. JODY B. HICK of Georgia.
H. Con. Res. 63: Ms. ROSEN, ROYBAL-ALLARD, Mr. PAYNE, and Mr. GOMEZ.
H. Con. Res. 81: Mr. NAPOLITANO.
H. Res. 576: Mr. WILLIAMS.
H. Res. 610: Mr. MAST.
H. Res. 632: Mr. McGovern.

Petitions, Etc.
Under clause 3 of rule XII,

68. The SPEAKER presented a petition of State Senator Laura Murphy, relative to Senate Resolution No. 546, supporting the priority of the United States to bring every fallen service member home; which was referred jointly to the Committees on Rules and Armed Services.

Discharge Petitions—Additions and Withdrawals

The following Member added his name to the following discharge petition:

Petition 5 by MS. MICHELLE LUIAN GRISHAM OF NEW MEXICO on House Resolution 508: Mr. Amodei.
The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. HATCH).

PRAYER
The Chaplain, Dr. Barry C. Black, offered the following prayer:
Let us pray...
Eternal God, You have truly been good to us. Even when we stumble and fall, Your mercy continues to sustain us.

Lead our lawmakers to realize that the abilities You have given them are maximized only when they are used for Your purposes. Show them the best way to use their talents and opportunities to honor and serve You and humanity.

May our Senators this day speak words that are constructive and helpful, bringing encouragement as well as vision to their labors. Give them the wisdom to know Your will and the vision to their labors. Give them the wisdom to know Your will and the courage to do it. Let Your presence be felt in this Chamber and everywhere on Earth.

We pray in Your Holy Name. Amen.

PLEDGE OF ALLEGIANCE
The President pro tempore led the Pledge of Allegiance, as follows:
I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RESERVATION OF LEADER TIME
The PRESIDING OFFICER (Mrs. CAPITO). Under the previous order, the leadership time is reserved.

CONCLUSION OF MORNING BUSINESS
The PRESIDING OFFICER. Morning business is closed.

TAX CUTS AND JOBS ACT
The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 1, which the clerk will report.

The senior assistant legislative clerk read as follows:
A bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Pending:
McConnell (for Hatch/Murkowski) amendment No. 1518, of a perfecting nature, to delay Baldwin motion to commit the bill to the Committee on Finance, with instructions.

Wyden (for Nelson) motion to commit the bill to the Committee on Finance, with instructions.

The PRESIDING OFFICER. The Senator from Colorado.

ORDER FOR RECESS SUBJECT TO THE CALL OF THE CHAIR
Mr. GARDNER. Madam President, I ask unanimous consent that following the remarks of the Senator from Wisconsin, the Senate stand in recess subject to the call of the chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER
The Democratic leader is recognized.

GOVERNMENT FUNDING
Mr. SCHUMER. Madam President, before I address the issue of taxes, let me address the matter of the government funding bill.

We are now only a week away from a government shutdown, which, to remind my colleagues, could cost our economy thousands of jobs and billions of dollars, as it did in 2013. I think a government shutdown is something we all desperately want to avoid. Democrats and Republicans—I talked to some of my colleagues this morning—with the exception, it seems, of the President.

This morning’s Washington Post reports that President Trump has told his confidantes that a government shutdown could be good for him politically and that he has asked friends about how a shutdown would affect him politically. It is disappointing but maybe not surprising that President Trump appears to be putting politics before the well-being of the American people. As President, the welfare of the American people should always come first—always.

We have a lot of things to accomplish by the end of the year, and a government spending deal is particularly important for our men and women in uniform. As President, he would tell him that even playing with the possibility of sequester and shutting down the government is not good for our armed services, as well as for the rest of the country.

We should all be focused on avoiding a government shutdown. Certainly Democrats will be working with our Republican colleagues in Congress to that end. I think our Republican colleagues agree. I hope they won’t succumb to President Trump’s whim based on a political decision and not on what is good for America. President Trump must change his tune—and soon—if he wants to be a constructive partner in those discussions rather than the focal point of blame.

Madam President, on taxes, my Republican friends have stretched into day 2 of their debate on the bill, which still lacks resolution on some critical issues.

After promising over the past few months that their tax bill would pay for itself through economic growth, the Joint Committee on Taxation came out with a report yesterday that showed that these promises were unfounded, way off the mark. Even considering economic growth, the Republican tax bill will add roughly $1 trillion to the deficit. And many economists have said...
that this dynamic scoring doesn’t work at all. Here, the JCT gave credence to the theory of dynamic scoring but then came out with a number that was not the kind of wild exaggerations we are hearing from the Secretary of the Treasury, from the President, and from some Republican colleagues, particularly those of the Club for Growth bent.

Earlier in this debate, Republicans claimed that this would be a tax cut for every American, and that nobody in the middle class is going to get a tax increase. Independent analyses show that these claims were not valid, and to their credit, some Republicans corrected the record.

Now Republicans have gotten the “dynamic scoring” they have demanded for years. They are in charge. They put dynamic scoring in place. It is still not good enough. As recently as this week, the Republican leader and others claimed that this bill would not add to the deficit. We know now that even under the dynamic scoring method the Republican Party asked for and received, this bill would add $1 trillion to the deficit. All of the claims that tax cuts for the wealthy and corporations pay for themselves, this bill is correct. It is time for my Republican friends to admit the error and come clean with the American people.

The fact that we received the dynamic score only a day before a final vote shows just how foolish is the way the Republicans are making the pass-through. The Republicans, as well as a bad move to my colleagues, isn’t a good enough excuse for a constituent who asks why you voted to raise their taxes but slash them for big corporations.

Today may be the first day of the new Republican Party—one that raises taxes on the middle class. The one thing Republicans always promised the middle class is, we are not going to raise taxes on the middle class. Representatives of my colleagues from the other side of the aisle—the junior Senator from Texas—I heard him talk about it—said he doesn’t want to raise taxes on any middle-class person, but this bill does it.

The fact that we received the dynamic score only a day before a final vote is not just know, it is time to rush a bill like this through.

From press reports, we know that the Republicans are making the pass-through provisions more generous, widening what was already a gargantuan tax loophole for wealthy business owners. Why should wealthy business owners pay a significantly lower rate on their personal income, because they are paying no corporate tax if they use the pass-through? Not the average American? That is what this bill does. Hedge funds, big fancy law firms, and lobbyist firms would all get a lower rate than the average American because of the pass-through. The average American who makes $100,000, $200,000 is already paying in the 30-percent range.

From press reports—you would think that maybe Republicans would be concerned by the many reports that their bill increases taxes on 60 percent of middle-class families by the end of the day. No. Instead, the holdout Republicans are concerned that this bill isn’t generous enough to corporations and wealthy business owners. So now the Republican leadership is working to fix that. In the wake of hours, this bill is tilting even further toward business, even further away from families. Every time the choice is between big corporations and families, the Republicans choose the big corporations.

And still no one knows what the final bill will look like. Why on Earth wouldn’t you want to spend more than a few hours looking at a bill of this magnitude? What might have been snuck in? What might have been changed by mistake—an innocent mistake? There are so many reasons to not rush this bill through, but we know why it is being done. We know why Republican Members will only have a few hours at the draft legislation before voting on it.

Notching a political win, I would say to my colleagues, isn’t a good enough reason to throw common sense and legislative responsibility out the window. A political win isn’t a good enough reason to raise taxes and premiums on millions of middle-class families when there is a better bill to be had by working in a bipartisan way, Democrats and Republicans, across the aisle, together. My Republican friends must know that “we needed to notch a political win” isn’t a good enough excuse for a constituent who asks why you voted to raise their taxes but slash them for big corporations.

Today may be the first day of the new Republican Party—one that raises taxes on the middle class. The one thing Republicans always promised the middle class is, we are not going to raise taxes on the middle class. Representatives of my colleagues from the other side of the aisle—the junior Senator from Texas—I heard him talk about it—said he doesn’t want to raise taxes on any middle-class person, but this bill does it.

The fact that we received the dynamic score only a day before a final vote is not just know, it is time to rush a bill like this through.

From press reports, we know that the Republicans are making the pass-through provisions more generous, widening what was already a gargantuan tax loophole for wealthy business owners. Why should wealthy business owners pay a significantly lower rate on their personal income, because they are paying no corporate tax if they use the pass-through? Not the average American? That is what this bill does. Hedge funds, big fancy law firms, and lobbyist firms would all get a lower rate than the average American because of the pass-through. The average American who makes $100,000, $200,000 is already paying in the 30-percent range.

From press reports—you would think that maybe Republicans would be concerned by the many reports that their bill increases taxes on 60 percent of middle-class families by the end of the day. No. Instead, the holdout Republicans are concerned that this bill isn’t generous enough to corporations and wealthy business owners. So now the Republican leadership is working to fix that. In the wake of hours, this bill is tilting even further toward business, even further away from families. Every time the choice is between big corporations and families, the Republicans choose the big corporations.

And still no one knows what the final bill will look like. Why on Earth wouldn’t you want to spend more than a few hours looking at a bill of this powerful. It makes healthcare less affordable and less accessible. It will deprive the government of the resources needed to support the military, scientific research, education, and infrastructure.

The hole it blows in the deficit will—make no mistake—endanger Social Security, Medicare, and Medicaid. Republicans, including President Trump, have openly admitted that they will seek changes in this program after the tax bill. Senator SANDERS has outlined many ways how dangerous this bill is to the future of Social Security and Medicare. I know our Republican colleagues who came down to argue against him were all on the defensive.

All the things our President and Republicans say they wanted to do are not happening. And this bill moves in the opposite direction—not only on helping the wealthy and not helping the middle class in the way it needs to but also in endangering Social Security and Medicare. Most importantly of all, the bill hides a ticking time bomb of middle-class tax hikes at the center of our Tax Code. Who would want to vote for that?

Many of my Republican friends feel that the hard-right—big, wealthy corporate interests—will put these ads on TV saying that this bill helps the middle class. It is not going to work. When the middle class gets a tax increase, they are going to know why, and they are going to know who is responsible for it, and these ads will have faded into the air.

Today, my Republican friends can choose to cement their party as the party that raises taxes on the middle class. It will be a dramatic turning point in a downward spiral for the Republicans and something they have never believed in before. But Republicans have an alternative. They can step back from the brink and work with Democrats on a bipartisan tax reform deal to deliver across-the-board tax relief to the middle class, a bill that makes our businesses more competitive while closing egregious corporate loopholes and that grows our economy without adding a penny to the deficit.

Bipartisan tax reform—not this cynical bill, not this partisan exercise, not this bill that seems to please the 1 percent but not the rest of America—is possible but only if my friends and colleagues will abandon this bill and reach out for a better kind of politics.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

MOTION TO COMMIT

Ms. BALDWIN. Madam President, I rise to offer my motion to do something that this tax plan fails to do: make good on President Trump’s promise to close the carried interest tax loophole. This motion has the support of Senators WHITOUSE, DONELLY, and VAN HOLLEN.

I think we need to make our tax system simpler and fairer for hard-working families, businesses—particularly
small businesses—and manufacturers, and that is what I have been working for. Unfortunately, this is not the plan being presented today by Senate Republicans.

Let’s be honest with the American people. It is largely a tax giveaway to the wealthiest few and big corporations, while millions of middle-class families will get a tax hike. With this partisan bill from across the aisle, big corporations get permanent tax breaks—permanent—while middle-class families face tax increases. In fact, most Americans earning less than $75,000 a year will see tax increases. That is simply not fair.

It is also not fair that the top 1 percent will end up with over 60 percent of the benefits, and in exchange, 13 million more will lose health insurance. Healthcare premiums will increase by 10 percent, and Medicare and Medicaid have been put on the chopping block to pay for it.

In addition, with the Senate Republican plan, powerful corporations can still deduct their State and local taxes, but they completely eliminate the State and local tax deduction for individual taxpayers. This deduction ensures aren't taxed twice by the Federal Government on money they have already paid in State and local taxes, including property taxes. But with the current Senate plan, nearly one in three Wisconsinites will lose their personal income, sales, and property tax deductions. A recent study shows that it could decrease the value of home ownership. The average deduction in Wisconsin is $11,653, and nearly $10 billion of Wisconsinites' paychecks would be subject to a double tax—all to pay for a plan that favors those at the top. What is more, by the latest estimation from our own congressional scorekeeper, this plan will add $1 trillion—$1 trillion—to our deficit, breaking our promise to the next generation and sticking them with the bill.

Our Tax Code ought to reward hard work more than it rewards wealth. It doesn’t do that today, and it will not do that tomorrow if this bill passes. In fact, this Republican plan’s primary purpose is to reward Fortune 500 corporations who will simply reward the wealth of shareholders, not the hard work that drives productivity and growth across our economy.

The purpose of this legislation makes the same promise that has not been kept to workers for decades. Trickle-down economics has not worked in the past, and it is not going to work now. American workers know that, their personal incomes, rising. To pass this legislation, don’t seem to care, because the only thing that matters is delivering for donors, who have too much power and influence in Washington.

I want to see loopholes closed, like the one that favors Wall Street hedge funds and allows them to pay a lower tax rate than many Wisconsin workers pay. Earlier this year, I introduced the Carried Interest Fairness Act to close the carried interest loophole for millionaires and billionaires on Wall Street.

The carried interest loophole allows certain investment managers to take advantage of the preferential 20 percent long-term capital gains tax rates on the income they get for managing other people’s money, rather than the ordinary income tax rates of up to 39.6 percent that American workers pay. My legislation closes the carried interest loophole by ensuring that income earned by managing other people’s money is taxed at the same ordinary income tax rates as the vast majority of working Americans pay.

As a candidate, President Trump included closing the carried interest tax loophole in his tax reform plan. While campaigning in Detroit last year, he said: “We will eliminate the carried interest deduction and other special interests that help those who give so good advice to Wall Street investors, and for people like me, but unfair to American workers.”

Then this May, after being asked why his tax reform outline didn’t mention carried interest after campaigning on its closure, the President responded by saying:

It’s out. Done ... carried interest was great for me, but carried interest was unfair and it’s gone.

I agree that it is unfair and it should be eliminated. However, it is not gone with this legislation. This loophole for Wall Street is still in the bill. Why? Is it because my Republican colleagues on the other side of the aisle simply do not believe a word this President says? Is it because Wall Street lobbyists, big banks, and hedge funds have such a grip on Washington? Is it because these are the very donors that this legislation is meant to serve with a win?

Today I am offering a motion to close the carried interest tax loophole once and for all. It is simply unfair for Wisconsin workers to pay higher income tax rates than a billionaire hedge fund on Wall Street.

If you agree, you will support this motion. If you want to help President Trump keep his promises to the American people, you will support this motion. Let’s do right by the American people and close this tax loophole for the wealthy on Wall Street. Let’s make sure that our Tax Code rewards hard work as much as it currently rewards wealth. If that isn’t simple and fair, I don’t know what is.

I yield the floor.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess subject to the call of the Chair. Thereupon, the Senate, at 10:36 a.m., recessed subject to the call of the Chair and reassembled at 11:34 a.m. when called to order by the Presiding Officer (Mrs. Capito).

The PRESIDING OFFICER. The Senator from Florida.

MOTION TO COMMIT

Mr. NELSON, Madam President, the matter that is before the Senate is the motion I have offered. It simply is, in the tax bill, the corporate rate is reduced from 35 percent down to 20 percent, and that is permanent, but the modest, middle-class tax breaks are not permanent, and in 7 or 8 years they cease to exist. They sunset. So, in this tax bill, you want to give permanent, huge corporate cuts, from $35 down to $20. By the way, if the American corporation is doing business overseas, it is basically a zero tax rate, which is an incentive to go overseas, send jobs overseas. American jobs are lost while giving those huge tax breaks at the same time it is giving modest breaks to the very people who need the tax cuts; that is, hard-working American families, the middle class. Then, oh, by the way, in 7 or 8 years, va-moose, it is gone, no tax break. It goes back up. It is a tax increase. That is simply not fair.

So this little motion simply says go back to the Finance Committee and correct this inequity. Go back to the Finance Committee, make the middle-class tax cuts permanent and then get the Finance Committee to offset those with revenue from somewhere. Do you know where that someplace should be? It ought to be the huge corporate tax cuts. That is where the revenue ought to be taken back from to give that revenue or tax cuts to the middle class. It is a simple issue of fairness.

I am delighted to be joined by my colleague from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Madam President, I thank Senator NELSON for his leadership on this motion. It is a very simple motion for a very simple proposition; that is, that the Tax Code should be simpler. That is true. We should make it more streamlined. That is true, but our focus should be helping the people of America.

Our problem with the bill that is on the floor right now is that it is weighted much too heavily in terms of helping the wealthiest among us and not the middle class. Senator NELSON's amendment, which I am a proud cosponsor of, gets right to the meat of this; to the bread and butter, to helping the middle class with their groceries—since I used meat and bread and butter—but also with their mortgages, with paying for college, with everything they need to do. Our problem with the bill right now is that too much of it goes to the top.

In fact, when you look at the numbers, it is quite startling. The first
thing you notice for the middle class is that $1.4 trillion in additional debt comes out of this bill. Now, our colleagues were claiming until yesterday, well, that is going to be offset with all this economic growth we are going to see. What did we find out? Even when you look at that and you look at it by the nonpartisan Joint Committee on Taxation that looked at this. They are like the umpire. They do the scorecard. They looked at this, and they said: Yes, it is about 1.4, $1.5 trillion in debt. It does not hinge on the middle class and they make up that $1.4 trillion dollars in debt.

Now, whose shoulder is that going to be on? That debt is going to be on the middle class and their kids and their grandkids, and that is the No. 1 reason why I am so concerned about this bill and why I stood with 17 other Democrats, including Senator NELSON, just this last week and said: Come to the table. This is your moment for our colleagues on the Republican side of the aisle. While the White House is busy sending out tweets and going after this and that, and also other ones related to agriculture, skills they need for 21st century jobs, and also other ones related to agriculture.

Senator NELSON’s amendment and all these amendments are geared and focused on the middle class. We are living in a time when the wealthier have been getting wealthier and the middle class have been losing ground. They may have jobs now because our economy has roared back, but the cost of things has gotten so expensive, whether it is their cable bill, whether it is the cost of sending their kids to college, and, with this tax bill this is our opportunity to address that.

A tax bill should be the value statement for our government, the value statement for America. So I ask my colleagues to come back to the table, to come back to the table to talk about a bill that brings down that corporate rate. I am all in favor of that.

I have 18 Fortune 500 companies. I know how important they are to jobs in my State, but they don’t have to go down to the extreme rate that they are. Instead that money should be used to help the middle class, while bringing down the corporate rate, while bringing in that money from overseas and plugging some of it into this Nation’s infrastructure to literally help us with the roads and bridges and rail we have now, but that isn’t in this bill.

So we tell our colleagues this is a moment in time where you could actually work with us on something that makes sense for America. Don’t squander it.

I appreciate the time from Senator NELSON and his leadership.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. WICKER. Madam President, on behalf of the majority, I yield back all time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON. Madam President, we yield back all time as well.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the Nelson motion to commit.

Mr. WICKER. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 48, nays 52, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—48

Balin\nBennet\nBlumenthal\nBooher\nBrown\nBrown\nCassell\nCardin\nCarper\nCollins\nCollins\nCorker\nCortez Masto\nDonnelly\nDurbin\nDurbin\nFranken\n
NAYS—52

Alexander\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso

The motion was rejected.

VOTE ON MOTION TO COMMIT

The PRESIDING OFFICER. The question is on agreeing to the Baldwin motion to commit.

Mr. BARRASSO. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 48, nays 52, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—48

Balin\nBennet\nBlumenthal\nBooher\nBrown\nBrown\nCassell\nCardin\nCarper\nCollins\nCollins\nCorker\nCorker

NAYS—52

Alexander\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso\nBarrasso

The motion was rejected.

The PRESIDING OFFICER (Mr. KENNEDY). The Senator from Oklahoma.

Mr. LANKFORD. Madam President, I ask unanimous consent that Senator CARDIN be recognized to offer a motion to commit, which is at the desk, and that the time until 2 p.m. be equally divided in the usual form on the motion; further, that at 2 p.m., the Senate vote in relation to the motion with no intervening action or debate. I further ask that following disposition of the motion, the majority leader or his designee be recognized.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senate from Maryland.

MOTION TO COMMIT

Mr. CARDIN. Madam President, I have a motion at the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The bill clerk read as follows:
The Senator from Maryland (Mr. CARDIN) moves to commit the bill H.R. 1 to the Committee on Finance of the Senate with instructions to report the same back to the Senate without delay, not counting any day on which the Senate is not in session, with changes that—

(1) are within the jurisdiction of such committee and

(2) in order to fix and enhance our country’s infrastructure, help create jobs, and responsibly use one-time revenue for one-time spending. The revenue raised by the deemed repatriation provisions of the bill for infrastructure improvements.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Mr. President, I urge my colleagues to support this motion. This motion will send H.R. 1, back to the Committee on Finance with instructions to return it within 3 days to deal with one of the principal purposes of this act, and that is to create jobs. I am pleased that I am joined in this effort by Senators FEINSTEIN, BLUMENTHAL, UDALL, CASEY, STABENOW, KLOBUCHAR, and HARRIS.

As I explained yesterday—but I want to just go over this, if I could—this particular motion is based upon a bipartisan solution in the last Congress that came out of the Senate Finance Committee. We had working groups that took a look at the different aspects of our Tax Code in areas that we need to reform, and there was general agreement that we need to deal with the fact that American companies have earned earnings overseas, and they have parked those funds overseas and have not brought them back to the United States because of the differential tax rates between our corporate taxes and the tax rates overseas. The American companies were not willing to pay the taxes. So, therefore, they leave the money overseas. To bring that money back is called repatriation. So it comes back to the United States. We have done this before, and we imposed a lower tax rate in order to get the money back here in the United States.

The challenge with that proposal is a couple things. But, first, it is not a permanent revenue flow. It is a one-time-only revenue flow. We had the numbers on the House-passed bill, which would bring in somewhere around $300 billion of one-time-only revenue.

The problem is that H.R. 1 includes provisions that use those revenues that bring that in as repatriation but uses the money on a permanent basis to give permanent tax relief to businesses and that puts us deeper in a hole as it relates to the deficit of this country.

This bill also is too expensive. We know that. I think my Republican colleagues know that. The American public knows that—that it will add to the deficit. We now have not only the scores that we traditionally use from the Joint Committee on Taxation as to how much it will cost, and we know it is somewhere in excess of $1.5 trillion—closer to $2 trillion if you extend all the sunsets that are in the bill—but, even now, we have the so-called dynamic score that takes into consideration predicted economic changes that try to make it more favorable, and that is in excess of $1 trillion. That is unacceptable. It should be unacceptable to every Member of this body.

This amendment will help us in doing that, in that it will take at least the $300 billion, which is one-time-only revenue, and not allow it to be used in the budget itself. Instead, we wall that off and use it for infrastructure.

I serve on the Budget and Public Works Committees, in addition to the Senate Finance Committee. I can tell you that the unmet transportation needs, water infrastructure needs, and energy infrastructure needs in this country are well documented. We know we need to modernize our transit systems, our roads, our bridges, our water infrastructure, and our energy infrastructure. We need to modernize them, particularly if we are going to be competitive. The Senate Finance Committee will set the right priority for modernizing America’s infrastructure.

What does that mean with regard to jobs? Speaker RYAN used the number of a little less than 1 million jobs that are going to be created by doing that. That is about $1.5 million per job. That is not very good by anyone’s standards. We have projections that $300 billion—far less than $1.5 trillion—will create 4 million great jobs here in America.

Here is an opportunity to create jobs but at the same time produce a much more up-to-date, modern transportation system for this country. I have the honor of representing Maryland in the Senate. I can tell you that we need significant resources to update our transit system. The WMATA system is old and needs improvements, and needs further investments. We are in the second worst congested area here in Washington. We need investments in roads. Our bridges are in serious trouble. We have a major bridge break every day in this country—every day. We need billions of dollars to fix our water infrastructure.

Here is an opportunity for us to speak to two major priorities. One is fiscal responsibility. Let’s do this in the right way, not spend one-time-only money. Two, we can take care of the international tax problems of American companies that have money overseas. Third, we can repair our infrastructure without raising the deficit.

I urge my colleagues to support this motion so that we can really create jobs and not add to the deficit and to help the people of this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I come to the floor this afternoon to speak on behalf of my own, along with Senator WYDEN, about the incredible healthcare impacts that this tax bill will have on families.

It is astonishing just how far my Republican colleagues are willing to run from the truth in order to jam this terrible tax bill through Congress.

They said it was going to lower taxes for the middle class. Well, it will not.

They claim it is going to create jobs.

Experts tell us the exact opposite.

The Senate Republican tax bill includes a truly devastating healthcare change that is going to raise families’ premiums, cause millions of people to lose their coverage, and create even more chaos and instability in our healthcare markets. People have rejected every single Republican attempt this year to undermine America’s healthcare.

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Taking healthcare away from families to pay for big corporations’ tax breaks is bad enough; what makes it even worse is how they are trying to deny what they are doing.

Senate Republicans are claiming that if they pass the bipartisan bill that Chairman ALEXANDER and I agreed on, all the damage from the healthcare sabotage in their tax bill will somehow go away. They couldn’t be more wrong.

Our bill, the Alexander-Murray bill, was designed to shore up the existing healthcare system and deal with the problems that President Trump and Republicans already created, not to solve the new problems Republicans on tax cuts for those at the top.

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Our bill, the Alexander-Murray bill, was designed to shore up the existing healthcare system and deal with the problems that President Trump and Republicans already created, not to solve the new problems Republicans on tax cuts for those at the top. They are once again telling families that doesn’t make them go away.

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bills might seem like a good talking point in Washington, DC, political cover doesn’t pay families’ medical bills or give them their coverage back. It does not help people with preexisting conditions who may get priced out of the market. It doesn’t help people in communities where markets are already unstable thanks to President Trump’s year of sabotage, meaning insurers are ready to exit if things get worse.  

One more point. Over the last year of roller coasters on healthcare, there is one thing we could count on: that is, President Trump and the Republican leaders making empty promises. Republicans who are comfortable voting for this awful tax bill because of promises they got from President Trump—who called his own TrumpCare bill “mean” when it suited him—and Republican leaders who have written check after check they couldn’t cash on healthcare are placing a bet that is more than risky. In fact, this bet is so risky, it requires House Republicans voting in favor of supporting ObamaCare changes they have already said they oppose. If you have spent 5 minutes in this Congress, you should know that getting House Republicans to support health care is as tough a sell as it gets.

The truth is, if Republicans are serious about not undermining families’ healthcare, there is a very easy way for them to actually do that. They can step back from the brink right now and work with Democrats on healthcare and taxes in ways that actually help, not hurt, the people we are supposed to be here to serve. They are far down the road, I understand, but it is not too late. They can turn around. It is not too late to do the right thing. That is what we are asking.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. WYDEN. Mr. President, I want to pick up where Senator MURRAY left off and emphasize to colleagues that not only would this bill raise taxes on millions of middle-class families, but it would also be a dagger in the heart of the Affordable Care Act, causing millions to lose their coverage and raise costs for millions more. By gutting the personal responsibility portion of the Affordable Care Act, this legislation is going to drive up costs for those who are sick when healthcare was for the healthy and wealthy because it will green-light once more discriminating against those with preexisting conditions. It will say the insurance companies can go out and beat the stuffing out of somebody who has a preexisting condition.

If that is not enough, evidence this morning in the paper shows that this will trigger a new wave of health insurance scams and rip-offs that are going to harm our people. This morning in the paper, they talked about how this is going to encourage these cheap, junk, short-term health insurance policies, which often lack consumer protections and in so many instances have been a magnet for fraud and unscrupulous sales practices.

For example, the paper this morning talked about how—I will read it. “Ex-amples who are dumped from such policies”—these short-term policies—or denied coverage, mired in debt and medical bills totaling thousands, if not hundreds of thousands of dollars. It documents the various tactics used to rip people off. I remember what those tactics were like. When I was director of the senior citizens, the Gray Panthers, at home, it was common for agents to sell policy after policy that was not worth much more than the paper it was written on. It sure sounds to me as though these short-term policies, while a different time, are going to encourage the same kinds of rip-off practices that are going to harm our people.

As we have touched on, we have heard from senators on the other side that they think that if they vote for this bill, what they are going to be able to do is get two other bills that somehow will mitigate, will eliminate a lot of the harm this horribly flawed bill is going to do. It is going to harm millions of middle-class families who don’t get a fair shake in the marketplace and then inflict all this damage on healthcare that I just described.

I happen to think that the two bills are constructive legislation, the Alexander-Murray bill will make payments that will help limit the amount low-income Americans pay for health insurance. Our colleagues, Senators COLLINS and NELSON, have another constructive idea—reinsurance money. That helps to stabilize the insurance market, which, by the way, the President of the United States has worked so hard to destabili-zize. The fact is, the Congressional Budget Office, which is the nonpartisan group I mentioned, make it clear that these two bills will not even come close to wiping out the disastrous consequences of the health provisions in this bill that the Senate is about to vote for.

I want to be clear. This is not just a tax bill, not just a bill with handouts to multinational corporations and a grab bag full of goodies for campaign supporters and powerful, well-con- nected interests. It is not just that. It is a policy that is going to make sure that all our people have affordable, accessible healthcare.

What we ought to be doing is looking at ways to come together and find common ground on provisions that we know are cost-effective, things like the children’s health bill, which if I had my way would have been passed a long time ago, and community health centers and other vital provisions. We should be building on what we have, such as holding down the cost of phar-maceuticals for example, targeting the middlemen who are at the heart of the problem. That is what we ought to be doing.

We should not be doing what is on offer this morning. What is on offer this morning is turning back the clock on American healthcare, turning back the clock to those dark days when the insurance companies could beat the stuffing out of somebody who had a preexisting condition. We are going to take America back to the days when healthcare was for the healthy and wealthy.

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of the Virgin Islands, you will be able to get a major tax break on capital gains and a 90-percent reduction in tax liability on your income.

It has been estimated that corporations and the wealthy are avoiding over $800 million each and every year by stashing their cash in the Caribbean and other offshore tax havens. It appears that this provision will make a bad situation even worse. In adding insult to injury, it appears that this provision will help only a handful of wealthy hedge fund managers who have claimed residency in the Virgin Islands. It has been estimated that this provision alone—one provision in a 500-page plus page bill—will cost over $600 million in lost revenue in the next decade—$600 million in lost revenue when we have a $20 trillion debt and 40 million people who are living in poverty.

Now, I see no Republican Senators on the floor, but I am sure that staff is watching this. I have an assumption that I would like to discuss with Senator Wyden but, more importantly, with some of our Republican colleagues.

What I would like to ask my Republican colleagues is whether there has been a hearing on the need to provide tax breaks to wealthy hedge fund managers who have established residency in the Caribbean.

I would say to my friend from Oregon that there are a lot of problems facing our country—a declining middle class, 40 million people living in poverty, 28 million people having no health insurance, and we are not aware that one of the great crises facing this country is the need to provide tax breaks to wealthy hedge fund managers who have established residency in the Caribbean. It may be one of those great national crises that I have missed, but I don’t quite perceive it as being an issue that the American people seem to be deeply concerned about.

I hope that my Republican colleagues—maybe Senator Hatch or others—are watching this floor and telling us who this provision benefits. Are we talking about one hedge fund manager? Are we talking about two? Are we talking about three hedge fund managers who are going to divvy up some $600 million in tax breaks over the next decade?

I ask my colleague from Oregon, who is the ranking member of the Senate Finance Committee, his thoughts on the issue.

Mr. WYDEN. I am very pleased that my colleague from Vermont is discussing this issue on the floor. The Finance Democratic staff has been looking into this and has been working also with the staff and the committees. It is clear that it would be fair to say that every few hours, this bill just seems to get worse. I mean, we don’t know if, in the middle of the night, somebody will add another round of favors for the powerful interests, the politically well connected. What I can tell the Senator is what we have been able to put together as of now.

In 2004, legislation was written that we were very much involved in that helped eliminate the loophole by requiring U.S. citizens to be bona fide residents of the Virgin Islands and imposing U.S. tax on income effectively earned in connection with the United States. Now, in the dark of night, as I have indicated, it appears that we have a provision that is relaxing this rule.

From our conversations, I know the Senator understands that we all want to help the people of the Virgin Islands after a hurricane. Are we helping people by creating a huge, new loophole, possibly for a handful of those people who are especially well connected and can get to the Finance Committee? I am convinced that if one looks at the Paradise Papers and the Panama Papers, what they were warning about in those papers was of all of these efforts to stash money and create new options for people to wheel and deal in offshore accounts.

So my colleague is right. I continue to wonder why, when we want to ask these really important questions about special interest favors and when we look to the other side, we have this barrier between both sides of the aisle. We need somebody here to explain to us and explain to the American people how this has seemed to just fly out of the sky.

I am very appreciative of the Senator’s raising a question about what looks like something that has come into a process that has been one big sham from the beginning. I appreciate my colleague’s question.

Mr. SANDERS. I thank the Senator very much.

I would just say, according to a number of independent studies, despite what President Trump and the Republican leadership are saying, the overwhelming bulk of the tax benefits in this legislation goes to the top 1 percent. I believe the number is 62 percent that goes to the top 1 percent.

Mr. WYDEN. If my colleague will yield, there is no question he is correct that in terms of stacking the deck, this is not just stacked to the top but to the top 1 percent or a fraction of the 1 percent.

Mr. SANDERS. You have 62 percent of the benefits going to the top 1 percent. Meanwhile, by the end of the decade, my good friend, Senator Wyden and Senator Grassley of the Finance Committee and I have said that tens of millions of middle-class Americans will be paying more in taxes; is that correct?

Mr. WYDEN. There is absolutely no question about that. We are looking at something like half of the middle class to be paying more in taxes come 2027.

Mr. SANDERS. So here we have a nation today that has a grotesque level of income and wealth inequality—worse than at any time since the late 1920s. The top one-tenth of 1 percent now owns almost as much wealth as the bottom 90 percent, and 62 percent of all new income is going to the top 1 percent. The Republicans’ solution is to make this grotesque inequality even worse by giving 62 percent of the tax benefits to the top 1 percent.

I want to get back to this one point. I suspect that when you rush a bill of this magnitude through the U.S. Senate, when there have been virtually no hearings, no experts, no real ability to have significant debate and discussion at the committee level, what you are going to find the day after this bill is passed are absolutely outrageous provisions.

Mr. WYDEN. Not for a minute.

The reason my colleagues are so important is that this is, certainly, an example of what seems to turn up every few hours, practically in the middle of the night.

My colleague raised a very good point with respect to the development of this bill. I mean, we are talking about making $10 trillion worth of changes in tax policy on the fly—without a hearing. The Senator’s colleagues have said—Chairman Enzi and the Budget Committee—and I have heard it several times on the floor that there were 70 hearings on this bill. There was not one on this piece of legislation. It certainly didn’t examine this issue. It didn’t examine the question, for example, of what is going to happen to people with this bigger to the Affordable Care Act.

I can tell this to my colleague because he is right to talk about how one brings parties together. I know my colleague did that as part of a major bill on the Veterans’ Committee with Senator McCain. Our former colleague Bill Bradley mentioned that when he wrote a tax bill, he flew all over the country to work with Republicans. In this case, apropos of my colleague’s question, not only did not no one do that kind of work, but they wouldn’t even walk the corridor to talk about working with the other side.

Mr. SANDERS. Let me make two points as I wind down here.

One, yesterday, I challenged my Republican colleagues what this is all about. If this bill is passed, to tell us and tell the American people that when they rack up a deficit of $1.4 trillion, they are not going to...
come back and cut Social Security, Medicaid, Medicare, education, nutrition.

Tell the American people that you are not going to balance the budget and compensate for your huge tax breaks for the rich and large contributions by going after the middle class and working class of this country.

I challenged my Republican colleagues yesterday to come to the floor and tell the American people that they would not do that. They have not responded to that challenge.

The second challenge today is to tell us what is in section 14504, page 505. This is a provision that would provide $600 million in tax breaks to my Republican colleagues. Who is going to get those tax breaks? We believe—and tell us if we are wrong; maybe we are—that we are talking about a handful of hedge fund managers. Who are they? How many of them are there?

I would ask, respectfully, that Senator Hatch or any other Republican come down to the floor and tell us who benefits from section 14504.

Mr. WYDEN. Will my colleagues yield for a moment?

Mr. SANDERS. I will.

Mr. WYDEN. I want to ask the Senator a question because I am not sure that we have really laid out the timetable of what is ahead. My colleague, of course, who is our ranking Democrat on the Budget Committee, is very up on this.

We have all been concerned because we have seen it before. You pass these big tax cuts. You get on a sugar high for a relatively short period of time. Then the deficits start rolling in. What we see next are the cuts in the programs that are a lifeline for millions of people—the anti-poverty programs, Medicaid, Medicare, Social Security.

I saw comments in the paper that what my colleague is concerned about has already been announced by the Speaker of the House. I understand that the Speaker of the House has said this morning that his next plan is to take up the issues of what he calls entitlement reform. They are not talking about the things that the American people care about and that I am going to hear about at townhall meetings at home this weekend—holding down the costs of prescription drugs. They are talking about rolling back the safety net—Medicaid and the anti-hunger programs and Social Security.

Is that my colleague’s understanding?

Mr. SANDERS. Absolutely. That is absolutely what they will do. They will talk about saving Social Security; they will talk about entitlement reform.

What I am talking about is cutting Social Security, cutting Medicare, and cutting Medicaid.

As the Senator has indicated, it is not some kind of an abstract, theoretical ideal. What Speaker Ryan is already talking about. Separate to the point, that is exactly what was in the budget that was passed here several months ago.

Mr. INHOFE. Will the Senator yield for a unanimous consent request?

Mr. SANDERS. I will.

Mr. INHOFE. Mr. President, I ask unanimous consent that at the conclusion of the remarks by the Senator from Vermont, I be recognized for up to 10 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection.

Mr. WYDEN. Reserving the right to object, if I could, I don’t think the U.S. Senate was granted the unanimous consent of the Senate to have this unanimous consent request.

Mr. INHOFE. I have a point of inquiry. Was the U.S. Senate granted— the unanimous consent request?

The PRESIDING OFFICER. The Chair said “without objection” because the Chair did not hear objection.

Mr. WYDEN. Well, I would like to reserve my right to object at this time.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving my right to object, and I will not object. I would just like to make sure that our colleague from Oklahoma and our colleague from Washington are both accommodated in this matter.

Mr. WYDEN. I believe Senator Cantwell said that Senator Inhofe will go ahead. We thank Senator Cantwell for her usual collegiality.

Senator Inhofe will go first and I ask unanimous consent that Senator Cantwell follow Senator Inhofe, and I will withdraw my reservation.

I withdraw my reservation and I ask unanimous consent that Senator Cantwell follow Senator Inhofe.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SANDERS. Mr. President, let me conclude my remarks.

I would urge my Republican colleagues to come down to the floor of the Senate and explain to the American people what section 14504 is about and who benefits from some $600 million in tax breaks over a 10-year period. Is it two hedge fund managers? Is it five hedge fund managers? What is it?

Inhofe. Let us get a response to that quick question as quickly as possible.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, let me pause in this class warfare for just a minute to make a couple of observations that I think are certainly important to me.

First of all, I agree that no one has said that the underlying bill is perfect. Incidentally, I will not respond to the Senator’s specific request until I have time to go back and get the proper response, and then I will be glad to do it. But I will say this. We are going to have a conference. There is going to be an opportunity for people to get some of the things ironed out—some of the things we are both concerned about.

There are a couple of things I want to serve notice right now that I am going to be concerned about. One is that the bill that we have punishes trust ownership. It doesn’t treat the trust ownership the same way it does ordinary ownership. I think they both should be treated equally. I talked to a number of people who are participating in this on the other side of the aisle, and I would like to kind of serve notice that we are going to be talking about this, because I think it is very, very significant.

The second thing is that we hear a lot of good ideas. Certainly, there is this idea that somehow there isn’t a good idea unless it emanates from this body. I have to tell you this. It is interesting for me to be standing here because I am not on any of the committees that have anything to do with this bill. I am not on the Finance Committee, and I am not on the Budget Committee. If you want to talk about defending America and roads and highways, I will talk about that. That is my specialty. I am on those committees and have senior leadership in those committees. But as a Member not directly involved in this debate, I have looked at it and I have heard good ideas from the outside—two weeks ago that actually came from the Hugh Hewitt show. I heard an idea that I tried to pick apart, and I can’t find any faults with it. So I have developed an amendment that we are going to have that will address this idea that I am talking about. This amendment would offer an alternative to those who have retirement programs, where the individual is not to pay for the income until the withdrawal date—say, age 59%.

The amendment would provide that there would be a one-time opportunity to withdraw up to 25 percent of the retirement account for a single flat fee of 10 percent in lieu of paying income tax at that time.

There are a lot of benefits that I think are pretty obvious. We are talking about retirement programs where the individual is not to pay for the income until the withdrawal dates—let’s say, at age 59%. This would have the immediate revenue of 10 percent of all savings that are withdrawn, and this would actually amount to billions of dollars. We are talking about immediate dollars, not dollars that may be there in the future, but you could argue that this might reduce some revenue at some future date because the individuals will have already pulled this out for a fee of 10 percent. So, perhaps, it would have some negative effects in the distant future. But when you stop to think about the benefits—I know a lot of people on the other side of the aisle don’t realize this—we are going to have huge benefits.

If you just look at what has happened in this administration in the second and third quarter of this year, we have gone through years in the Obama administration with maybe a 1.5-percent
Mr. WYDEN. Mr. President, I ask unanimous consent that Senator CANTWELL and Senator VAN HOLLEN be allowed a total of 15 minutes to discuss some very important issues.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Washington.

Ms. CANTWELL. Mr. President, I come to the floor with my colleague from Maryland to talk about the State and local tax deduction.

I thank the ranking member of the Senate Finance Committee for his hard work on trying to articulate what is fair tax policy for Americans. Senator CANTWELL and I come from parts of the country with probably some of the most unique tax codes. He doesn’t have a sales tax in Oregon. We don’t have an income tax in Washington.

We are not an expensive tax State. We are not an expensive tax State. There are other States such as Texas, Nevada, and Florida that also don’t have an income tax. Under this bill, those States and the citizens of those States, like many others, are going to be penalized. Middle-class Americans are going to have their taxes raised to give a break to corporations.

So while we might want to discuss what is fair tax policy as it relates to the competitiveness of our economy, the good news for the people of the State of Washington is that we have the competitive advantage, whether it is Microsoft or Amazon or Starbucks or Costco or Boeing. They are all working hard. They are all working in multiple places, and yes, they are all doing really, really well.

The question is, Do we need to reduce their corporate rate so significantly, and to do so, take money out of the pockets of middle-class families across the United States of America?

The reason I mention Senator CANTWELL and the State of Oregon and Washington, is that, even though we have a unique tax code, our State’s economy has grown faster than the national average every year since World War II. That is to say, the uniqueness of our tax code has not hurt us, and yet in the State of Washington we have had the highest minimum wage for a long time in the United States. Now we are raising it in various parts of our State. We have had a unique view of where our revenue shows up.

Why now? Why now? After 100 years of tax deductibility by taxpayers in this country, why are you taking away their ability to deduct only to give a tax break to corporations that are making record profits? After 100 years, why are you doing this?

Well, I think some of my colleagues have said it best. They have called it double-taxation. You are going ahead after 100 years and saying it is OK to tax the same amount that we pay to the State that you also are going to tax at the Federal level. As one article mentioned, “Alexander Hamilton in the Federalist Papers said the Federal Government might try to monopolize taxation to the entire exclusion and destruction of State governments.”

That is right. Our Founding Fathers said: Do not have double taxation. So for 100 years—100 years—we protected this citizens of this country. Yet someone over there is thinking: Do you know what? I need $1.4 trillion. Where can I get it? Let’s do it on the backs of middle-class families, because they might not notice until 2019 when their tax bill comes and they have a different equation.

I get that my colleagues think they have solved this problem by getting rid of the deductions and now all of a sudden giving you a new tax deduction. I have done the math. I have done the math for us in Washington State, and over 300,000 people in Washington will see their taxes go up immediately, probably paying anywhere from $750 to $1,000 more in taxes. Is that fair? They are sitting in the shadow of these large companies who are making record profits and doing quite well, asking why are they the funders of this tax break?

Why are we getting rid of a policy that has existed in our country for over 100 years and penalizing them just to give this corporate break?

I can tell you I don’t buy the notion that this is going to trickle down to productivity and wage growth. I know what is driving productivity and wage growth in my State. It is a great, educated, skilled workforce. It is staying ahead of innovation whether it is making software or making business, and, yes, it is a constant challenge. Those businesses tell me all the time we need more infrastructure, we need more affordable housing, we need a better transportation system, we need better education. So they are very concerned about the ideas in this legislation.

So you are going to tax immediately about 300,000 Washingtonians with a State and local tax deduction. The Joint Committee on Taxation and other entities, probably by the time this is done, at the end of this bill, over a million Washingtonians are going to pay more money. That is why I am so concerned, along with other States that have been fighting this battle for so long. Why now? Why now? What is the urgency that you are taking away the ability of my citizens to deduct their local sales tax, their property tax, in the way they choose in the way they choose? Is it in the way they choose, other expenses, whether they are medical or education or their mortgage? It is just beyond me, when the middle class has suffered so much and has not recovered from the downturn in the economy, when you think the best economic strategy is to take money out of the middle-class taxpayer.

I ask unanimous consent to have printed in the Record a letter from the National Governors Association from Governor Sandoval that I mentioned they don’t have an income tax. They are highly sensitive to this issue.
There being no objection, the material was ordered to be printed in the Record, as follows:

NATIONAL GOVERNORS ASSOCIATION, September 22, 2017.

HON. RICHARD NEAL, Ranking Member, Committee on Ways & Means, U.S. Senate, Washington, DC.

DEAR MAJORITY LEADER MCCONNELL, MINORITY LEADER SCHUMER, SPEAKER RYAN, MINORITY LEADER PELOSI, CHAIRMAN HATCH, RANKING MEMBER WYDEN, CHAIRMAN BRADY, AND RANKING MEMBER NEAL: The nation’s governors appreciate congressional efforts to reform the federal tax code. Local and state tax policies are intricately woven into the social fabric of our states and localities. Federal and state tax systems are complex and often interdependent. Therefore, as Congress considers reforms, we urge you to maintain the balance between state and federal tax systems by preserving the income exclusion for municipal bond interest and the deductibility for state and local taxes.

The financing engine that drives U.S. infrastructure is the $3.8 trillion municipal bond market. Changes to federal laws and regulations should not increase issuance costs or limit access to municipal bonds or diminish investor demand for them. If federal changes make issuing municipal bonds cost prohibitive for states and local governments, then fewer projects could be funded, jobs could rise, fewer jobs created, and economic growth will suffer.

Governors believe that no federal law or regulation should preempt, limit, or interfere with the sovereign rights of states. A mark of sovereignty includes the ability to develop and operate revenue and tax systems. Deductibility of state and local taxes has contributed to the stability of state revenues that are essential for providing public services that wage-earners and business people value. Congress needs to preserve the deductibility to the tax code that would undermine the ability of state and local governments to meet the needs of the citizens whom we all serve.

Eliminating state and local tax deductibility, moreover, exposes a higher share of an itemizing taxpayer’s income to federal taxation because it adds back mandatory payments of state and local taxes already paid, as taxable income.

Federal tax reform requires an intergovernmental dialogue because decisions at the federal level will affect state and local governments profoundly. We look forward to working with Congress on bipartisan tax reform that recognizes the balance between our systems and modernize the federal tax system to meet the needs of the citizens we all serve.

Sincerely,

Gov. BRIAN SANDOVAL, NGA Chair.
Gov. STEVE BULLOCK, NGA Vice Chair.

Ms. CANTWELL. Mr. President, their letter says that the deductibility of State and local tax payments has been a part of their stability, and they are about meeting the needs of their citizens.

So the notion that we have the National Governors Association, the homebuilders, the Realtors, so many people who care about this — and this is falling on deaf ears. I guarantee you it will not fall on deaf ears when the citizens have a chance to respond to this.

The notion that we not only are taking away this ability to deduct, but we are also in this legislation making a change in the formula that calculates, what is called Chained CPI — I am not going to bother to explain the details to you, but I will tell you this.

It will change your tax bracket, and you will be in a higher tax bracket. So besides giving you less deductibility, they are changing a formula and making you pay more taxes.

This bill needs to slow down. It needs to focus on who will be winners and losers in the economy grow, and economists don’t believe this bill is going to do much to help the economy grow. It is going to give those corporations money to pay for dividends. Seventy-five to eighty percent will go to their shareholders, and those shareholders and the stock market will do well.

What we also need to focus on is the investment that middle-class families need to stay in their home, to make education affordable, to pay for healthcare, and to have communities work. The fact is, the Fraternal Order of Police is also against this legislation because of taking away of this local deductibility. It is like Hamilton said: Why are you doing this at a Federal level? Why? The government of the people, by the people, and for the people? I thought they were there to protect the uniqueness of the Tax Code to say that States have rights, to say that States ought to be able to decide their own future. We are not taking that away today, and you are going to hear from the citizens of this country who are upset that they have to pay higher taxes just to give these very successful companies a corporate tax break. We are not taking that away.

I yield to my colleague from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. VAN HOLLEN. Mr. President, may I inquire how much time remains on the unanimous consent agreement for this amendment?

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. VAN HOLLEN. Thank you, Mr. President.

I see Senator MENENDEZ from New Jersey has arrived. He is a cosponsor, together with Senator CANTWELL and myself, on this amendment, and I want to thank Senator CANTWELL for her leadership. She has covered a lot of important points.

The main one is, from the beginning of our Federal Tax Code in 1913, we have established a principle in the United States to avoid double taxation. It makes no sense that any citizens of this country send a dollar of tax to the United States to avoid double taxation. It makes no sense that any citizens of this country send a dollar of tax to the United States to avoid double taxation. It makes no sense that any citizens of this country send a dollar of tax to the United States to avoid double taxation.

Now, weeks and weeks ago, the Republican leader, Senator MCCONNELL, and the Speaker of the House, PAUL RYAN, made these public statements that $50,000 and $75,000 claim the State and local deduction. That is 7.6 million households. Fifty-six percent of taxpayers who make under $100,000 claim the State and local deduction, and 86 percent of taxpayers making under $200,000 claim the State and local deduction.

It is wrong to double tax those families in order to provide a huge tax break for big corporations. Just to add insult to injury, the corporations in my State and local governments still get to deduct their State and local taxes. We just don’t let the people in our State do the same thing.

Let’s adopt this amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MENENDEZ. Mr. President, I am here to support the motion offered by Senator CANTWELL, to speak out against a tax bill that is nothing short of highway robbery on New Jerseyans. They are just one in one thing. It is about cutting taxes for wealthy corporations and asking working families to pay for it. It is especially bad for middle-class families in New Jersey, New York, Washington, Maryland, and other high-earning States that make bold investments in education, that drive the most innovation, that generate the most Federal revenue.

Don’t let the Republicans fool you if they airdrop an amendment at the last minute that throws a few crumbs at New Jersey families and call it a victory. Carve-outs, caps, and exceptions are nothing but gimmicks meant to distract the public from what is really going on. No matter how you slice it, gutting or even limiting the State and local tax deduction is a direct assault on middle-class families in America’s highest earning, most economically productive States. By gutting the SALT deduction, Republicans will literally force millions of middle-class families across America to pay taxes on their taxes.

In 2015 alone, nearly 1.8 million New Jersey households deducted a combined $32 billion in State, local, and property taxes from their Federal tax bill. These families aren’t living large. They are middle-class folks who had to work hard for every dollar they have. In fact, IRS data shows that more than 85 percent of taxpayers who claim the SALT deduction make under $200,000 a year and pay more than $100,000 a year. So it is wrong to ask millions of Americans who had to fight their way into the middle class to pay more just in order to provide huge tax breaks to the biggest corporations of this country, this bill will require millions and millions of middle-class families to increase their taxes, and a main vehicle for doing that is by removing the deductions for those crucial income exclusions.
so big corporations can pay less, and rubbing salt in their wounds is the fact that Republicans let corporations keep on deducting their State and local taxes on top of the huge tax cuts lavished on them by this tax plan.

If deducting State and local taxes is so important for big corporations that make billions of dollars each year, Republicans should understand why it is so important for middle-class families in cities and suburbs across America. That is why I am offering this motion with Senator CANTWELL to send the bill back to committee to fix this fatal flaw and restore the SALT deduction. If it is good enough for huge corporations, it should be good enough for middle-class families.

I have heard many of my Republican colleagues complain about the SALT deduction as if it is some subsidy for States like New Jersey, and that hypocrisy is just amazing to me. Far from subsidizing successful States like New Jersey, the SALT deduction actually benefits the entire Nation, which is able to share in the economic rewards created by the high-powered economies of States like New Jersey, and now Republicans want to take even more. Well, we are sick and tired of it, and we want our money back. I will make a deal with any Republican from a taker State. Since you are so opposed to subsidizing other States, how about you take all of the extra Federal dollars you receive beyond what you pay and transfer it back to donor States like New Jersey? Sound like a deal? I don’t think so.

Each and every year, States like New Jersey, New York, and Virginia generate billions of dollars in Federal revenue that go to Americans in less productive, lower income States that are more reliant, more dependent on Federal spending. They are America’s economic powerhouses, America’s donor States, precisely because they invest in public education, law enforcement, mass transit, infrastructure, and economic opportunity for all.

It is no surprise that everyone from the Fraternal Order of Police to the American Hospital Association, to AARP support keeping the State and local tax deduction. Taking it away is a direct threat to the funding States need to educate our kids, keep cops on the streets, respond to fires and firefighters, and provide healthcare to the most vulnerable—all this just to give big corporations big tax cuts.

If multinational corporations get to keep deducting their State and local taxes, there is no reason to stop millions of middle-class Americans from doing the same. Make no mistake, any reduction in the State and local tax deduction is a direct assault on America’s highest earning, most innovative, most economically productive States. Guess what will happen when America’s economic powerhouse States aren’t so powerful any more.

I urge my colleagues to stop punishing success, stop interfering in State government decisions, and join me in protecting the SALT deduction. Vote for the motion to recommit.

I yield the floor.

MR. THUNE. Mr. President, we are about to embark upon a vote that I think will be historic, a once-in-a-generation kind that perhaps we should pause and reflect on. The last time we did major tax reform in this country was 1986, 31 years ago. Believe it or not, I happened to be a staffer here back then. Although my boss was not on the Senate Finance Committee, I was in the Tax LA in the office, and so I had the opportunity, in a very small way, to be a part of the 1986 Tax Reform Act, which at that point was landmark legislation, very historic, very far-reaching, and had a profound impact in a positive way on the economy.

Well, here we are 31 years later—long overdue, I might add, to get to the point where we once again can do something about our tax code that is completely outdated, completely antiquated, and puts us at a competitive disadvantage with countries around the world with whom we have to compete. So we have an opportunity today—and I believe we will have an amendment process here that will get started very soon in which Members will have an opportunity to lay down their amendments, to debate them, and to get them ultimately voted on, but I believe that if we do the right thing, we will have a final product that moves us fundamentally in a different direction when it comes to our tax policy, in a direction that is good for jobs, that is good for growth—economic growth—and that is taxed in the jurisdiction in which it is generated. I believe that will make billions of dollars each year, reduce the hemorrhage jobs and businesses and gone well below that. We continue to look at every other industrialized country in the world because our tax rate, our Tax Code, is taxed in the jurisdiction in which it is generated. I believe that will make us a much more attractive place to do business.
We get the corporate rate, the business rate, down to 20 percent. And when I say businesses, that is what we call C corporations. There is a slightly different treatment for passthrough businesses. Those are your partnerships, LLCs, and single proprietorships, things like that. But we also significantly reduce rates on small businesses. We believe that is important to growth. This needs to be a pro-growth bill. We want to grow our economy at a faster rate. We have a faster growing economy, an economy growing at rates that are more normal to historic averages, means that we are creating better paying jobs. That means we are lifting wages in this country.

Wages have been flat for so long. For the last decade or so, the American people have rarely had anything that could be characterized as a pay raise. That is why we needed to update our business tax code, so that we can get the economy producing and growing at a faster rate to generate those good-paying jobs and provide higher wages to American families and American workers. We believe this bill does that.

I think the changes that have been made in addition to lowering the rate—allowing for expensing of capital investments allows businesses to recover their cost of investment faster, accelerate that cost recovery, which enables them to get that capital they can use to expand and grow their operations and thereby, again, create those better-paying jobs. Those are key changes that in this congressional act to greater economic growth, better jobs, and higher wages in our economy.

There have been a lot of analyses and studies that have been done that demonstrate how, in fact, that might work. If you look at what the President’s Council of Economic Advisers says, they suggest that lowering the rate on businesses will generate $4,000 in additional average household income on an annual basis. That is an additional $4,000 in the pockets of families in this country as a result not just of the tax reductions, which I will get to in just a moment, but the changes made on the business side of the code generate an additional $4,000 annually per household. There is another study out there by Boston University. They conclude that it would increase the average household income by $3,500, which is slightly less than $4,000.

It is significant that families in this country, households in this country, and people in this country are going to benefit, because when you create a more favorable environment, favorable conditions for investment and creating jobs, then you don’t see competition for labor. Competition for labor raises the price of labor. When the price of labor goes up, companies have to pay higher wages. That means bigger paychecks for American workers. That is precisely what these particular studies have shown.

Let me say, too, because I think that as I have listened to my colleagues on the other side—they consistently make the argument that somehow these are tax cuts for the rich, which I don’t think is any surprise. That is normally what they say anytime we have a debate about reducing taxes.

My colleagues, in the time I have been in Washington, both as a Member of the House of Representatives and now as a Member of the Senate, has been that, generally speaking, Democrats like to grow government. We believe that the best way to lift high-income earners. I have to say that I take issue with that because I think, if you look at the actual content, the substance of the bill, you will come to a different conclusion. I said this before, and I mean it sincerely: I hope people don’t take it from me. Sit down and look at your own tax situation. Plug in the changes that we are making here, and find out if you come out better or worse than you are today.

I will tell you that if you look at the average family of four with a combined annual income of $73,000, you are going to see a $2,000 to $2,200 tax cut. A $2,200 tax cut is what your average family of four making $73,000 in this country is going to see. What does that represent to them? That is a 60-percent reduction, a 60-percent tax cut, relative to what they are paying today under current law.

By reforming the Tax Code and putting these changes in place, the average family of four with a combined annual income of $73,000 will see a $2,200 tax cut. We believe that a 60-percent reduction in what they are paying today. Why does that happen? Well, it happens because we are making some changes that provide significant relief in the Tax Code relative to families when they file their taxes.

The first, of course, is that we double the standard deduction. The standard deduction is the amount that people can deduct from their income right away, from their adjusted gross income. That lowers the amount that is actually taxable to start with. Under our legislation, the standard deduction for both married couples and those who are filing single—they actually get a doubling. It is very predictable.

The second thing we do in our bill and if you are raising kids, this will dramatically reduce the tax burden you will have—is we double the child tax credit, which under current law is $1,000 per child. Under this legislation, that will double to $2,000 per child.

The other thing we do is we lower rates. We have a significant rate reduction through all the different brackets in the code.

The combination of doubling the standard deduction, doubling the child tax credit, and lowering rates means that middle-income families are going to see less in taxes.

We think we have found the right balance in designing a bill that delivers tax relief to hard-working, middle-income families in this country. At the same time, we are reforming the business side of our Tax Code in a way that unleashes our economy and unleashes those job creators and a lot of that investment that has been sitting on the sidelines and allows our small businesses and our larger businesses to expand their operations, and as they do that, they will have to hire more workers and pay those workers higher wages.

We think the combination of those features of this bill makes this a bill that is very well received by middle-income families in this country. Those are just a few of the features of the bill. That lead to, as I said earlier, an average tax cut for a typical family of four of $2,200, or about a 60-percent reduction over what they are currently paying.

As we have listened to the debate from the other side, they attacked it as being a tax cut for the rich. They attacked it for being rushed out here. They attacked it for being a windfall for corporations. It is not true, it is not available.

There is nothing new in any of these arguments. I have been around here long enough to know in advance what the other side is going to say. But in this case, these arguments simply don’t comport with reality. They just don’t fit the facts. They don’t fit the data.

With respect to the issue of who pays, we pay a lot of attention—and we should—to tax burdens in this country. One of the things on the things on which we will be passing today does is it maintains in the law the progressivity in our Tax Code. We have the most progressive Tax Code, I would argue, in all the world. So we paid very close attention to this to make sure that the tax burden, when all is said and done, doesn’t change very much from where it is today. So people of different income groups, income categories, continue to pay similar burdens to what they are paying today.

What this shows is that those in the $20,000 to $50,000 category today pay about 4.3 percent of the entire tax burden, the taxes collected in this country. People who earn between $20,000 and $50,000 pay about 4.3 percent. Under our legislation, that will go down to 4.1 percent. Those in the $50,000 to $100,000 category—earners in that group today pay about 16.9 percent of all the taxes collected. That is their share of the tax burden. Under this legislation, that will go down to 16.7 percent, that is a slight reduction in the overall tax burden relative to what they have today. Those making $100,000 or more
We can do so much better than that.

know anything but 1.9 percent growth.

many people in this country who don’t

for too many people—there are too

growth, which has become the normal

to encourage businesses to expand

into this country, and provide the right

incentives for businesses to expand

and loopholes and deductions in the

offset by what we call base broadeners,

overall, about $4 trillion of which is

going to blow up the deficit. Well, we

about deficits—is that somehow this is

cause it is a revelation to many of us

pay their fair share.

their fair share and that particularly

ensure that people continue to pay

this process, we committed to ensuring

that there was fairness in the code, and

we paid attention to the tax burden to

ensure that people continue to pay

their fair share and that particularly

in the upper income categories pay their fair share.

Another argument that has been

made by our colleagues on the other

side—which is interesting to me be-

cause it is a revelation to many of us

that all of a sudden they are concerned

about deficits—is that somehow this is

going to blow up the deficit. Well, we

did allow for a net tax cut in this.

There is about $5 trillion of tax cuts

over a ten-year horizon of which $2.1

is offset by what we call base broadeners,

or killing and getting rid of preferences

and loopholes and deductions in the
code, and the balance of which will be

made up through economic growth.

There is about how much growth will occur in the economy, but

I think it is fair to say that this is

going to grow the economy.

Even the Joint Committee on Tax-

ation, which uses numbers that, to me,

are completely inaccurate—I mean, it

is hard to feature that over the course

of the next decade, our economy isn’t

going to grow at more than 1.9 percent,

but that is what they assume. Just by

way of example, over the last two quar-
ters, it has grown to 3.3 and 3.1 percent.

If we can continue to build on that, we

will more than pay for and have lots of

revenue left over when this is all said

and done. So if you assume modest

amounts of economic growth—about

two-tenths, three-tenths of 1 percent of

additional growth in the economy per

year—it more than covers what we are

talking about here in terms of the

shortfall of forgone revenue associated

with this tax legislation.

We have a bill that, if our economy really
does pick up—and I believe it will if we

put the right policies in place that en-
courage investment, track investment

into this country, and provide the right

centives for businesses to expand

their operations—we will see an en-
tirely new economy where 1.9 percent

growth, which has become the normal

for too many people—there are too

many people in this country who don’t

know how to get up to that level.

We can do so much better than that.

This is America, the greatest economy

on the face of the Earth. We ought to

be able to get up to that 3 to 3.5 per-
cent growth rate. If we do, this econ-

omy will take off, American businesses

will start, entrepreneurs will start cre-

ating jobs, and we will have higher

wages and bigger paychecks for Amer-

ican workers.

I hope we get a “yes” vote later

today on this.

I yield the floor.

Ms. COLLINS. Mr. President, today I

wish to join in a colloquy with the ma-

jority leader to address concerns that I

have with the tax reform legislation

that we are considering and to thank

him for the many discussions that we

have had over the past months about

this bill.

I have made clear that I don’t think

that the repeal of the individual man-

date should have been included in the

tax bill. Rather, I would prefer to see

the mandate issue and the other flaws

in the ACA addressed through a series

of discrete bills that can be thought-

fully targeted to correct specific prob-

lems. That said, I have long-supported

the repeal of the so-called individual

mandate because I do not believe that

the Federal Government should force

any American to buy healthcare cov-

erage for high-risk pools annually or
cannot afford. Eighty percent of the

people who pay the penalty imposed

by the mandate make less than $50,000

a year.

Nevertheless, it appears very likely

that the individual mandate repeal will

be part of this legislation. Unless we

take action, that repeal will almost

cease to exist. And it should make less

$50,000 a year.

There are two steps we can take to

take remedial action. First, we need to

pass the Bipartisan Health Care Stabil-

ization Act of 2017, legislation

which uses numbers that, to me,

are completely inaccurate—I mean, it

is hard to feature that over the course

of the next decade, our economy isn’t

going to grow at more than 1.9 percent,

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This is America, the greatest economy

on the face of the Earth. We ought to
The motion was rejected.

The PRESIDING OFFICER (Mr. Boozman). The majority leader is recognized.

Mr. McCONNELL. Mr. President, I ask unanimous consent that there now be 30 minutes for debate only, with no amendments or motions in order, with the majority leader being recognized at the conclusion of that time.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Mr. President and colleagues, the Senate is looking at making $10 trillion of changes in tax policy on the fly. This is the biggest change in Federal income tax policy in more than three decades. This is legislation that will determine our country’s economic future for a generation, and, at this time, the Senate does not have the language the Senate will be voting on. My colleagues have been saying that they are out looking for it. I have a couple of questions I would like to ask the distinguished majority leader.

When will the Senate be able to actually see the full text of this legislation?

Mr. McCONNELL. Mr. President, I would say to my friend from Oregon that there will be plenty of time for him to read it.

Mr. WYDEN. Again, through the Chair, we are talking about complicated materials. We are talking about extraordinarily difficult, technical issues under the best of circumstances. While I respect the majority leader, to just be told we will have plenty of time to read it, what I can say is coming on top of the fact that we didn’t have a single hearing on the actual legislation, nothing with regard to specifics—I think on this side of the aisle we have a right to some sense of when we will actually be able to see this. It strikes me as a reasonable and pretty straightforward request, given the fact that the American people have been kept in the dark about this for so long.

So, again, I respectfully ask the majority leader: When will it be possible to see the full text of this bill?

Mr. McCONNELL. Mr. President, I say to my good friend from Oregon, there were 4 days of hearings on the bill in committee with the committee report sent out at least 2 weeks ago. I am totally confident our friends on the other side are fully familiar with almost all aspects of this. He will certainly have an opportunity to read the final version, but he is very familiar with this.

Mr. WYDEN. Further reserving my right to object, I know that on the other side there has been discussion of scores and scores of hearings. I would say to the distinguished majority leader, there was not one single hearing—no one—on the specifics with respect to this legislation. There was not one single hearing on the health changes the majority seeks to make that put a dagger into the heart of the Affordable Care Act.

So I will ask my colleague once more, and if we don’t get a sense of what time we are actually going to see this bill, I intend to object.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. SCOTT. Mr. President, reserving my right to object, I just want to be sure what meeting I sat through for 12 hours about 2 weeks ago, where we essentially litigated each aspect of this legislation. I am not sure where we have been for the last several years as we have had, for the last 5 or 6 years, several hearings.

The reality of this legislation is that every facet of it is something we have discussed. There is not a new part—not a new part to the legislation. Yes, we have fused it together over time. There is no doubt about that. But to sit here and say that we have not had opportunities in the Finance Committee to hear the facets of the bill is just disingenuous.

Mr. WYDEN. Will my colleague yield for a question?

Could my colleague tell me when the hearing was held on the health changes envisioned in this legislation?

Mr. SCOTT. Mr. President, it is not a secret that our party and this body have been working on healthcare for about 10 years. Anyone who doesn’t understand and appreciate that the individual mandate and its effects in our bill take nothing at all away from anyone who has a subsidy, anyone who wants to continue their coverage—it does not have a single letter in there about preexisting conditions or any actual health feature.

The reality is, what our plan does on the individual mandate is good news for the average American. Here it is.

Mr. WYDEN. Will my colleague yield?

Mr. SCOTT. Here it is. Here is the good news for the average American. They ought to hear loud and clear that 80 percent of the folks who are punished—punished—by the individual mandate live in a household of less than $50,000 of income, and one-third of those folks live in a household of less than $25,000. Therefore, the benefit of our actions is to set folks free from being penalized for doing nothing.

Mr. WYDEN. Will my colleague continue to yield?

Mrs. MURRAY. Will the Senator from Oregon yield?

Mr. WYDEN. In just one moment. Will my colleague yield for a question?

I believe I have the floor.

The PRESIDING OFFICER. Is there objection to——

Mr. WYDEN. Reserving the right to object.

Mr. SCOTT. Regular order.

The PRESIDING OFFICER. Is there objection to the request?

Mr. WYDEN. It is my intention, Mr. President, to come back every 30 minutes until we get an answer to the question. I just asked my colleague from South Carolina if there was a hearing on the sweeping changes that are being proposed in this bill, the Affordable Care Act. I asked him for a date. He said nothing with respect to the date. He said nothing with respect to the date.

Mr. TILLIS. Mr. President, regular order.

Mr. WYDEN. Mr. President, we will be back in 30 minutes to continue this. The PRESIDING OFFICER. Without objection, it is so ordered.

There will now be 30 minutes of debate.

The Senator from Colorado.

Mr. BENNET. Mr. President, on the matter that was being discussed—I am on the Finance Committee. There has not been a hearing on this bill, not a single hearing. A markup is not a hearing. People might say, well, why is that a big deal? Why is that relevant? Because a hearing is an opportunity for the American people to say whether they want this bill or not. A hearing is an opportunity for an economist to come to the Senate and say whether they want this bill. A markup is a chance for Senators to say what is on their mind, not for the American people to be able to say what is on their mind. That is what I am thinking about today.

I wanted to start my remarks with a little bit of a history lesson because this Chamber seems to forget what it has said, where it has been, and it is one we have a case of terrible amnesia that you can support this legislation.

When Bill Clinton left the White House, he left his successor a projected surplus of $5.6 trillion. That is what George Bush inherited when he became President. The Senate was actually having hearings about what to do with the surplus and whether that surplus constituted some sort of threat to the economy. That is what he left behind. Then, George Bush, with this Congress, cut taxes in 2001 and 2003, and, of course, did not pay for those tax cuts. They didn’t need to because they would pay for themselves. That is what they said. It is exactly
what they are saying today. It is exactly what they are saying today. In 2003, they passed another tax cut, and they didn’t pay for it, but they said it would pay for itself. Incredibly, the 2003 tax cut came after we had invaded Iraq and paid for the invasion. Not only did we never ask the American people to pay for those wars, we cut their taxes and put the burden on their children. That supply-side economics, which is exactly the same, are over today, resulting in the worst recession since the Great Depression.

We had a 10-percent unemployment rate when Barack Obama became President of the United States. Large banks in this country. They wouldn’t lost their jobs in the worst recession they wouldn’t lift a finger to help President, they said it was his deficit. The minute Barack Obama became President of the United States. Guess what else we had. We had a $1.5 trillion deficit, not a $5.6 trillion surplus—a $1.5 trillion deficit because of two un-paid-for wars, because of two tax cuts that weren’t paid for that were going to pay for themselves, and because they passed something called Medicare Part D—the prescription drug program for seniors—that they didn’t pay for.

The minute Barack Obama became President, they took $1.5 trillion of his deficit. They didn’t lift a finger to help working people in America who had lost their jobs in the worst recession since the Great Depression, brought on by their own economic policies and by the foolishness of some of the largest banks in this country. They wouldn’t lift a finger.

Then-Minority Leader MITCH MCCONNELL said in 2011—this is in 2011—"Now, we’ve reached the point where our priorities are so pure...they’re suffocating job growth, threatening the wider economy, and imperilling entitlements." That is when we were in the depths a recession we had not seen since the Great Depression.

What a shame. If we look one out, the deficit was about $550 billion. Today, it is $600 billion. As a result of this plan, J.P. Morgan was telling us, yesterday or the day before, that this will be the largest tax cut in American history;” while saying, "I’m not going to cut Medicare or Medicaid, I would say: No, it is not. People care about this. They want to pay for the next generation of Americans; that is, to leave more opportunity, not less, to the people who are coming after us. This bill that has been so falsely described and written in such a way that it actually denies the middle class in America benefits it really could use and does so by putting a bunch more debt on the backs of their children is something this Senate should reject.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. TOOMEY. Mr. President, I am going to be brief. I am going to yield to my colleague from South Carolina, and I think my colleague from South Dakota has a few comments.

I want to respond to some of the points my colleague from Colorado made. First, I want to thank him for bringing out our chart. What our chart illustrates is that every category of income earners in the country is getting a tax cut under our plan. If you look toward the left of the chart, you see that the biggest reductions go to the people in the
lowest income categories in a percentage term. My colleagues said percentages don’t matter. I am a little bit confused because it seems to me that I think they do matter. I will give you an example.

Under the tax plan, our tax reform, and our working-class and middle-class tax cuts, the average single head of household—a single mom who, as head of household, has one child and earns the average income of $41,000, which doesn’t make her a millionaire, or not typically—is going to get a $1,400 tax cut. That is a 75-percent tax cut for her. Now, maybe our colleague from Colorado thinks that percentage doesn’t matter. I think it probably matters to her. A 75-percent reduction in the taxes that she has to pay probably matters to her. It is probably pretty helpful.

You could take the case of a family of four who earns the median national income. That is $73,000. On average, they will have a $2,200 tax cut. That is a 60-percent tax cut. So I am at a loss as to why that doesn’t matter to that family. I think it matters a lot. I think that family can do a lot with that $2,200.

The fact is that our bill lowers taxes for every category of income earner, and the proportionate share is the greatest for the lowest income earners. This is good for working Americans and middle-class Americans.

I yield to my colleague from South Carolina.

Mr. SCOTT. Mr. President, this is what I find astonishing. We have been talking about this for a number of months. Frankly, for years we have been talking about tax reform. Actually, since 1986 we have been talking about tax reform. Our plan removes millions of low-income Americans from having to pay taxes.

I think it is interesting that our friends on the left are split on this, but wrong. It misses the fact that if you are living in a single-parent household, with a mother or a father who is working paycheck to paycheck, getting another $100 a month is real money. Why are we not talking about the actual benefits to the specific people who benefit from this tax reform? When Senator TOOMEY talks about the typical American family seeing its taxes slashed by 60 percent, why is that specific example of $2,200 not a meaningful—perhaps, transformative—saving that allows someone now to save for college or to save for retirement?

To me, this is where the rubber meets the road. Yes, here on the other side of the Potomac, it is OK to talk in platitudes. I prefer to talk to individuals about the impact of our actions in their households and the impact of our actions in their accounts. It is a very simple way of doing the math. You don’t have to pull out a calculator for a 75-percent tax cut for the average single parent who makes $41,000. The reason that we use $41,000 is that that is the average income of a single head of household. The reason that we use $73,000 is that that is the typical American family’s income.

When we are talking about the benefits, we are talking about real people—people like Sherry, back in South Carolina, a single parent with two kids, who is trying to start a business, who is struggling to keep her ends together, believing that someone, somewhere, sees her, that the decision makers in Washington don’t see her as invisible or unimportant. I am not talking about tax philosophy. I am talking about real people who need their money more than the government does.

If we are going to talk about tax cuts and tax revenues, let us be clear that in the 1920s, during the Mellon tax cuts, which slashed the high rate from 70 percent down to the twenties throughout the 1920s, revenues went up by 61 percent. Under the Kennedy administration, we cut taxes, and tax revenues went up to the government from those cohorts from whom we cut it.

So what we have is a history. Our friends on the other side say that there is no actual history. Well, there is history that the highest cohorts where the brackets are and where the cuts occur, we can demonstrate that the revenues have increased.

I yield for the Senator from South Dakota.

Mr. THUNE. Mr. President, how much time is left on our side?

The PRESIDING OFFICER. There are 2 1⁄2 minutes on the Democratic side.

Mr. BENNET. Mr. President, I don’t want to get in the way of my friend from South Carolina, for whom I have tremendous respect.

Point 1, nothing that I said was about anything other than real people. The real people in Colorado are going to be able to do this math, and they are going to know the facts.

Point 2, those 1920s that you mentioned ended up with, then, the worst depression since the beginning of the country, and we had the worst income inequality in 1928. Guess when the next time was that that happened. It was when George Bush handed over the keys to Barack Obama. That was the next moment in time, when he was leaving; that we had that kind of income inequality. That has not been fixed, and that is not going to be fixed by this plan. It is being made worse by this plan for all of the reasons that I said.

The final point that I will make—and then I will stop and get out of the way—is that this much conviction, at least you could pay for it. It would be nice for you to pay for it.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, the American dream is the hope that your kids and your grandkids and those who come after you will have a better life than you have had. One of the ways we do that is that we get a growing, expanding economy that creates better paying jobs, more opportunity, and higher wages. When you get higher wages, when you improve the standard of living, and you improve that quality of life. That is what Americans aspire to. That is what all American families—moms and dads—aspire to for their kids and those who are going to come after them.

I would say to our colleagues on the other side, who, like I said, have a newfound interest in deficits and debt, that one of the ways in which you deal with deficits and debt is to grow the economy. When you get an expanding economy that is creating better paying jobs, more people are working, more people are investing, more people are taking realizations, and more people are paying taxes. What history has shown is that when you have a vibrant, growing economy, you get more government revenue.

Of course, the official scorekeepers, whether you use the Congressional Budget Office or the Joint Committee on Taxation, both agree that you are going to get more revenue when you get more growth in the economy. There might be a slight difference of opinion about how much. The CBO, I think, says that for every one-tenth of 1 percent increase in the economic growth, we are going to get an additional $273 billion in tax revenue that is generated over a decade or, to put it a different way, almost $3 trillion for every percentage point increase in gross domestic product.

If you want to get serious about dealing with America’s fiscal problems, you should have to restrain spending, which there hasn’t been much appetite for around here in the time that I have been here. You also have to get the economy growing and expanding. That is what the Families First tax reform is doing through here in reforming our Tax Code—is really all about, because 2-percent growth is not good enough.
This 2-percent growth is not and should not be the new normal for the American economy.

That is what we have had for the last 8 years. During President Obama’s entire time in office, we didn’t have a single year in which the GDP was more than 3 percent—not 1 year. If you go back historically—literally to the end of World War II, about 1948—and roll forward to today, the average in the American economy has been 3 to 3.5 percent, but there has not been a single year in which we have had 2 percent. When we had 2 percent, it was really happened only in the first year of the Obama administration.

What does that mean?

That means that, without that kind of growth, businesses are not expanding. They are not investing, they are not hiring new workers, they are not paying those workers more, and you end up with flat wages. We have had, literally, a decade now of flat wages, where American families and individuals have not seen any growth in their incomes.

What we hope to accomplish through all of this will be changes made to the Tax Code—that will increase investment through lowering rates on businesses, allowing us to recover the cost of investment faster, and accelerating their cost recovery. Those are changes—those are reforms in our Tax Code—that will help unleash this economy and get us back, closer to normal, when we are creating those good-paying jobs. Then, we can start doing something, at the same time, about spending around here, and we will start seeing those deficits go down. The best thing that can happen for the American economy, the best thing that can happen for the American family, and the best thing that can happen for the American worker is to have a growing, vibrant economy.

To my colleagues on the other side who consistently get up and say there is no benefit to this that will be delivered to middle-income families in this country, again, I will say what has already been said by my colleagues from South Carolina and from Pennsylvania, which is to look at a typical family of four with a combined annual income of $73,000, who under this tax cut bill will receive a tax cut of $2,200—a 60-percent reduction over what they are paying today under current law. That is what that average family of four will see.

No, the Senator from Colorado said that he doesn’t believe that Colorado Republicans are for this. I can tell you who is going to be for this—the people, the families, who get the $2,200 tax cut. That is $2,200 they are going to have in their pockets. You heard my colleague from South Carolina talk about that family that lives paycheck to paycheck or about that single mom who wants a better future for her kids. How do we help them? One of the ways we help them is to reduce the burden—the take—that their government takes from them every single year and to allow them to keep more in their pockets. Let’s give them bigger paychecks, and let’s let them decide how to spend the money.

That is a fundamental difference that we have had around here for a long time. We come here believing that the way you help American families is to start growing the economy, rather than growing the government, allowing the American people to make decisions that are in their best interests and in the best interests of them and their families about how they want to save what they need to save to help their kids get college educations, how they want to improve their lives, rather than sending the money to Washington, DC, and letting Washington spend it. That is, fundamentally, the difference, I think, that we are talking about here.

As to the arguments that have been made by the other side, they just aren’t based on facts. The data tells a different story as the Senator from Pennsylvania pointed out. Look at this chart. Look at the percentage of tax cuts. Who benefits? We have worked very, very hard on this bill to maintain progressivity in the Tax Code so that we have tax relief delivered to those hard-working American families—who those hard-working American tax-payers who need a break, who are living paycheck to paycheck.

Honestly, I hope, when this is all said and done, that not only will we be able to pass this bill but that, maybe, we will get a few Democrats who might decide that it will be in the best interests of their constituents to help their families and their States realize more income in their pockets and bigger paychecks and, hopefully, an opportunity to live out their versions of the American dream for them, for their kids, and for their grandkids. That is what the American experience and the American dream are really all about. When we take more and more here in Washington, DC, and we pass away from the American families who have less with which to help themselves and to plan for their futures.

Our time has expired.

Mr. WYDEN. Mr. President, how much time remains on our side?

Mr. WYDEN. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Mr. Cruz.

The majority controls 1 minute.

Mr. WYDEN. Mr. President, I will take the time that is available.

Mr. WYDEN. Mr. President, I will take the time that is available.

Mr. WYDEN. Mr. President, I will take the time that is available.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. We have just a minute and a half. The hour is late. I want to repeat once again that we still do not have this bill. We have seen apparently, in the last few hours, tax changes that involve billions and billions of dollars. The American people have a right to know what is in this proposal, and certainly we on this side of the aisle have a right to know about it.

I am struck by the comments of my colleagues on the other side that learning the facts about what the Joint Committee on Taxation had to say about the Republican proposal—0.8 percent growth, $1 trillion short in spending—has had absolutely no effect on the discussion we are having from the Republican side.

I see my friend the distinguished majority leader here, and I believe he will propound a unanimous consent request. As he knows, I will have another reservation, and we will discuss this some more.

The PRESIDING OFFICER. The majority leader.

Mr. McCONNELL. Mr. President, I ask unanimous consent that there now be 30 minutes equally divided for debate only, with no amendments or motions in order and with the majority leader being recognized at the conclusion of that time.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving the right to object.

Mr. McCONNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Is there objection to the majority leader’s unanimous consent request?

Mr. WYDEN. Reserving the right to object, Mr. President, I understand that we are going to get the proposal from the majority shortly. I come back again to the fact that there are changes apparently worth billions and billions of dollars, like the pass-through provision. We need to be able to see these. The American people have a right to know.

I believe the majority has indicated that we will get this shortly, and I was going to be very normative in my objection and will point out that if we don’t get it shortly, I will stay at my post and keep objecting because the American people have a right to know that tax policy is being made in the dark.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

The Senator from Colorado.

Mr. GARDNER. Mr. President, I want to talk about the Reserve Bank of passing this tax reform legislation for the people of Colorado. What we have is an opportunity to see real wage growth in this country—something we haven’t seen for far too long. Over the past decade, I think people who are on both sides of the aisle have recognized that while there might be some economic job activity, job creation taking place, while we might see some low economic unemployment numbers in States like Colorado, what we haven’t seen is the kind of real wage growth we know we can create.

Under the analysis done by non-partisan think tanks in Colorado, they...
estimate that wages would grow—after-tax income—by over $3,000. That is incredible wage growth for families who many people estimate and who other economists have said could see a financial hardship if they were asked to come up with $400. In fact, we know that the third of those who offered $300 had to be raised to $400 because their families had to have $400 today, it would create a financial crisis in their household.

We heard our colleague from Pennsylvania and our colleague from South Dakota talking about the fact that a family earning a median household income of $73,000 would see a 60-percent reduction in their taxes next year. A single parent with a child, earning $41,000 a year, would see a 75-percent tax cut.

Let me read a headline from a story in Colorado. The headline of this article is “How Tax Reform Can Empower This Drive-In Theater Owner to Expand Her Business.” What she is talking about is that if she sees her taxes at the 88 Drive-In—that is an iconic drive-in in Commerce City, CO. If you see this drive-in, you will know exactly—it is iconic on the landscape. She believes that if her taxes are lower, she will be able to buy the property next door, which will allow her to expand her business. She talks about the fact that she has to turn people away because so many people are going to it and they don’t have enough room. She wants to expand, but she is held back by our uncompetitive Tax Code. If we cut taxes, she will be able to buy land, expand the business, and create more jobs. It is a greater opportunity for her, her family, and the people of Colorado.

This is really an opportunity to see the kind of growth and wage growth that we haven’t seen in this country for far too long.

I have held several roundtables on taxes, both at the Eastern Plains of Colorado, where I live. People are worried about their income because they haven’t seen the kind of economic growth, the numbers in employment growth that they have in the Front Range, in Denver. I have held roundtables on the Western Slope of Colorado, in Southern Colorado, Northern Colorado, and they are all very worried about a country that is not as competitive as it used to be. They know that competitive companies, they would see those jobs and investment come back into this country once again.

People in Pueblo, CO, know they need jobs brought back into their community because while many areas of Colorado have seen very low unemployment rates, they haven’t seen the kind of growth other areas have. They know that with a competitive tax code that brings jobs and money back from overseas, that will provide real relief to a single child at home and to a family of four working hard to make ends meet. They are going to pay less taxes next year as a result. They are going to be able to spend the money they want to in Pueblo, CO, to put it into an investment that they want to in Brighton, CO. It will be an investment that somebody in Craig, CO, wants to have. That is what they are focused on. They want to get the money out of their pockets. They earned it. They should keep it, not Washington, DC, where they make bad decisions on how to spend their hard-earned dollars.

To my colleagues who oppose this bill, we talked about the opportunities for the American people to see real wage growth. This bill does it. We talked about the opportunity to bring jobs back from overseas. This bill does it. We talked about the opportunity to get businesses hiring again and expanding. Nonpartisan estimates show that this bill would create nearly 1 million jobs—new jobs created by this bill. It is a great opportunity for us, and I thank the people who have worked so hard on this bill. This bill is good for Colorado, where I live. People are worried about their income because they

President Mr. President, I yield back my time.

Mr. CASEY. Mr. President. I rise to talk about one matter that this bill deals with that we are not hearing a lot about. I wanted to start, though, with the basics in terms of the overall debate.

I have said many times in the last number of days and weeks when we have reviewed the House proposal and when we reviewed the Senate proposal that was voted on in the Senate Finance Committee before Thanksgiving—I described the Senate bill as a giveaway to the superrich and big, multinational corporations. I still believe that.

I hope that when we see the new version of the bill, I won’t have to say that again, but I am afraid I will. I am afraid that many of the data on what the tax impact would be on certain income brackets in the United States, even starting in the first year where the analysis starts, 2019—I am looking at page 3 of a report from the Tax Policy Center dated November 20 and based upon the Senate bill. In that year, tax year 2019, table No. 1 focuses on three income categories: folks making between $50,000 and $87,000; folks making between about $310,000 and $750,000; and others making above $750,000, so basically the top 1 percent.

Here is what they find. The Tax Policy Center tells us that the first group, the family making $50,000 to $87,000, would receive an average tax cut of about $12,800, or 1.4 percent of after-tax income. The next group, the $310,000 to $750,000 income, gets a tax benefit that amounts to about $122,000, or 3.5 percent. The top 1 percent—$750,000 and up—they get a tax break of $34,000, or 2.2 percent.

In a bill of this significance, a bill of this impact, one major question should be asked, among many: What will be the impact on children? What is the child impact statement, if we were to draft one, if we had to articulate that? What is the impact on children of this legislation?

Well, there are a lot of organizations around the country that pay attention to public policy as it relates to children. I am looking at a letter dated November 28 and signed by a long list of organizations that advocate on behalf of children, and I will just read some of the headlines from this letter.

The first headline says: “The Senate tax plan threatens child care programs and funding for the future.”

The second major headline says: “The Senate tax bill’s proposal to cut the Affordable Care Act would harm children’s health and well-being.”
The next headline says: “The Child Tax Credit proposal in the Senate tax bill would not help families who struggle to pay for child care.”

The next headline says: “The Senate tax bill also takes away other tax benefits that ordinary families rely on.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD.

Dear Senator: As members of the Child Care/Early Learning Coalition, we urge you to vote against the “Tax Cuts and Jobs Act.” This bill would eliminate existing benefits in the tax code that families need and find as well as undermine critical supports, including those related to child care and early education, in the future.

The Senate tax plan threatens child care programs and funding in the future. The Senate tax bill, which consists largely of massive tax cuts for businesses and the wealthy, is estimated to increase the deficit by about $1.4 trillion over ten years. The budget agreed upon by the House and Senate provides a pathway to offset this increase in the deficit: by cutting federal spending and, in particular, by slashing programs and services that provide working families with a basic standard of living. That means this tax bill will ultimately lead to cuts in programs that are integral to the wellbeing of children and their families, including Head Start, SNAP, public education, and the Child Care and Development Block Grant.

The Senate tax bill’s proposal to cut the Affordable Care Act would harm children’s health and well-being. The Senate bill would repeal the ACA’s individual responsibility provision, a requirement that most people enroll in coverage or pay a penalty. Estimates from the Congressional Budget Office (CBO) show that repealing the ACA’s individual responsibility provision would increase the number of uninsured by 13 million over 10 years and raise insurance premiums in the individual markets by 10 percent. Children’s health and well-being suffers when they have no health insurance, and they need to see a doctor when they are sick or for preventive care. The Senate has already rejected an attempt to repealing the ACA, and now it sneak this in order to fund even larger tax cuts for high-income households and corporations.

The Senate tax proposal in the Senate tax bill would not help families who struggle to pay for child care. The Senate tax bill would increase the Child Tax Credit (CTC), but does not make this increase fully refundable. As a result, lower-income families will not receive the full benefit: for example, a single mother working full time at the federal minimum wage and earning $14,500 would only receive an additional $75 in CTC benefits. In addition, the tax plan bills adds a new requirement—providing a Social Security number for each child claimed for the refundable portion of the CTC—which could exclude a significant number of children in immigrant families. This is not an approach targeted to help families striving to make ends meet, and does nothing to address the high cost of child care which with so many working families struggle everyday.

The Senate tax bill also takes away other tax benefits that ordinary families rely on. Even though the Senate tax bill proposes increasing tax credits (including doubling the child tax deduction), the bill also proposes eliminating personal and dependency exemptions, eliminating the deduction for state and local taxes, and eliminating deductions for some employment-related expenses. This would leave many families worse off. And the Senate bill makes tax benefits for families temporary, expiring at the end of 2025, even though the proposed corporate tax cuts are all permanent.

There is a better way to help families and children and to build a strong economy now and in the future. Instead of these ill-conceived tax cuts, Congress can help families through the existing child and dependent care tax credits. By maintaining the Child and Dependent Care Tax Credit Enhancement Act of 2017, and ensuring that all children and families who need it get high quality child care, the Senate can help enacting the Child Care for Working Families Act.

Sincerely,


Mr. CASEY. That is just one brief assessment of the impact of this legislation on children, but I think that should be a question we ask of every major piece of legislation.

Mr. WYDEN. Mr. President, will my friend from Pennsylvania yield briefly?

Mr. CASEY. Yes.

Mr. WYDEN. Mr. President, will my friend from Pennsylvania have some testimony from experts across this country who live and breathe the work of being advocates for children from birth to age 3 and in the future?

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Mr. CASEY. That is just one brief assessment of the impact of this legislation on children, but I think that should be a question we ask of every major piece of legislation.
We like the earned-income tax credit. All of those are good policies. We want to make them better. We want to have a bipartisan effort to infuse all of those policies with even more funding, more help to make them more robust for our children, but that never happens.

Our friends on the other side—you have to give them their due—say that those are not evenSound policies. They are trying to drive a stake through the heart of ObamaCare. It seems to me that a lot of those policies are being done to make up areas that aren't true. They want to do a lot of things that are not fair. They want to make up areas where we disagree without having to make the case for what we are doing.

Do you know when people are going to know for sure what the answer is? It is going to come in January when the withholding in their paycheck changes. Those people are going to see it. I was just confused on what I would say, because the taxes they owe go down. I know we are still a few weeks away from that, but when this passes and gets signed into law, the proof is going to be very clear, and people are going to see it.

Here is a quick word about the repeal of the individual mandate. My friend and colleague from Oregon described it. I am paraphrasing, but I think I will get it about right. He described the repeal of the individual mandate as driving a stake through the heart of ObamaCare or something equivalent to that. I couldn’t help but think: What an incredibly damming indictment of ObamaCare. Think about what that means.

Think about what they are saying if repealing the individual mandate drives a stake through the heart of ObamaCare. The individual mandate is the provision which says that you have to buy health insurance. You have to. You are forced to. The government dictates the terms, the government effectively dictates prices, and you must buy it. If you don’t, you will get hit with a penalty, a tax penalty.

We don’t actually repeal the mandate, but we eliminate that tax penalty, and that is going to be very helpful for low- and middle-income families, working-class families. In Pennsylvania, 83 percent of all the people who get hit with the individual mandate tax live in a household with income of $50,000 or less. That is who is paying this.

But what I wanted to stress for a moment is what a damming indictment it is of ObamaCare, that only works, according to its proponents, if people are forced to buy the product. It is so badly designed, it is so terrible that people will not buy it voluntarily, despite huge subsidies. We don’t change any of the subsidies. They are all available to anyone who wants to participate. We don’t change the rules. We don’t change eligibility.

We don’t change anything except one thing. We say that if you decide this plan doesn’t fit your family or if you decide for all the subsidies you get it is still not worth it for you to have this plan and you opt out, you will no longer be punished with this tax. That is the only change in this bill.

Since we eliminate that coercion, which forces people to buy it, our colleagues on the other side say that it drives a stake through the heart of ObamaCare. It seems to me that a lot of those policies are being done to make up areas that aren’t true. I was just confused on what I would say, and I will be honest with you that there is just not much to say.

If I were to reinforce a couple of points that the Senator did not cover, they would be the one thing that was just at our last Finance hearing, which lasted—I thought it was 12 hours; it was 23 hours—we had our friends on the other side offer 63 amendments. To say that they are not engaged in the process is to forget the 63 amendments offered over 23 hours.

Senator Toomey did such a good job that I am just going to sit back down.

Mr. THUNE. Mr. President, Senator Scott and I and the Senator from Pennsylvania were all there at what we call the markup.

Mr. SCOTT. We were.

Mr. THUNE. My recollection is like his, and, frankly, my recollection, when it comes to all the work that went into getting to where we are doing this bill today, I joined the Senate Finance Committee in 2011. I am not sure when the Senator from South Carolina joined or the Senator from Pennsylvania, but it was shortly after that, I think.

Since I have been on the Finance Committee, we have had 70-plus hearings—70-plus hearings on tax reform. We have looked at every facet, every aspect, every element of the Tax Code. We even went so far 2 years ago, in the amendments offered over 23 hours, we all participated in those, along with, I might add, our Democratic colleagues, each of whom had a key role in helping with the final recommendations that were put forward. A lot of what is in this bill is based upon the work that was done by these distinguished groups.

There isn’t a single shred of the Tax Code that we haven’t covered and haven’t studied in great detail.

Then, of course, as the Senator from South Carolina pointed out, when it came time to mark the bill up, we spent several days—23 hours debating back and forth, listening to each other, and in some cases arguing. In some
cases, those were very spirited arguments. The Democrats offered 63 amendments, all of which got votes in the Senate Finance Committee.

So for anybody to suggest that this has been anything but a transparent process is completely out of line. As any of us who did research and buildup and lead-up to get us to where we are today is absolutely misstating the facts. I think the work we have done in advance of this has led to a product that is the culmination of a great deal of thought, a great deal of input, and a great deal of research from not only experts in the field but fellow Members—Democrats and Republicans—Senators and staff—who have gotten us to where we are today.

I think the fact, which has been pointed out many times, that a family that is living paycheck to paycheck will now get the benefit of a doubling of the standard deduction and a doubling of the child tax credit, frankly, I happen to believe—contrary to my colleagues—this is a pretty big deal. If you are a family who has any sort of tax liability, that tax credit is a dollar-for-dollar credit against that tax liability. An increased portion of that is refundable under this legislation.

If you look at the lower rates we have in the bill, that middle-income family in this country stands to benefit significantly as a result of this to the tune of—if you are a family of four with an income of $73,000—an additional $2,200 in your pocket. That is $2,200 in the American family’s pocket that they get to decide how to spend.

As the Senator of Pennsylvania pointed out, don’t take our word for it. You can sit down, if you like to, and look at the features of the bill. Look at your individual tax situation. Plug in these changes, and I think you will find you are going to see a pretty significant decrease in your tax liability.

When January rolls around when this passes, people will get their check. When they look at their withholdings, they will realize they have a lot more money. That paycheck is going to be bigger. Why? The amount taken out in terms of Federal taxes is going to be significantly smaller. That is a good thing for the American family.

That is why this debate and the bill we have been discussing are so important, not only to those families who are trying to build a stronger, brighter, and more prosperous future for themselves and their families but also for this American economy. With the other changes that are made in the bill, it is going to lead to better paying jobs and higher wages that are going to lift the boats of all Americans.

Americans haven’t had a pay raise, literally, in about the past decade. We haven’t had a single year in the Obama years of 3 percent growth, which has been the historical average going back to the end of World War II. We are growing at 1.5 to 2 percent. We don’t happen to believe that is good enough. We think we can do better. That shouldn’t be the new normal. The American economy is the greatest economy on the face of the Earth. We ought to be able to grow at 3 to 3.5 percent.

I can tell you, ladies and gentlemen, that the average middle-income family in this country is not only going to get a big tax cut—which means they are going to get a bigger paycheck and have more money in their pocket—but that they will use the benefit of the higher wages coming with a growing, more dynamic economy that it reflects. I yield the floor.

Mr. WYDEN. Mr. President, I would just like to respond briefly to the Senator from Pennsylvania, who is baffled by why we are so opposed to the health provisions of the bill. The Congressional Budget Office says that the majority’s provisions will cause 13 million people to lose coverage and premiums to go up by more than they say. This new paper makes the point that it will bring back junk insurance, which once again will allow discrimination against people with preexisting conditions.

I will use the last 30 seconds that I have, as the majority leader, to say, once again, that the American people and the Congress are actually going to find out some information about what is being offered.

I would just like to use my use of the time by pointing out another double standard. It sure looks like lobbyists on K Street have more money and better information about what is about to be offered than do Democrats in the Senate. So what we are talking about is that we have seen one double standard after another. The tax breaks for the middle-class are temporary, and the wealthy get permanent ones.

The PRESIDING OFFICER. The Senator’s time has expired. All time has expired.

The Senator from Pennsylvania. Mr. TOOMEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CASEY. Mr. President, I ask unanimous consent that there be a quorum.

The legislative clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. TOOMEY. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk continued with the call of the roll.

Mr. SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STRANGE). Is there objection?

Without objection, it is so ordered.

The Senator from South Carolina is recognized.

Mr. SCOTT. Thank you, Mr. President.

I ask unanimous consent that there now be 30 minutes, equally divided, for debate only, with no amendments or motions in order and with the majority leader being recognized at the conclusion of that time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Oregon.

Mr. WYDEN. Mr. President, here we are now at 4:15. We still have not seen this bill—a $10 trillion bill, the biggest tax bill in more than 3 decades, with changes involving billions and billions of dollars made, apparently, over-night.

I have made it clear that when the leadership of this Congress comes back down, we expect to see this bill. We were told essentially an hour ago that we would see this in a matter of minutes.

The American people have a right to know that even though the majority wants to make $10 trillion worth of tax policy changes on the fly, this side of the aisle is going to insist on knowing what is in the bill.

My colleague has been very patient, and I wish him to be recognized on our time now.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. FRANKEN. Mr. President, I rise this evening in opposition to the tax bill before us. I think the problem in our country isn’t that wealthy people in this country aren’t wealthy enough; the problem is, the wealth gap has grown to the highest levels in my lifetime. This bill would make that wealth gap even bigger.

Senator Paul Wellstone often said: ‘‘We all do better when we all do better.’ He knew the economy does better when there is a strong middle class and when working families have more money to spend. Unfortunately, the Republican tax bill does the opposite of what Paul Wellstone argued for. Instead of helping working families, it raises taxes on at least 14 million of them and it uses this revenue to give $1 trillion to the superrich, all while adding $1.5 trillion to our national debt. This is, at its core, an awful bill.

When President Trump took office, he pledged that he would look out for the ‘‘forgotten men and women,’’ not the wealthy. This bill is a betrayal of that commitment.

I believe Congress should work on a bipartisan basis to make our Tax Code fairer and simpler for working families, and that is what I have advocated for since I joined the Senate. Democrats have made a good-faith effort to work in a bipartisan manner on a tax reform bill with Republicans, but Republicans have chosen, from the very start of this Congress, to take a purely partisan approach that has left Democrats entirely out of the discussion.

We all know this bill is being rushed through Congress so Republicans can claim a legislative achievement by the end of this year. That’s why you get a fairer, simpler Tax Code. You get a fairer, simpler Tax Code by having hearings with outside witnesses.
You get a fairer, simpler Tax Code by giving Americans an opportunity to weigh in as it is being drafted, to review the bill, and to share their views. You get a simpler, fairer Tax Code by doing it in a bipartisan manner, not by excluding Democrats entirely from the drafting of the bill.

The fast-track process Republicans are using is just like the Republicans' equally partisan, equally secretive, and equally impatient approach to repeal and replace ObamaCare earlier this year. Americans deserve better.

In their effort to get this bill through before Americans realize just how damaging it is, many Republicans have made some misleading claims about it. For example, Republicans often cite the fact that the bill would double the standard deduction that families can claim on their tax return. That is true, but they always seem to leave out the very important fact that their bill would also eliminate the personal exemption. The personal exemption is about $4,000 for each family member, so when compared with a $12,000 increase in the standard deduction, it means households with two parents and more than one child would be worse off under the Republican tax bill than under current law; for example, with two children.

Sometimes they argue that doubling the child tax credit from $1,000 to $2,000 would offset the loss of the personal exemption, but under their plan families who most need help would get hardly anything from the increase in the deduction. It is a big increase, which is refundable. So, for instance, a family living off a minimum wage earner would benefit by only about 75 more dollars under this bill's revised child tax credit, not the full $1,000 some Republicans promise. Republican bill would also now allow people earning up to $500,000 a year to claim the full tax credit of $2,000 per child. That is $500,000 a year, up from $119,000 as it is now. So that is $75 more per child for a minimum wage family and $2,000 per child for someone making $500,000 a year. That is just not fair.

We hear from my friends on the Republican side that tax cuts always pay for themselves. Ask the people of Kansas about that. When Kansas cut taxes in 2012 and in 2013, State revenues plummeted, Kansas slashed university budgets, canceled highway projects, and had to borrow $1 billion to fund their transportation plan. Several counties around the State started going 4 days a week. Teachers moved across the river from Kansas City, KS, to Kansas City, MO. From 2013 to mid-2017, the Kansas economy underperformed that of nearby and similar Minnesota. The States overall in economic growth, private sector job creation, passthrough business formation, and labor force participation. Finally, corporations begged the legislature to raise their taxes which they did, over the Governor's veto.

That is Kansas; take the whole country. Bruce Bartlett, Ronald Reagan's economic adviser, wrote a few weeks ago:

The Tax Reform Act of 1986 reduced the top personal tax rate to just 28 percent from 50 percent, and the corporate percent to 34 percent from 52 percent. There was no increase in the rate of economic growth in subsequent years, and by 1990, the economy was in deep recession.

Tax cuts don't magically pay for themselves.

I would also like to highlight the Republican hypocrisy on budget deficits. For many years, Republicans have used budget deficits as an excuse to block important pieces of legislation. In fact, even now, we are in danger of stripping health insurance away from 9 million children because of difficulties finding offsets for reauthorization of the Children's Health Insurance Program. Yet, when it comes to the tax bill, only a handful of Republicans have raised concerns about the fact that it would add $1.5 trillion to our national debt.

We know from experience that as soon as the ink is dry on this bill, Republicans will cite the rising national debt caused by this bill as a reason to cut key programs that millions of Americans rely on every day—things like Social Security, Medicare, Medicaid, job training, education, infrastructure, and affordable housing. In fact, under their budget resolution that Republicans adopted just 2 months ago, they laid out their plans for these reductions, which would include over $1 trillion in Medicaid cuts and $470 billion in Medicare cuts.

This bill would also trigger automatic cuts to some key programs. So in exchange for the bill's minimum tax cuts for some working families, starting in 2018, there would be an automatic 4-per cent reduction in Medicare payments and a zeroing out of other key accounts—a zeroing out of the Crime Victims Fund, farm price support programs, and the social services block grant that provides funds to Meals on Wheels, youth counseling, and other important services for vulnerable people.

There are many better uses for $1.5 trillion. President Trump said he wanted to work with Congress on a $1 trillion infrastructure package to rebuild our roads, our airports, our ports, and to build broadband across America. I have said I would like to work with the President and my Republican colleagues on a comprehensive bill, but this bill would make it impossible to enact a $1 trillion infrastructure package the President promised and which we have really heard nothing about.

There are too many flaws with the Republican bill to highlight them all now, but I would like to raise one that is particularly important to Minnesotans. The bill before us today would eliminate the State and local tax deduction. It is an important deduction. People deduct the taxes they pay to their State and local governments, first of all, it prevents the double taxation of their income, and it enables our local communities to make investments in public safety and education, childcare, and infrastructure. According to the Tax Policy Center, 31 percent of Minnesotans claim the State and local tax deduction with an average deduction of almost $13,000. Eliminating this deduction means a significant tax increase for those families and would make it harder for local communities in Minnesota to raise the revenue necessary to make vital investments.

I have heard outrage over the Republican approach to tax reform from a very wide range of my constituents. I have heard from Minnesota farmers about how it would undermine agricultural cooperatives, which are really important to Minnesota. I have heard from Minnesota students who are concerned it will force them out of graduate school. I have heard from Minnesota homebuilders and developers who say it would put the housing construction in half. I have heard from Republicans who say the bill could not be the real estate market. I have heard from many ordinary Americans who say the bill is simply unfair.

I urge my colleagues to oppose this bill. Americans deserve a fairer, simpler Tax Code, not the debt-funded give-away to the wealthy that Republicans are trying to force through the Senate today. That is why I oppose this bill, and I urge my colleagues to oppose it as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. SCOTT. Mr. President, we have heard a lot about this bill over the last several hours and, frankly, several weeks, and we have had a lot of conversations over the last several months, but, today, December 1, 2017, at 4:24 p.m.—and I hope we remember this because I have finally heard the definition of 'fearmongering.'

Someone once said that fear is an acronym for false evidence appearing real. What we have heard today is that the fearmongers of this bill, the Crime Victims Fund will be zeroed out. We heard the social services block grants will go away. We heard there will be cuts to Medicaid. I want all the folks in this Chamber to remember the time so that if they ever have to go back and find it, they will know it was December 1 at 4:24 p.m. when it was said.

So here is my thought: A few months in 2018, when your takehome pay has increased because the government is taking less of your hard-earned money—punishing you less and rewarding your success more—just remember to check and see if there is any money in the President's plan under the Medicare, Medicaid, job training, education, infrastructure, and affordable housing. In fact, under their budget resolution that Republicans adopted just 2 months ago, they laid out their plans for these reductions, which would include over $1 trillion in Medicaid cuts and $470 billion in Medicare cuts.

This bill would also trigger automatic cuts to some key programs. So in exchange for the bill's minimum tax cuts for some working families, starting in 2018, there would be an automatic 4-per cent reduction in Medicare payments and a zeroing out of other key accounts—a zeroing out of the Crime Victims Fund, farm price support programs, and the social services block grant that provides funds to Meals on Wheels, youth counseling, and other important services for vulnerable people.

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There are too many flaws with the Republican bill to highlight them all now, but I would like to raise one that is particularly important to Minnesotans. The bill before us today would eliminate the State and local tax deduction. It is an important deduction. People deduct the taxes they pay to their State and local governments, first of all, it prevents the double taxation of their in-
the time to remember the exact time, the exact date that this was said, and then do the research necessary to draw their own conclusion. The first conclusion that will be easy to come to is that when you look at your pay stub and you find there is money missing in it in 2018 than there was in 2017, just remember how it got there. It is not because of what we do, because there are some folks on this side of the Potomac who believe we actually have Federal dollars. There are no Federal dollars. Every dime we spend in Washington comes from a taxpayer somewhere. There are no Federal dollars; there are simply taxpayer dollars arriving in Washington to be used in some way.

I am only suggesting that the average American can spend their money in the way best for their family significantly better than we can.

So I hope the good people of this country who are paying attention to this very important debate will be able to remember come tax day, so they can rewatch the tape, review the video, the DVR—or whatever you call it nowadays—and see for themselves what was said or go somewhere online and figure out, at the end of 2018, the middle of 2018, the beginning of 2019, has something actually changed other than that you have more money in your paycheck?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. PORTMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. WYDEN. Mr. President, I have just seen an air-dropped list of provisions—there seem to be upwards of 30—and it looks as if our colleagues have been working overtime. They must have earned a holiday gift with this new bonanza of goodies.

We still await a bill that we are going to read, although I saw something that might actually be a bill. So we are going to use this time so colleagues can get into some of these questions about this array of treats that the lobbyists seem to have figured out how, in the last few hours—perhaps overnight—to carve out for their benefit.

To start our discussion for our 15 minutes, I believe my friend and colleague Senator MERKLEY is going to start.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MERKLEY. Mr. President, I thank my senior colleague from Oregon for his leadership in this debate on these important tax provisions. There is a lot of noise for the sake of the future of our society as we have been debating what we see as one provision after another that is designed to make the richest Americans richer while increasing the taxes on some 87 million middle-class Americans. Then, we get this nice, little list. Republicans have given the lobbyists a list of 30 special interest provisions, circulated it, and said: This is what we are going to put in our managers’ amendment for all of you.

My colleague from South Carolina was speaking a moment ago about one that hasn’t even been filed—life insurance provisions. What is that? Maybe my colleague would like to come to the floor and explain it and explain why this is being circulated to lobbyists, to the people we represent, and then they almost voted for it. Thirty of these provisions—who knows what all is in this. Isn’t there any form of transparency or integrity left in this Chamber in terms of legislative debate? Have the American people been given this list? Has it been filed? Is it online now. The few who might be listening in might be able to see these titles, but this is not the way to do business in the U.S. Senate. This is not the way to do the people’s business. This is the way to do the swamp’s business.

What happened to clearing the swamp? What happened to that? How is it that the richest Americans are making out like bandits rather than the middle class doing well under this bill? Why is that? Why are there billions of dollars going to the richest Americans by eliminating the alternative minimum tax? Why are there hundreds of billions of dollars going in other provisions including changing the upper limit tax bracket on the rich, including the pass-through companies. These are the LLCs? How about that? What is this list, and why have the American people seen all of the details about it? This type of chicanery is inappropriate. Take and give the list to the American people, and provide much larger deductions and make those for State and local taxes.

By the way, their proposal would go primarily to upper income people, the people who always go first. The proposal they have to go for the middle-class families who have not seen an increase in their wages, not just for the last few years but the last couple of decades, need a little help. Their expenses have not gone down. They have gone up. Wages have been flat. That middle-class squeeze has not been addressed through these tax cuts—on average, about $2,375 for an Ohio median-income family. That is important.

People who are working paycheck to paycheck will find this to be incredibly important. Maybe they can put a little more money aside for retirement. Maybe it can help with their healthcare costs, which have gone up.
dramatically as wages have been flat. Maybe they can help people be able to buy a car or to make a car payment if they already have a car. These are real tax cuts. They are going to help middle-class families. Again, I hope my colleagues see some of these changes, like the $10,000 deduction for property taxes paid for with the alternative minimum tax changes and help us be able to make this legislation even more generous for folks in the middle class, as they say they are for.

With that, I would like to ask my colleague from South Carolina, who has been very involved in the child tax credit, ensuring we have a reduction of the brackets, if he would have a few comments on those.

Mr. SCOTT. Mr. President, I thank my good friend from Ohio.

I say to Senator PORTMAN, may I see that list? I have been on the floor and, unfortunately, I have not been able to get a copy of that list. Obviously, you have been able to have your staff get it or go online and get a copy of this list. I think my good friend from Oregon said they needed their good friends who are lobbyists to supply them with a list.

I am not sure what the other side is missing. They had control of the House, the Senate, and the White House for a couple of years, and they increased spending without doing anything about revenues, other than trying to increase the budget. It is simply few people that take a look and see how much of that money is left.

To my good friend from Ohio, my friends on the other side of the aisle are starting to overcook my grills just a little bit. I don’t mind having a vigorous debate on facts, but to sell fear— as I said a few minutes ago, fear being false evidence appearing real is just turning the heat up on my grills. I have to tell you, this leads to an unhealthy outcome for the American people because at the end of the day, the goal is not for us to be right and for them to be wrong. I don’t think their goal is for them to be right and for us to be wrong. It is kind of simple. The goal is, and always should be, for the people we represent to be better off because of our decisions in Washington. I can tell you, passing this tax reform bill will leave the typical American family with 60 percent—60 percent—of a tax cut.

I yield back.

Mr. PORTMAN. I thank my colleague.

I yield back.

The PRESIDENT OFFICER. The Senator from Michigan.

Ms. STabenow. Mr. President, my friend from South Carolina said the proof is in the pudding. I would suggest the proof is in your paycheck. That is what I suggest.

We had a chance yesterday with my friends on the other side of the aisle to absolutely guarantee that my friends on the other side of the aisle believe what they are saying; that people are going to get a minimum of $4,000 in increased wages. I offered an amendment to simply say that in a couple of years from now—2 years from now, 2020, we can make it 2021 or 2025, just pick a day when folks are going to get $4,000 in their wages, and we will put that in an amendment and pass it. The truth is, there is no guarantee in this bill. If my friends on the other side of the aisle believe that there would be $4,000 more in wages in middle-class families’ pockets with this supply-side trickle-down economics tax cut, they would have voted for my amendment yesterday, which simply says that if there is a $4,000 increase in wages, the tax cut continues. If it doesn’t, if they don’t have $4,000 more in people’s pockets, then the tax giveaway stops because all it means is it is adding to the national debt.

I am all for anything that puts money in people’s pockets. I have sponsored and voted for tax cuts for small businesses, manufacturers, farmers, and families over the years in public service and here in the Senate, and I want to do that; close tax loopholes that are taking jobs overseas, not increase new ones, which, by the way, this bill does, a new $4 billion tax loophole, I might add; and cut those tax loopholes. If folks really believe this, if they really believe the numbers, let’s lock it down. The proof is in your paycheck. That is what families in Michigan are saying. They want to know it is their paycheck that is important to know it is a guarantee. You know what, they are very skeptical. Because the truth is, in the past, supply-side economics/trickle-down economics has not worked. You say that it is going to trickle down. People in Michigan are still waiting. They are still waiting to catch it. It is not trickling down. We do have examples. What are the facts?

With the tax cut in 1986, 10 years after that, the wages of working people did not change; they were flat. They did not go up. That is a fact.

With President Bill Clinton in his effort to balance the budget in 1997, I was pleased. I had only been in the House for 6 months and was given the opportunity to balance the budget, which we did for the first time in 30 years.

What happened during that process? Actually, taxes on wealthy people were raised a little bit to give a middle-class tax cut and invest in education, which I know our distinguished President Officer cares deeply about, and innovation. What happened? There were 22 million jobs that were lost. Then we went into 2001, 2002 with President George W. Bush, and there was a big tax cut in 2001, a supply-side/trickle-down tax cut. We were told that it was going to put money in people’s pockets. It didn’t. It created debt. In 2003, we had another supply-side tax cut that was going to put money in people’s pockets. It didn’t. It created a huge debt. We had wars that weren’t paid for. Then it went into the biggest recession that we have seen outside of the Great Depression with the financial crisis, and 8 million people lost their jobs. People lost the equity in their homes and their pension values. It was terrible.

President Obama came in in 2009 and had to try to begin to dig out of the hole. That is a fact. He began to dig out of that hole and put things back together for folks. It was a big hole, and a lot of families are still feeling that hurt. I know that is true in Michigan.

So part of me may feel a little skeptical when I am hearing: Have I got a deal for you. Let’s try supply-side economics one more time, and this time it really is going to be different. I really is going to put money in your pockets.

There is no proof of that. There is no proof that this grows the economy to be able to cover the costs of the tax giveaways whether you look at supply-side economics, whether you look at new dynamic scoring—the new ways of scoring on things—to make it look better. That didn’t even show up. What I
would say is that the proof is in your paychecks, for the people who are watching.

There is a lot going back and forth, and it is very confusing because we hear one thing from one side, and we hear the exact opposite from the other. I understand what you are saying, but I would just ask this:

Why weren't my friends willing to support my amendment that would say that if folks really get the $4,000 minimum amount being promised in increased wages, then this goes on, and if they don't, then the tax giveaway stops? Why didn't they support that?

Mr. WYDEN. Will the Senator yield?

Ms. STABENOW. Yes.

Mr. WYDEN. Thank you. My amendment right now is to go through some rough and tumble times, and we still have folks who this time around, it is not just a sales job, that it is actually the bill. That is great. If that could really happen, I would support that. It has never happened, and my colleagues will not support guaranteeing that it will happen.

This is about putting up or shutting down, early in the implementation of the corporate tax rate would translate into $4,000 of employee achievement awards. That doesn't sound like something that I understand is in there. There may be things that I am supportive of in there. We don't know. We are trying to figure it out.

One thing that I don't understand, with all of the talk about supporting workers, is that there is a provision in the bill that reads "prohibit cash or gift cards that there is a provision in the bill that reads "prohibit cash or gift cards as employee achievement awards." So if somebody works very hard and is getting some kind of achievement award, does that mean he would not be allowed to get a bonus? I mean, I don't know why in the world we would be going after people's employee achievement awards. That doesn't sound like help for the middle class to me.

I now yield to my friend from Pennsylvania and thank him for his leadership.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I thank my colleague from Michigan for focusing on the issue of wages because that was the promise—right?—that if you give corporations a tax cut of more than $1.3 trillion—with a "t"—all of a sudden, you are going to see wages go up, and workers are going to do a lot better. We know that hasn't happened in recent history. We will see if the Republican argument is correct.

I want to put a few facts on the record. I do want to move to this afternoon. Many people in both parties have been referring to the documents of the Joint Committee on Taxation, the JCT. I am looking at one of the documents right now to go through some data. This is dated November 27. It is D-17-54 for the Joint Committee on Taxation. Here is some basic data.

The Joint Committee on Taxation, which is, of course, Congress's official scorekeeper, finds that in 2019—right way, early in the implementation of the bill if this bill is passed and if the version we just received is to pass—the Senate plan increases taxes on nearly 13 million families earning under $200,000 a year. That is what the document tells us.

That is the under-$200,000 category and 13 million families just in 2019. If you break it down further in terms of folks making between, say, $50,000 and $75,000 and then $75,000 and $100,000, almost 55 percent of an income earning between $50,000 and $75,000 a year will see a tax increase or a tax cut of less than $100. That works out to be about $9 a month. Those individuals will have that tax consequence in 2019. So between $50,000 and $75,000 will see either a tax increase or a tax cut of $100 or less.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CASEY. Then you take the category of $75,000 to $100,000, and almost 17 percent of Americans in that income category will see a tax cut of less than $9 a month.

In the grand total between $50,000 and $100,000, 7.7 million Americans will either see a tax increase or a tax cut of $100 or less. I don't call that tax cuts for the middle class.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PORTMAN. Mr. President, I wish I could convince my friend from Michigan—and she is my friend—about the $1,000 per family that would come from the pro-growth policies here, many of which she supports. She wants her bonus, because foreign companies would today be U.S. companies if this tax bill had been in place. I mean, it is happening. They are taking their jobs and investments with them when they go overseas.

We have to fix that problem. It has been bipartisan. There has never been a partisan issue about that. That is where a lot of that $4,000 comes from. It comes from the fact that you are going to have more investment and therefore higher productivity, and workers are going to have a chance to see higher wages.

The Congressional Budget Office did a study in which they showed that 70 percent of the benefit of lowering the business rate goes to workers in terms of higher wages and higher benefits. Others say it is less than that. Others say it is more than that. Kevin Hassett, who is the Chairman of the Council of Economic Advisers, says that it is more than that. But that is a $1,000 tax cut. It is a lot more than that, but it is on top of the middle-class tax cuts that are very direct.
In other words, that is not just saying that we are going to have a better economy, which I believe we will—and I strongly believe we can improve a broken tax code, as I think everybody does, to make it better for American workers. You know, you have the immediate tax relief, and that is what we have been talking about.

This is the doubling of the standard deduction, the doubling of the child tax credit, the lowering of the tax rates.

My Pennsylvania just talked about the fact that 20 percent of the people between $50,000 and $75,000—I am not sure where his data was coming from, but let’s take it as true—have a small tax cut or a tax increase, and 17 percent between $75,000 and $100,000 are in that category. That means 80 percent of the people in that category have a big tax cut, in the one category, and 83 percent in the other category have a big tax cut. So, yes, a small tax cut—I don’t know how many have told you you are only going to have a tax increase, but the vast majority of middle-class families, according to what my colleague from Pennsylvania just said, are going to get a big tax cut. I don’t know what is wrong with Republicans, but the vast majority of middle-class families are going to see a substantial tax cut.

Let me give you a number. For a family with two kids, making $50,000 a year, it is a 36-percent tax cut, on average. That matters. That helps people who are trying to make ends meet. It is real both in terms of the direct tax cuts and in terms of the economic growth and the higher wages that are going to come with that, and that is so important to all of the families we represent.

We have had a good discussion here. I see that my colleague from Connecticut is here and would like to speak, and others, I am sure, are going to want to speak.

I would ask my colleague from Oregon if he would be willing to have another unanimous consent that there be added to this bill. Mr. President, I ask unanimous consent that there now be 30 minutes until debate is only, with no amendments or motions in order and with the majority leader or his designee being recognized at the conclusion of that time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PORTMAN. I yield the floor.

Mr. PORTMAN. Mr. President, I ask unanimous consent that there have been a total of 137 economists—many of them nationally known—who support this legislation. I guess I would say I have looked to my social media feed, and I have seen that Senators on the Republican side are starting to announce which way they are voting. I saw that CORKER is a no and COLLINS is a yes. I don’t know what they are doing, but I do know how you declare which way you are going to vote on a bill that you haven’t read, on a bill that your constituents haven’t seen?

Senator Wyden just piled up what looked to be about 6 inches’ worth of text in front of the Senate floor. There is no possible way that any Member of this body has read all of that. There is no way that in the time between when it is released to Senators and when we vote, anyone—even from the very close States—is going to be able to get back to their constituents and ask them what they think about this piece of legislation. I guess I would say I have never seen anything like it, but we just went through it earlier this year when Republicans asked us to look at a complete reform of one-sixth of the American economy, the healthcare system.

We are now being asked to vote this evening on a trillion-dollar reform of our Tax Code, and not a single U.S. Senator will have read it. There is no way you will have read it. I just saw how big it is. Maybe Republicans have read it because they have seen it in these secret negotiations, but I can guarantee you that Senate Democrats will not have read this because we have been kept out of the loop on all of these negotiations designed to get to 50 votes—not to 60 votes, not to 70 votes, not a consensus product that can get Republican and Democratic support.

I got here in 2007 when Democrats took control of the House and the Senate. I remember during those 2 years all sorts of consternation from Republicans about how bills were being rushed through the process. In reaction to that, when Republicans took back control of the House, they instituted something called a 72-hour rule that said that we couldn’t vote on a piece of legislation unless Members have been able to see it for 72 hours. We need a 72-minute rule. I don’t think we are going to be able to look at this legislation for more than 72 minutes—a trillion-dollar reform of the U.S. Tax Code—before we are asked to vote.

Senator Wyden and others have been waving around this list of lobbyist asked-for amendments that fill up an entire page. We are not going to get 72 minutes to look at this, never mind comprehend it, let alone discuss it with our constituents. It is dark out. The bill is going to be introduced on a Friday night. We are going to vote on it overnight. This is supposed to be the world’s greatest deliberative body. It is not supposed to work like this.

It is not a middle-class tax cut. I am not going to deny that there are some people in the middle class who are going to get their taxes lowered by this bill, but the middle-class tax cuts here are temporary and they are very selective in a way that very peculiarly seems to discriminate against Democratic States. So the States that are represented by Democrats don’t get as big a tax cut out of this because it has been crafted in a way that hurts those States that are most likely to support Republicans.

Large middle-class families don’t get permanence. After 7 years, 6 out of 10 middle-class families will have their taxes go up, not down. That 7-year timeframe is an important one because by repealing the individual mandate, premiums go up by 10 percent. They are selective in a way that very peculiarly seems to discriminate against Democratic States. So the States that are represented by Democrats don’t get as big a tax cut out of this because it has been crafted in a way that hurts those States that are most likely to support Republicans.

What it is, is a big tax cut for the wealthy. I am stealing Senator Bennet’s chart, but he did it very well. We have 572,000 taxpayers—the richest 500,000 Americans—getting $94 billion in tax cuts, and then we have 90 million taxpayers who are making $50,000 a year getting $14 billion in tax cuts.

I get it. If you are going to structure a tax cut that covers everybody, naturally people who make more are going to get more. But why does it make sense to borrow $34 billion to help the wealthiest 500,000 Americans? This
doesn't even count the inheritance tax, which is going to help an even smaller percentage of those people even more.

Come on, this idea that you could deficit-finance a tax cut for the rich and it will just trickle down and magically result in economic growth—that is just not true. It is fiction. We have decades of economic experience to tell us that when we cut taxes for the rich, it does not magically result in enough economic growth to make up for the deficit, especially deficits that are going to add up to an additional quarter of a trillion. You might as well claim that unicorns are real. You want to believe that Tupac is still alive, go for it—that is just as plausible as deficit-financed tax cuts for the rich resulting in enough economic growth to wipe out the deficit. It is fiction. It is a fantasy from the beginning.

I think we should take our time, read the bill, and have a real conversation about what we are about to do. If our goal is to provide a middle-class tax cut, we could do a much better job if we worked together. This is not a middle-class tax cut for everybody, and after 7 years, the majority of people in the middle class lose that tax cut.

There is no reason to borrow this much money for the richest 500,000 Americans. As a Senator with two young kids, I just don’t know why you would ask my kids and so many others to pay back the loans necessary to deliver this tax cut, especially when it isn’t even going to significantly result in the kind of economic growth that trickle-down economists have claimed for years and years.

It is not impossible to get a bipartisan tax bill. I know my Republican colleagues claim, as they did on healthcare, that there is no good will on the Democratic side to try to craft a bipartisan proposal. The tragedy is that they didn’t even try. There was no attempt to try to find common ground here, but the order switched—try to find common ground first, and if that fails, do it in a partisan fashion, instead of trying to find common ground in healthcare until the bill failed. I credit Senator ALEXANDER and Senator MURPHY for trying to find that common ground after the healthcare bill failed, but the order switched—try to find common ground first, and if that fails, do it in a partisan fashion, instead of doing it in a partisan fashion, and when that fails, trying to find common ground.

This is a really bad deal, a really bad piece of legislation for my constituents—I think, because I will not have read it by the time I am forced to vote on it, and neither will any of the other 99 Members of this body.

I will yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, will my colleague yield for a question before he yields?

Mr. MURPHY. I will.

Mr. WYDEN. I am just curious. I am heading home for townhall meetings in Oregon over the weekend. I am the ranking Democrat on the committee, the storied committee, as my colleagues know, that works in a bipartisan way.

Bill Bradley tells this story about how he flew all over the country to meet with Republicans to talk about your having no common ground to deal with tax reform. At this time, we haven’t been able to get the majority to even walk down the corridor in an effort to try to get a bipartisan bill. As I told my colleagues, I have written two of those bills.

My question to my friend is, when you have your community meeting, how do you think people in Connecticut are going to react to the idea that we had maybe an hour or so to try to make our way through a bill that is actually the biggest tax bill in 31 years? I know my colleague tries very hard to be straightforward with his constituents, and he will tell them: I got it with insufficient time to get into it. How will they react to that?

Mr. MURPHY. I say to Senator WYDEN, I don’t want to be too heavy about this, but everybody shouldn’t assume that the way in which we run our country just continues on forever. Democracy is unnatural. We don’t run other parts of our lives by democratic vote. We decided to run our country in a way that allows everybody to participate. And, you know, let’s be honest—people have been asking some questions recently about the process of our democracy, maybe that was a big part of the subtext of the 2016 election. This doesn’t help win people’s faith back in the democratic experiment when they see this casualness afforded to a debate that affects millions of Americans. It hurts us all when a bill this big, this important, gets rammed through under the cover of night. It starts to atrophy people’s faith in the entire way that we go about running our government.

I understand that Congress is not that popular. It would be hard to get less popular than we are today. If we ever want to start to climb our way back to legitimacy, then we have to trust the people to be part of the process of drafting and passing legislation, rather than being afraid of the people and burying a bill in the dead of the night, as is happening now.

I yield back.

The PRESIDING OFFICER. Who yields the floor?

The Senator from Maryland.

Mr. CARDIN. Mr. President, I understand we now have a new bill. I am looking at Senator WYDEN hold up that new bill. I got the fact that looked as if it came from K Street that gave us a list of changes that will be included in the managers’ package. I looked at the list, and somewhere around 50 or 60 new provisions were on that list. Many of those were not bills that had been filed, so I wonder what was going to be included in it.

None of those issues—in fact, nothing in this bill has been subject to an open hearing in the Finance Committee. Now we are going to be asked, I understand, maybe later tonight to vote on those changes. Quite frankly, I don’t know what those changes are, and I am not going to have an opportunity to go over and have any discussions. That is wrong. That is not the process we use to change the Tax Code of this country, a major tax reform bill. That is an outrageous process, to say that we are going to vote on a new bill without an opportunity to work on it, without hearings, without an opportunity for constituents to give their views on it, and I must state that I find that very offensive.

I want to talk about one provision in particular, and I hope we will have a chance to do something about it during the amendment process. As I understand it, the revised provisions in regard to State and local tax deduction still restrict what taxpayers can deduct on their Federal tax returns in regard to State and local taxes, whether they are income taxes or sales taxes, in regard to the Federal taxes.

In my State, we have county income taxes that will not be deductible, if I understand correctly, under the provisions of their State taxes, whether they are income taxes or sales taxes, in regard to the Federal taxes.

My question to my friend is, when he flew all over the country to try to find common ground, how do you think people in the State of Maryland’s taxes or the State of Tennessee’s taxes. That is an outrage. That is an affront, I believe, to the Constitution of this country, but it has an impact.

It is going to be much, much more difficult for our States to be able to raise the revenues they need to support our schools and for public safety and health. All those services are going to be much more difficult for our States to be able to finance because of this change that is included in the Senate bill. It is going to be much more difficult for our States to be able to raise property taxes. That is wrong. That is an affront, I believe, to the Constitution of this country.
States, our local governments have other sources, including income taxes, that no longer are going to be deductible.

That is going to affect my State’s ability to adequately fund public services. Whether it is education, whether it is transportation, whether it is healthcare, all of that is going to be negatively impacted and it is wrong.

I will give you a number, because I know the number in Maryland. Almost 50 percent of Maryland taxpayers deduct State and local taxes as an itemized deduction. They are going to be disadvantaged by the provision that is included in the Senate bill, and it is wrong. It also has unintended consequences, but it is going to have other consequences.

The PRESIDING OFFICER. The Senator’s time has expired.

Mr. CARDIN. Mr. President, later I will come back and speak on some of these other tax cuts, but I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PORTMAN. Mr. President, again, we have had some interesting dialogue back and forth. Earlier, my colleague from Michigan talked about how this isn’t real middle-class tax relief, and then he lamented the fact that because of the arcane budget rules we have around here, after 10 years, all these great tax cuts expire. So you kind of have it both ways there, and I don’t think you can do that, which is that there aren’t real tax cuts but then, when they expire, it is the greatest shame because they are great tax cuts.

Here is the reality. There are significant tax cuts here for the middle class. This legislation doubles the standard deduction. Probably about two-thirds of the people I am talking to tonight already take the standard deduction. Now we will have about 90 percent of people who will take it. And everyone who takes it will be able to, instead of getting $12,000 a family, get $24,000 a family, greatly expanding that. By the way, there is a zero tax bracket, meaning people who don’t have any income tax liability. That means a lot to people I represent who are living paycheck to paycheck, having a tough time making ends meet.

Also, as a result of this, and the other tax relief, about 3 million American families who become taxpayers will get their taxes cut. So this is going to help American companies a lot to be able to compete globally. It levels the playing field, which is very important. It has been bipartisan up to now—very bipartisan. We had a working group on this, among those bipartisan working groups that were established 2 years ago, that studied this issue. We came up with the solution that you have to get the rate below the average of the other industrialized countries, and then let’s have an international system that actually encourages them to bring the money back and create more jobs here.

In fact, Mr. President, I will say something else. I know you are interested in this. It also encourages foreign investment in this country, because if you are a foreign auto company—and you have a bunch in your State of Tennessee—and your district is that I am going to invest in Japan, where they might have a factory, or am I going to invest in the United States of America and maybe in Tennessee, this bill will make it more advantageous for them to make their investment here and create jobs here because of the lower tax rate and because of the expensing when they go out to buy new equipment and technology to make their workers more productive.

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therefore, relatively flat wages. In fact, on an inflation-adjusted basis, if you look back over the last 15 years, there hasn’t been any wage growth. There have been higher expenses, especially healthcare, and those healthcare costs and the tax bills for those who want to send their kids to school or other costs—food and energy—have all gone up. Wages have been flat. That is a middle-class squeeze, and that is what this middle-class tax relief helps to address. That is what is important. pro-growth part helps to address because you are going to see higher wages, and you are going to see better benefits if you give this kind of tax relief to the American worker because you are going to see more investment, you are going to see more productivity that comes from that, and you are going to see higher wages.

I believe that, but what I believe isn’t as important as what others believe. So 137 economists, many of these are nationally known economists, have looked at the pro-growth parts of this legislation—the parts I am talking about that make us competitive again—and they have said that economic growth will accelerate if this legislation passes, leading to more jobs, higher wages, and a better standard of living for the American people. They say there will be a million new jobs in this country just because of this. I think that is really important, as important as the tax cuts are for the middle class—and they are important. Again, those tax cuts primarily go to folks who are in the middle class and that is appropriate. Equally important to me is to get this economy moving in a way that people can have the opportunity to get those higher wages and better benefits.

The Congressional Budget Office did a study. It showed that 70 percent of the benefit of getting that corporate tax cut is going to go to folks in terms of salaries and benefits. Some say it is less than that. Some say it is more than that. Kevin Hassett, who is the chairman of the Council of Economic Advisers, says it is more than that. The point is that it is going to help these workers, and it is about time that we help them.

There has been a lot of discussion about the process here tonight, and I understand the frustration. As a Member sometimes I feel that frustration as well. But I will say that this legislation, H.R. 1, which is the vast majority of the papers that were held up a moment ago—this is the legislation that came out of committee; it is the vast majority of the pages—has been on this website called budget.senate.gov and has been public since Saturday, November 26. So it has been out there awhile for Members to look at.

Every single one of these amendments that are part of the manager’s amendment that was talked about tonight has been publicly filed, and I think that is good. We required that Members have to file an amendment and make it public. People can go on rpc.senate.gov and see all of those amendments, and I think that is appropriate.

I would hope that, as we go through this process tonight and we talk about this legislation, we can express our differences, which we will, but that we can also stick to the facts, which is that this does provide middle-class tax cuts. Again, as to those who have said earlier that there are no tax cuts, but then when it expires in 10 years say: Well, gosh, these big tax cuts are gone, you can’t have it both ways. There are tax cuts. Maybe people think there should be different kinds of tax cuts, but they are there.

Second, there is the economic growth element of this, which to me is so important. We are not going to be able to have a growing economy and have opportunity and, frankly, be in a position as a country as middle-class folks are ability to address some of our broader problems unless we have the growth and the optimism that comes with that, and that is why I think the economic growth parts of this are equally important. Again, that has been bipartisan. And I hope it can be bipartisan in the future. I hope we will be able, as a Senate tonight, to pass this legislation and then continue to work on these issues, not just in terms of just making our economy and our workers more competitive because that, in the end, is going to be the ability to give people the chance for themselves and their kids and grandkids to have a better life.

I see my colleague from Pennsylvania is on the floor, and I know my colleague from Oregon may have another speaker. I yield the floor at this time.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PORTMAN. Mr. President, I see my colleague from Oregon has some other speakers. I know he would like to speak, I am sure.

I ask unanimous consent that there now be 30 minutes, equally divided, for debate only, with no amendments or motions in order, and with the majority leader being recognized at the conclusion of that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon.

Mr. WYDEN. Mr. President, I am going to yield to my colleagues in a minute.

I just think it is important to make sure that the public understands exactly what some of the facts are behind the Republican proposals.

My colleague from Ohio just talked about how the Republican proposal is going to create many more jobs in the United States and certainly isn’t going to keep the system that makes that attractive. Yet, my understanding is, all the previous versions—and we are going through the 500-plus pages now—are based on territorial taxation.

I don’t imagine too many folks in the coffee shops are up on what territorial taxation is, but it is an express lane for shipping jobs overseas. The fact is, a number of the proposals earlier from the other side have made it more attractive to do business overseas than in the United States.

Here are a couple of other points. My colleague said that 70 percent of the corporate tax reduction would go to the workers. That is not what Tom Barthold, the head of the Joint Committee on Taxation, said. He said specifically that he didn’t see anything resembling that kind of benefit going directly to workers. He speaks a special language known as economics, but he has made it clear he didn’t envision anything like that.

Two other points, and then I have a question for my colleague from Maryland.

We still do not have an analysis in two areas: No. 1, the cost of the bill, and No. 2, what is going to be the fate of middle-class families with respect to this new proposal? What is it going to mean for their taxes, and by what amounts?

If I can engage my colleague from Oregon on this—what can we be told at this point we are going to get, if anything, with respect to an analysis of this particular bill, the 500-plus pages? Will we be getting anything tonight before we vote?

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PORTMAN. Mr. President, first of all, I was referring specifically to a CBO report earlier, and the Senator talked about the Joint Committee on Taxation. We may have different views on that. It wasn’t my belief I was expressing; it was me talking about the Congressional Budget Office’s report. My understanding is that tonight the entire bill will be online, No. 1.

The analysis is necessary to ensure that it fits into the reconciliation instructions.

Mr. WYDEN. What analysis would it be, for example, with respect to what the new bill—the bill we are actually going to vote on—means for middle-class families? We have millions of middle-class folks who are trying to sort out what this means for them.

We have just gotten a brand new bill. We would like to know what the new bill means with respect to the taxes paid by middle-class folks, whether they going to get ahead or, as we have seen in so many of the previous iterations, fall behind, particularly after 2027?

Will we get a new analysis on this new proposal that we will actually vote on with respect to what it means for middle-class families?

Mr. PORTMAN. Will the Senator yield?

Mr. WYDEN. Of course.

Mr. PORTMAN to the PRESIDENT. How you’d like to hear those tax cuts continue. If your family is making $50,000, two kids, you will see a 36-percent tax cut. If you are making $165,000 a year, two
kids, you will get less of a percent—an 8-percent tax cut. That is all included in the legislation.

The big change, as we talked about earlier—and I know you have it in front of you—is that there is now this deduction for property taxes. It is a $10,000 cap on that deduction. As you know, if you look at the entire SALT, which are the State and local taxes and property taxes, about 50 percent of that benefit goes to families making over $200,000 a year. In this one, the property tax breaks are much more targeted to the middle class.

I think it is fair to say to my colleague from Oregon that he will see more middle-class tax relief from that, and that will be something that will help middle-class families.

There is no change in terms of those tax cuts because those brackets—the reduction of the tax rates, doubling of the standard deduction, the doubling of the child credit—are all in the legislation.

Mr. WYDEN. What I would say to my colleague is, we don’t have any evidence of that. My colleague has certainly made laudatory claims about his bill, but we don’t have any evidence of them. In fact, the comment made by my colleague highlights my concern. What we have seen thus far for middle-class families after 2027 is that upward of half of them would pay more in taxes.

I think, rather than continue this, I will just ask my colleague to see if his side can produce an actual document—even a summary—of what this new bill is actually going to mean for middle-class families who are concerned, based on the earlier versions, about seeing their taxes go up, particularly after 2027.

I have one question for my colleague from Maryland because he has been talking about State and local deductions, which is enormously important to folks in my State and in my colleague’s as well.

My question is, when the first income tax was enacted in 1861, it was to finance the cost of the Civil War. It included only one deduction at that time for State and local taxes, and that was really composed to respect the States’ ability to make their own fiscal decisions. It was the first deduction more than a century ago. So does that seem like it makes sense to me? That we put in tax breaks compared to this list of more than 30 breaks that we have managed to excavate from various corners of K Street.

Mr. CARDIN. If my colleague will yield.

Mr. WYDEN. I will.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. In going over the history as to how the income tax came about, it really was part of Federalism. They needed the consent of the States to change the Constitution. It was a partnership with our States, and that is why, from its inception, there has been respect for State and local taxation as a deduction from the Federal income tax.

This is not a special interest; this is how we finance government. We finance government at the Federal level, the State level, and the local level. If this bill becomes law, we are violating it.

Mr. President, I will ask my colleague from Oregon to let me have a minute more for two or three more points on this. These are important; that is, there are effects that are going to take place as a result of the limitation of State and local taxes. We are going to see effects on property values. The Realtors and real estate industries have made that clear. It is going to affect the tax base of local government.

This bill is going to affect charitable giving. Why do I say that charitable giving is part of this? Because I was talking to the mayor of Baltimore, Catherine Pugh, earlier today. She has some serious problems with law enforcement in Baltimore. She is depending upon private groups and their generosity to help deal with the problems of Baltimore. It is going to be much more difficult for charities to give and for people to get charitable contributions if this bill becomes law. So there will be impact on this that will affect our State and local governments, in addition to the elimination of the State and local tax deduction.

Here is one last point, if I might make it, in regard to middle-income taxpayers. I respect greatly my colleagues on the other side of the aisle and the charge that they show, but these charges don’t include the effect of the increase of the estate tax because that has not been made part of the calculations. It does not take into consideration 13 million people who no longer are going to have health insurance. That has not been taken into consideration in the charge they are showing.

It doesn’t take into consideration, in the charge, that the corporation profits they are going to make as a result of these tax cuts are going to most likely go to stock buyouts, rather than helping the workers. That is not reflected. So when you take a look at all of it—and we do have some analysis that has been done that is objective—middle-income taxpayers are at a disadvantage under this tax bill groups to be able to get charitable contributions if this bill becomes law. So there will be impact on this that will affect our State and local governments, in addition to the elimination of the State and local tax deduction.

I thank my friend from Oregon for yielding me that time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I thank my friend, and I know the Senator from West Virginia and the Senator from Connecticut have both been patient. Why don’t we yield time to the Senator from West Virginia now.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. MANCHIN. Mr. President, I thank my good friend, the Senator from Oregon.
that at least they tried. They went through the markups. They went through the hearings. They had an awful lot of input. I understand that.

Still, I don’t think any major legislation that affects every American should go through without a bipartisan buy-in, without bipartisan votes, without bipartisan support. If this is designed to be a political ploy—to basically have one side, and one side only, not wanting one Democratic vote—this will fail, and it is a shame for our country and for our democracy. I have never campaigned against a fellow Republican. I have never raised money to be spent to try to defeat a fellow Republican, my friends, because I don’t think I could face them if I am trying to defeat them and then ask them to work with me. I have never done that nor will I ever do that. That is not my purpose for being here.

All I have asked for is to have the chance to work with my colleagues. That is all I have wanted to do. I want to be involved. I would appreciate it. I ask, if there is any chance to work with my colleagues. That is not my purpose for being here.

One, I want to address the comments made by my colleagues. I have never made a phone call against a sitting colleague. I have never campaigned against a fellow Republican. I have never raised money to be spent to try to defeat a fellow Republican, my friends, because I don’t think I could face them if I am trying to defeat them and then ask them to work with me. I have never done that nor will I ever do that. That is not my purpose for being here.

Now I would like to address the issue of my colleague from Maryland raised, which is the deductibility of State and local taxes. I just want to say, for me, disallowing the deductibility of State and local taxes and offsetting that with lower income tax rates for everyone—well, that we do in this tax reform bill. Among other things—it is a matter of fairness.

Under our current policy, which our Democratic colleagues would prefer we keep, the current policy of allowing citizens to deduct their State and local taxes and requiring higher Federal income taxes for all Americans as a result, that amounts to a subsidy that is paid by people in low-tax jurisdictions that gets sent to people in high-tax jurisdictions.

For the life of me, I don’t understand why my constituents in Dauphin County, PA—a relatively lower tax place—should have to pay higher Federal income taxes so a very wealthy guy who owns a penthouse on the Upper West Side of Manhattan takes very substantial taxes he chooses to pay because he lives in a very high-tax jurisdiction.

How is it that fair that a person of much more modest means should have to subsidize a person of great means through the Tax Code? I don’t think that is fair, but it is also unfair not just from one State to another but even within a State it is really not fair.

Let me illustrate this point with an example. Let’s imagine you have two families who have the same financial circumstances. They are neighbors, but they happen to live on either side of a municipal boundary. One family lives on the side of a town that provides a lot of services and has high property taxes, which pays for the services. If they pick up the trash, maybe the town picks up the leaves. They provide lots of services. They have a nice community center. So the family has higher property taxes to pay for all of that.

Then the other family on the other side, in a different township right next door, they don’t get their leaves picked up, they don’t get the trash hauled away, they don’t have a nice community center, but they have lower property taxes.

Now the family who doesn’t have all those services, they have to privately contract for those services. They have to go hire a company to take away their trash barrels. They have to hire a company to take away their leaves. They have to pay to join a gym or a recreational facility, and they don’t get to deduct any of those expenses. They don’t get to deduct the cost of paying someone to take their trash away or leaf removal or their membership at a local gym or facility like this.

So how is it fair that one person gets all of those services and gets to deduct the costs in the form of deducting the property taxes that pay for it, and the
other person, otherwise identically situated, does not get to deduct the cost? That just does not strike me as fair.

So all we are doing is saying: Let’s be fair about this. Let’s just be fair. Let’s disallow that deduction. For the most part, we do present a portion of that, but the principle is to reduce the ability to deduct these taxes because it is more fair, and then what we can do as a result is we can lower the income tax rates paid by everyone.

I think that is a step in the direction of fairness, and it is one of the things that I think is a good feature in the bill.

I see my colleague the Senator from Montana is here so I will yield the floor to him.

Mr. PRESIDING OFFICER (Mr. HELLER). The Senator from Montana.

Mr. DAINES. Thank you, Mr. President. I am thankful for my colleague from Pennsylvania, Senator TOOMEY, for his work for his leadership in getting us to this point tonight for this most historic moment in the U.S. Senate.

I spent 28 years in the private sector before I came back to Washington, DC. In fact, the last election I won before I won in Congress was student body president in my high school.

I spent many years working in businesses, growing businesses, creating jobs, sending a lot of money to Washington, DC, in taxes. You are not going to find a single Republican here who says taxes are bad. What we are saying here is that we are an overtaxed Nation.

In fact, if I were to ask you where are the most affluent counties in the United States, where are they, you might guess, well, Beverly Hills, perhaps Silicon Valley, New York City. The answer is, the most affluent counties in America are suburbs of Washington, DC.

The American people have watched this city increase in power, increase in wealth, and I think this city has forgotten something; that the dollars that are sent here by hard-working Americans do not belong to the government, it is their money. I will tell you what, I don’t think we realize how much taxes we pay. We are focused right now on Federal income taxes, corporate taxes. However, imagine you wake up in the morning—if you are like me, my cell phone is now my alarm clock—and you grab your cell phone. You reach for it. The first thing you do is maybe look at what inbound emails you have, maybe you look at the Twitter feed, but you realize, as you are grabbing the cell phone, on average, a U.S. wireless consumer pays about 17 percent—of that bill you pay for your cell phone, there are Federal, State, and local taxes for that cell phone. That is how the day starts.

So then I go, and I get dressed. I think about how much sales tax was paid, which most States have, for the clothes that you are wearing. Well, then you might leave your home, walk across your driveway to get in an automobile, perhaps, and you realize you are paying significant property tax on that property you own—if you are a homeowner—and you get in your automobile. Oh, by the way, you have paid a significant tax on that car too. You have paid a sales tax, most likely. You may be paying hundreds of dollars a year to put license plates on it. Then you want to go out for a meal and you might want to stop at that coffee shop. You might want to get that nice cup of coffee there to get you going for the day. What do you do? Well, you pay a sales tax, most likely, as you get your cup of coffee.

Perhaps on the way to work, you need to fill up your gas tank. Now, in Montana, we drive pickups. I could tell you, when you fill up your pickup, it costs you a chunk of change. You are paying per gallon just in federal taxes, and then you pay your State taxes on top of that. That ranges from 12 cents a gallon in Alaska to 58 cents a gallon in Pennsylvania, and then you go to work.

I was just talking with one of my young staffers here tonight. She told me, when she got that first paycheck—I guess her first job out of college—she called her dad, and she said: They have made a mistake. They have screwed up your Social Security number. And she handed him through the difference between the gross pay and what you really put in the bank, the dollars of your Federal, State, local taxes, Social Security, Medicare.

Your day is finished. Perhaps you want to go home and grab something to drink, whether it is a glass of wine, perhaps a beer, perhaps a soda. Well, the government is there too. You have paid an excise tax somewhere on those beverages. And I am saying here is it is time to give some of that back. It is time to give some of that back to the single mom in Kalispell, to give it back to that small business owner in Helena, to give it back to the families, the businesses, working-class Montanans. You know what, they need a pay raise.

So how do we start that? How about right here with this bill tonight. Let’s lower tax rates on middle income Americans. Let’s allow them to keep their hard-earned dollars. How about we increase the standard deduction? Let’s take it from $12,000 to $24,000. How about we eliminate the poverty tax? That is eliminating ObamaCare’s poverty tax. As Justice Roberts said, it is a tax. It has cost the American people so far over $5 billion, 42 percent of those making less than $25,000 a year. 82 percent make less than $50,000 a year. That is a poverty tax. We are going to repeal that as part of this bill that we are going to pass tonight.

Families need a break. How about we double the child tax credit? We are parents of four. How about that single mom with two children? I think she needs a break. Let’s give working moms, working dads with a couple of kids an extra couple thousand dollars to help make ends meet and reduce the tax burden on small businesses—not corporations. We work on that in a minute. That is important to do, but these small businesses that are not corporations are paying as much as 40 percent of their income in Federal income taxes. We are going to take that down to less than 30 percent.

What does that do? It creates jobs. It puts pressure on wages, higher wages, because we need to direct these tax cuts to those who provide jobs.

By the way, those small businesses, 55 percent of the private sector jobs in this country are from smaller businesses. Two-thirds of the new jobs created since the recession of 2007, 2008 are from these smaller businesses. We are targeting significant tax relief for those small businesses. Who are these? These are farmers. These are ranchers. These are locally owned Montana businesses. It could be our community bank. It could be a construction company. I grew up in a construction company. My mom and dad were the CEO and the COO of the family business. In Montana, that is 68 percent of the jobs in our State. They are getting significant tax relief. Working with my colleagues, we have had some great conversations, and we have provided some additional tax relief for those smaller businesses.

We have a historic, once-in-a-generation opportunity to do a tax reform only comes every 20 or 30 years. It goes back to 1986, 31 years ago—the same year my wife and I were married. We need to put more money back into the hands of American workers. Let’s cut their taxes. Let’s open the doors for the creation of more high-paying jobs. We start that by transferring the wealth of this city back to the families and businesses that sent us here in the first place and that keep our country moving forward.

We have been hearing a lot of things about this bill. The Washington Post even claimed four Pinocchios on some of these claims that somehow this plan will raise taxes for most working-class families. Look at the facts. That is not true.

Let me conclude by saying this, quoting a President:

It is a paradoxical truth that tax rates are too high today and tax rates too low and the soundest way to raise revenues in the long term is to cut the rates now. The experience of a number of European countries and Japan have borne this out. The purpose of cutting taxes now is not to incur a budget deficit, but to achieve a more prosperous, expanding economy which can bring a budget surplus.

That was John F. Kennedy in December of 1962.

Let’s not miss this opportunity that we have now.

Mr. DAINES. Mr. President, I ask unanimous consent that there now be
30 minutes, equally divided, for debate only, with no amendments or motions in order, and that the majority leader be recognized at the conclusion of that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon.

Mr. WYDEN. Mr. President, to start our portion of the 30 minutes, Senator BLUMENTHAL has been very patient, so I wish to start with the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. Mr. President, I am honored to be here tonight. Even in moments of sadness and anger—and I feel both here—I am honored to be a Member of this body. I am particularly honored to be a Member of the U.S. Senate with JOE MANCHIN, whose bipartisanship and willingness to listen and to compromise and be reasonable is almost legendary. All of us, including the President of the United States, have been more than eager to be reasonable and compromise and seek bipartisan solutions. I truly want to thank Senator Wyden for his leadership on this issue, as well as his insights and his heartfelt commitment to the public interest.

We had a hearing earlier this week before the Armed Services Committee about future threats to our Nation and national security. We heard from a panel of experts who testified that more than $1 trillion dollars—maybe trillions—would be necessary for us to invest in the future of our Nation’s defense. So many of us asked whether they thought it would be possible to make that investment at the same time that our Nation is about to incur an additional $1.5 trillion in debt as a result of this misguided, maligned scam, this tax bill, and when we asked that question, they shook their heads no.

The former Chairman of the Joint Chiefs of Staff, Mike Mullen, once said—famously now—“The greatest threat to our national security is our national debt.” The reason our national debt is a threat to our national security is very simply that it prevents us from the kind of commitment and investment in our national defense that we on the Armed Services Committee and we in this body and we the people of America know we have to make to secure our national defense.

Our national defense is about more than just hardware and even the great troops that we deploy—our service men and women who serve and sacrifice with such incredible bravery and dedication and patriotism—it is also about the quality of our society. It is about whether we are equal, whether we give people the mobility to move and make of themselves what their aspirations are and make the American dream real in their lives and develop those skill through and skill training that are so necessary to us as a nation. We can’t produce the submarines and the F-35s and all of the extraordinary, complex hardware that we do without that skilled training. We know that in Connecticut because we produce submarines and jet engines and helicopters. We are proud of that, but we need more people with those skills.

Yet the bill will widen the divisions in our society. It will divide us from each other as Americans. It will diminish the mobility—social and economic mobility—in our great Nation, and it will increase economic insecurity. It will not make Americans more sure about their society, more confident in its equality and justice; it will create more anxiety and anger because at its core, this measure is about benefits to a tiny, minute fraction of America. Most of the benefits of this measure go there. And it is about hitting the rest of Americans—particularly middle-class families—with initial benefits that may even look good at first but are a classic bait-and-switch because most of those middle-class families will lose the very benefits that we added $1.5 trillion to the national debt that our children and our grandchildren will pay and thereby when we decrease our national security. The national debt may not be the greatest threat to our national security, but it is one of the largest of the dangers to our national security, and we have done nothing to alleviate it. On the contrary, we are adding to it, and that is a shame and a disgrace.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MERKLEY. Mr. President, I thank my colleague from Oregon. I would like him to know that I will only take about 5 minutes because I want to make sure my colleagues can speak during this period.

I am rising now to ask the senior Senator from Texas to come and explain his amendment that has been incorporated in the package. This, I believe, earlier was his amendment No. 1715, and we are hearing that 1712 was included as well. This is something that might be helpful to have in the context of the Wall Street welfare amendment. We are not sure exactly how it works. We are not sure exactly how much it costs. But that is not the point. If you are going to stick something into the underlining bill to benefit very powerful groups like Apollo and Carlisle and Blackstone, you don’t just airdrop it in at the last second, this provision for the most powerful. Come to the floor, lay out the details, and defend your amendment, and why it should be included in this bill.

Our basic understanding is that it enables publicly traded partnerships to be able to have their funds pass through so there is no corporate tax since they benefit from a lower rate for those passthroughs. But we have only had a few seconds to look at it. What does it really do? What does it really cost? I ask the Senator to come to the floor and explain all of the details. The American people have a right to know what this means. We will reemerge in this bill. Explain your Wall Street welfare amendment and why we should support it or not.
We have $4 trillion going to the richest Americans. Four trillion? We keep hearing about a $1.5 trillion deficit. Oh, yes, but there is lot more here, so let's just see what it is.

There is the reduction in the corporate rate, which we all know goes to the rich Americans who hold all the stocks. That is $1.3 trillion.

We have repeal of the alternative minimum tax. That is $700 billion.

We have the passthrough for high-end LLCs—not for low-end LLCs but for high-end LLCs—$962 billion.

We have three provisions for multi-nationals, a deduction for foreign divi-dends, a deduction for foreign intangi-bles, and the transfers for intellectual properties, totaling $313 billion.

We have an elimination of the estate tax to benefit the richest 0.2 percent. Out of a total of 1,000 people in America, the richest two—that is the equiv-alent. That 0.2 percent would get $53 billion.

Then we have a change in the tax brackets, which added another over $1 trillion there. And probably most of that—we have been trying to get a breakout. We can't even get a breakout of where this will go because it is being rushed for

If we take those provisions and add them up, it is $4 trillion. I am just taking the big ones off the list of all of the details.

Little public exposure. Why is this being done in a few hours here, just after the Thanksgiving holiday, before Christmas? Because my Republican colleagues are sticking it to the American people, and they don't want you to know.

So, again, an example—out of this list of 30 amendments that are being stuffed in at the last second that no one has had the ability to analyze—30 amendments—let's have the senior Senator from Texas come to the floor and do Wall Street welfare amendment that he is sticking in here for the most powerful publicly traded partnerships. That is just one of 30.

So I am calling for transparency. I am calling this process for what it is, and that is using the argument that you are doing something for the middle class in order to cover up these tril-lions of dollars going to the very rich-est. Let's see how misplaced this is.

In the next year, 9 million taxpayers together at the bottom would get about 50 cents a day in tax relief—two quarters. That is what you do for the 90 million taxpayers who are most in need in America, two quarters a day. What does this bill do for those who earn more than $1 million? It gives them over $1,000 a week. So $1,000 a week for the rich and mighty; two Thin quarters a day for the folks at the bottom.

It even gets worse than that. By the end of the tax period, what are those people earning less than $50,000 doing? They are paying $722 billion into the Federal Treasury, but what are those who are earning more than $1 million doing? They are taking out $5 billion. So the poor are paying in while the rich are taking out. You call this a middle-class tax relief? I call this a tax scam.

The PRESIDING OFFICER. The time has expired.

Mr. MERKLEY. It is outrageous and unaccept-able.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. CASSIDY. Mr. President, I would like to comment on the positive as-pects of the bill we are about to vote on.

The most positive thing I can say about this is that working families and middle-income families across the Na-tion will be better off. Families who over the last 8 years have not done well will begin to do better.

Now, we have already discussed some of the things that others have discussed. Let me just comment briefly:

We have doubled the standard deduc-tion to make all of income taxes simpler. For most Americans, that will be a tax cut by doubling that standard deduction.

We have provisions in there to stimu-late the economy, to create competi-tion for workers so workers will now have a choice of one job or another.

When that happens, of course, their wages rise, and their benefits get better.

We incentivize companies that are, right now, paying $362 billion—because the taxes are so much lower elsewhere—to stay in the United States, to create American jobs, and to pay more American taxes.

Those are all good things my col-leagues have discussed. Let me discuss some other ways perhaps that this bill benefits working families and middle-class families.

I am from an energy State. Louisiana produces so much oil and gas. The thing about energy jobs is it creates jobs for good families. They may not have a college education, but they are good people. They care about their children. In these jobs, they can earn over $100,000 a year in certain aspects of it, and they employ Americans in a way that Americans have kind of forgotten that it can be that way.

It is meaningful to me. We were in Illinois when I was born. My family moved to Louisiana because someone called my father and said: You know, as we develop our energy resources, and for perhaps the family of the man I remember going to middle school with long ago.

I mentioned Thor's father was a pipe-fitter. Now, it is not just on those 2,000 acres. There will be a way of trans-porting that oil that is produced elsewhere. In South Louisiana, we make boats—boats that actually work off rigs and can create jobs both in the boatyard and in the maritime industry. Thor's father was a pipefitter. You pipe out your oil, and you create jobs in that way. That comes to mind because when I was first elected to the Senate, I was going to a committee hearing, and some union fellows from Ohio came up to me to ask that I en-dorse the construction of the Keystone XL Pipeline. Of course, I have always been in favor of it so they had my vote, but they made the point: We are union laborers. We work on the job. When we say there is $40,000 created in the build-ing, is it $39,000 or $41,000? We can only be on the job for 6 weeks, but then we go to another job for 6 more weeks and an-other job for 6 more weeks.

That is the argument that we are making.
I was struck that these working families benefit not from the actual production of America’s natural resources but from the transportation of America’s natural resources. So the economic benefit to working and middle-income families doesn’t just stop with those directly working at the refinery, but it continues downstream and, as I mentioned earlier, even extends to a family like mine.

Now, let me mention another aspect of this that brings benefits to our working families and to our middle-class families. One thing I was helpful with was the restoration of the historic tax credit. The historic tax credit is a Federal tax credit first made permanent by President Ronald Reagan that allows somebody to go to an older building in a community and to restore it, returning it to commerce. So instead of a portion of our architectural heritage being destroyed, it is refurbished and is there for future generations to enjoy. More than the kind of aesthetics of seeing an older building become beautiful once more, it creates jobs.

Now, let’s go back to this legislation, creating better jobs for working and middle-class families. First, it affects everybody. More than 40 percent of the projects under the historic tax credit program in the last 15 years have been in towns of less than 25,000 people. In my State, since 2002, the historic tax credit has contributed more than 1.2 billion worth of investment into these cities and towns across my State.

Now, when you have that much money, you create lots of jobs. It is thought, nationwide, according to the study by the National Park Service, the historic tax credit has encouraged more than $13 billion in private investment, rehabilitating 42,000 buildings, creating more than 2.4 million trade jobs, returning a net positive to the U.S. Treasury.

Since fiscal year 2002, in Louisiana alone, it has, again, fostered more than $2.5 billion in private investment, creating more than 38,000 jobs. These are jobs—construction jobs, rehabilitation jobs—that allow a family to live with a good living wage. That is part of this legislation.

I should mention one thing in particular very topical on the historic tax credit and that is the city of New Orleans. New Orleans is currently being refurbished. It was built in the 1960s and is being transformed into a world-class hotel condominium complex. It brings the city of New Orleans $400 million in infrastructure spending, 1,600 jobs in construction credit as well as more than 450 permanent, full-time jobs. Instead of a crumbling eyesore, you have a jewel, but more than a jewel, you have 1,600 jobs created and 450 permanent jobs.

Let me mention the last thing that benefits working and middle-class families. My friends on the other side of the aisle talked about supposed negative effects on Social Security and Medicare. I am a doctor. I have been working in the public hospital system of Louisiana for 25 years. I understand the importance of safety net programs, if you will, like Medicare that allow our senior citizens to have the health care they need. The dirty little secret is that, according to the people who run Medicare and Social Security, those trust funds are going bankrupt—bankrupt. Under the Obama Administration, they tried to address it by raising taxes, so they put a higher income tax on people, and the trust funds are still going bankrupt. Under ObamaCare, there were different things to try to save money within the system, delivery system reforms, and some are, frankly, good ideas—although I opposed ObamaCare, in general, some of these were good ideas, and I continue to endorse them—and the trust funds are still going bankrupt. So it raised taxes, we are trying to save some of these funds are still going bankrupt. What can we do to try and rescue these programs that are so significant, so important to senior citizens, to all of us in this country—Social Security and Medicare in particular.

What about economic growth? I did an analysis once with another man who shows that if we just return to the economic growth that is common in our country—about 3.5 percent GDP growth per year—we will fully fund our trust funds for Medicare and Social Security.

Keep in mind, although we are cutting rates for corporations, the rates for funding Medicare and Social Security are staying where they are. So if our economy is doing better year over year, there will be more money going into these trust funds, not because the rates are higher—the rates remain the same—but because there is more money to apply the rates to.

Is it reasonable to have that kind of growth? Absolutely. From 1946 to the beginning of President Obama’s administration, through 10.5 recessions—including one-half of the great recession—we averaged over 3 percent growth as a country. Now, under President Obama’s Presidency, it was about 2 percent growth, and 2 percent versus 3.5 is all the difference in the world because it compounds. It goes like this if it is 2 percent, it goes like this if it is 3.5 percent, and at the end of 10, 15, or 20 years, those differences are remarkable.

I will say, under President Trump, for the last two quarters we have had over 3 percent GDP growth. Republicans take over, and the economy begins to do better. In the next quarter, it is estimated that it will be over 3 percent. With this legislation, increasing the amount of money families have in their pockets, building out our economy, putting money back in Alaska, creating jobs for Americans across the way, using things like the historic tax credit, returning money to the Treasury, but also creating American jobs will create that prosperity, that economic growth, so that instead of the 2-percent growth that we have had for the last 8 years, we have the 3.5-percent growth that we historically have had. That is a promise of this legislation that will restore funding for Social Security and Medicare. That is the answer that has eluded the other side.

Mr. President, before I yield back, I ask unanimous consent that there now be 30 minutes, equally divided, for debate, with the majority leader being recognized at the conclusion of that time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CASSIDY. I yield back.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, for this time, I believe we will have Senator DURBIN lead off for us and then Senator NELSON and Senator BENNET. Each is going to try to take around 5 minutes. Senator DURBIN.

The PRESIDING OFFICER. Senator DURBIN.

Mr. DURBIN. Mr. President, what happens when you decide to write a tax bill that changes the economy of the United States of America, you don’t have adequate hearings to gauge what is going to happen, you don’t bring in the experts to tell you what the impact will be on individual families and businesses, and you stick around until 5 o’clock on a Friday night and you hand out the work product for all of the Members of the Senate to take a look at before you vote on changes in the Tax Code that will affect the people they represent?

This is what happens: 479 pages were handed to us. They tell us that some of this has been around for a while, and some of it is new. They don’t tell us which part is new and which part is old. Lucky for us, on K Street—and there is nothing wrong with lobbyists—where the Federal lobbyists live, they are following this really closely, and they have given us basically a cheat sheet, a scorecard, so we can figure out, at least generally speaking, how many changes have been made in the 479 pages since the last time we saw this proposed bill.

Any Member of the Senate to stand here and take an oath that they have read this and understand what in the world it means to businesses, families, and individuals. If they want to take that oath, and maybe some will, then I refer them, ladies and gentlemen of the American jury, to exhibit A, page 257 out of the 479.

Why do I pick this page? Because they didn’t have time to type it. They wrote it out in longhand. We are not even teaching cursive in a lot of schools any more, but I believe that the staff knew it enough to try. The problem is, they wrote it in cursive along the margin here. It is about subchapter...
S corporations and how much tax they paid and what they don’t pay. I defy anybody to read it because the problem was, when they copied it, they chopped off lines so there aren’t full sentences here. They are like little phrases and words.

This is your Senate at work. This is what happens when you push through a bill late at night, desperate to pass it, without really stopping to ask yourself: Will this make us a stronger nation, help legitimate businesses that want to expand and create jobs? Is this good for American families?

The Joint Committee on Taxation,told us yesterday—that is our scorekeeper; they are the ones who we hired to be our scorekeeper; they are non-partisan—what they learned about this bill before we got the new version, with the new amendments. Our friends on K Street were happy to tell us what they were. Our friends on K Street were happy to tell us what the listings were. They told us that this starting bill will add $1 trillion to the national debt—so our kids and grandkids can pay it off—to pay for the tax cuts. They also told us that the predicted economic growth that is supposed to come out of these pages of 4.5 percent a year is 0.8 percent. Is it not? Am I right?

Mr. WYDEN. Correct.

Mr. DURBIN. They also told us that the biggest beneficiaries under this Tax Code—this Joint Committee on Taxation—happen to be the wealthiest people in America—surprise—and the biggest corporations. They told us that, at least in the second 10 years—maybe before—regular middle-income families are going to pay higher taxes because of this. They let us know, and we knew already, what is going to happen to programs like Social Security, Medicare, and Medicaid. You see, what you run up the national debt and you want to try to balance the books—our Republican friends have been very open about this. They want to cut the benefits under Social Security, Medicare, and Medicaid to try to balance the books.

America, are you ready for this? Are you ready for senior citizens who are counting on that Social Security check to get a cut in benefits to pay for a tax cut, a tax giveaway to the wealthiest people in America? Are you ready to see Medicare cut—that is, reimbursement for seniors for medical expenses—in order to make sure that the biggest corporations in America get a tax break? Are you ready to see Medicaid, which has as its major expense taking care of seniors in nursing homes—benefits cut in order to give an incentive for businesses to move jobs overseas? That is what this is all about.

Here is the reality. As a percentage of gross domestic product, American corporations have never been more profitable—never. As a percentage of gross domestic product, American corporations have never paid less in Federal taxes.

What is the Republican response to that? Cut corporate taxes. Why? Shouldn’t we be focused on doing what is necessary so that middle-income families have a fighting chance to pay their bills and put some money away for their kids and their future? Shouldn’t we be working on helping small and medium-sized corporations instead of the big boys?

That is what I think we should focus on. I don’t know for sure that this bill doesn’t do that. In fact, nobody does. Nobody knows what is in here—479 pages. If they tell you they do, then ask them to explain page 257. Ask them to try to read this. I have tried. This is going to change the tax law of America in ways that we can’t even explain. We have to get this done because the Senate has done little or nothing this year, and so they are desperate to get something done before the end of the year.

Sadly, it is a tax bill that we have just been handed 1 hour and 50 minutes ago. I yield the floor.

Mr. WYDEN. Mr. President, I want to thank my colleagues from Illinois for a very insightful analysis, and his skills as a handwriting expert may be necessary as the Senate Finance Committee tries to divine what that particular page actually means. I thank my colleagues to unpack a byzantine area of subchapter S tax law.

Mr. DURBIN. If the Senator from Oregon would yield for just a moment, I would like to ask consent that this infamous page 257 be made a part of the record and it bears repeating the statement: It will help the middle class. You can repeat a statement, but that doesn’t mean it is true. You have to look at what the facts are. I think you have heard a number of the speeches that will refute this—that it is not middle-class tax relief. It certainly isn’t when a lot of those so-called tax cuts for the middle class will evaporate; they will cease to exist after 7 or 8 years.

Let’s talk about this part of this tax bill, the child tax credit. We are going to have a couple of amendments out of here on the floor tonight. We are going to have one that is going to increase the tax credit substantially, like $3,000 per child. When you compare that to the current existing Republican bill, they have a tax credit that, in fact, if you have more than three children, if you have a large family, you are going to be penalized. That is what the facts are.

Let’s see how the votes come later this evening on two amendments. One is a Democratic amendment, and one is a Republican amendment. As to the child tax credit, let’s see what the majority of our friends who are trying to ram this through in the dead of night do. Let’s see what happens, because, clearly, their tax bill does not do enough.

This Senator has long supported increasing the child tax credit, including cosponsoring Senator BROWN’s amendment to increase the credit and make it easier for those who are in a low-income situation to claim that credit. I am going to continue to support increasing this tax credit for the middle class, as long as it is done in a fiscally responsible and thoughtful way. It doesn’t make any difference who is proposing it. Let’s see how the votes come out here on these two amendments.

Unfortunately, the bill that is before us does it backward because it actually increases those who have a number of children. We should be doing the opposite. I hope that we will find a way to dramatically change this bill. Instead of limiting the child tax credit, let’s go in and make the corporate income tax not at 20 percent but at 22 percent or 25 percent in order to fund the child tax credit to help those on the bottom line on the economic ladder.

We should be coming together in a bipartisan manner to flip the priorities in this bill and to significantly increase the child tax credit. Obviously, that is what the American people want, but that is not the bill of goods that you are getting here. By saying something is something, that doesn’t make it so. It is what the facts are.

I yield the floor.

Mr. WYDEN. Mr. President, my colleague has a parliamentary inquiry, and then we will go to Senator BENNET.

Mr. DURBIN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Democratic whip.

Mr. DURBIN. I submitted page 257 of the amendment to be placed in the RECORD and you gave unanimous consent for that to happen. I have now been instructed that the personnel at the Senate cannot read this page the way it is currently written. Could I have this entered in the RECORD just as written with the handwritten notations on the side? Could I enter it as a graphic or artwork or something like that?

I ask the Presiding Officer, does that mean the amendment has this page in it, that the amendment cannot be filed?

The PRESIDING OFFICER. The amendment can be filed with handwritten changes, but the staff will have to change those later or correct them.

Mr. DURBIN. I would like to ask a further parliamentary inquiry. Why didn’t they accept page 257 after I received consent to put it in the RECORD?

The PRESIDING OFFICER. The amendment has not been filed yet. Consent was accidentally.

Mr. DURBIN. Parliamentary inquiry.

This page, which is part of the tax bill,
257. as written, cannot be filed in the Senate because no one can read it; is that correct?

The PRESIDING OFFICER. The amendment has not yet been filed. It can be filed in that form.

Mr. DURBIN. Parliamentary inquiry. Why can’t this page be filed in that form?

The PRESIDING OFFICER. The amendment as shown with the handwritten text cannot be printed in that graphic form.

Mr. WYDEN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. When this is filed, we want the American people to know what has actually been written on the side.

Will it be possible, as part of Senator DURBIN’s statement, to add this “written on the side” portion as part of his statement? We will actually know how outrageous this process is and that it at least states, as part of his speech, what is written in the margin? Can that be stated as part of his statement?

Would the Chair answer the question?

My question is, when the amendment is filed, I would like to ensure that the important point my colleague has made about what is written in the margin could be included as part of his written statement that will be entered into the Record so that the American people can get some sense of what kind of flimflam is actually taking place here.

The PRESIDING OFFICER. When the amendment is filed—

Mr. WYDEN. Thank you.

The PRESIDING OFFICER. The text will appear in linear format with any errors that may be in it.

Mr. DURBIN. Mr. President, I have the greatest respect for the Senate staff, and I am not trying to say anything negative about them. I was hoping that this could be entered into the Record, and I asked for unanimous consent to enter it, believing that the handwritten portion would show up in the Record. I have since been advised that there will have to be translators and interpreters who will have to decide exactly what this says before it is actually part of the CONGRESSIONAL RECORD. I have made my point as to where we stand in preparation of tax reform for America.

Thank you.

Mr. WYDEN. Mr. President, I yield to the Senator from Colorado.

Mr. BENNET. Mr. President, talk about the swamp. All of the folks who voted in this election do not have the swamp in Washington, DC—they are watching this happen right in front of their eyes tonight. We have a bunch of amendments that were dropped in by lobbyists last night that we haven’t seen, except that we received a list from them, and we have illegible amendments now at the desk that, even if we could read them, we wouldn’t be able to. It just doesn’t make any sense.

I will tell you something else that doesn’t make any sense. It doesn’t make any sense that, in our economy, the top 10 percent earned 50 percent of the income, and the bottom 90 percent earned the same amount of income as the top 10 percent. The top 10 percent earned 50 percent of the income in this country, and the bottom 90 percent earned the other 50 percent. You can see the direction that these lines have headed over a number of years.

That is the issue that we confront in our economy. That is what we all should be working on in a bipartisan way to try to address. Unfortunately, instead of improving the circumstances for people in the bottom 90 percent of earners, the decision has been made, because of an economic philosophy that has to do with trickle-down economics, to give the benefits to the people who are pretty well—and not just pretty well but better than they have done since 1928, and we stated earlier today on this floor what a miracle the tax policies were in the early 1920s.

The PRESIDING OFFICER (Mr. PENDOURE). The Democrats’ time has expired.

Mr. BENNET. Mr. President, I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BENNET. I thank my colleague from Pennsylvania.

In addition, we cannot afford to do this. Right now, we are collecting, before this tax cut goes into effect, 18 percent of our gross domestic product in taxes and revenue. We are spending 21 percent of our gross domestic product, and that leaves us with a deficit.

Because this place lacks the courage to do what we must do, the result is, if you make $500,000 a year and you have enough kids, you can use the whole credit, but if you don’t make that much money—if you make, say, $25,000 a year—you won’t get as much of the credit even though you have paid the taxes. It kind of doesn’t make any sense, right?

We are trying to help people with the cost of raising children by allowing them to keep more of their own money. I think the people who make less who need it the most and, when you only do half of it, which is the $2,000 increase, you only get it half right. So it is good, and there are people who are going to be helped by that, but we could have here is why I believe in it.

The bill we have today, which is before us here and will be before us in a few minutes when there is a substitute provided, cuts the corporate tax rate from 35 percent to 20 percent. A reduction in the corporate tax rate is something that benefits the people who make less who need it the most, and when you only do half of it, which is the $2,000 increase, you only get it half right. So it is good, and there are people who are going to be helped by that, but we could have done it much better.

The Senate from Florida.

Mr. RUBIO. Mr. President, as most of my colleagues know by now, we have been working for I believe about a year and a half—certainly through this tax reform process—to address the issue of the child tax credit in an effort to increase it. I am grateful that in this process, we have been able to increase the child tax credit to $2,000. That will help a lot.
we are trying to help. I know that sounds countercyclical, but it does because when these corporations are able to save money in taxes, many of them will use some of that money to create new jobs and hire more people. That means more local spending, which increases GDP, and perhaps even flow toward workers in the form of higher wages over time.

These are positive things, so I am not against a reduction of the corporate tax rate. In fact, I ran for President, for the Senate, and for reelection to the Senate on the promise of reducing the corporate tax rate to 25 percent. So 20 percent goes well beyond that. However, in order to be able to pass something that pays for it, because you have to—and people don’t know this back home, so I will just kind of explain this—this bill allows us roughly about $1.5 trillion over the next 10 years of spending over revenue. Now, we think that the growth in the economy is going to be more than offset that, but for the rules to apply, it has to be within those parameters.

In order for us to offer an amendment that provides an increase in the child tax credit a really that we want to do it—$86.9 billion somewhere in order to be able to do it. Initially, instead of cutting the corporate tax rate from 35 to 20, we proposed cutting it from 35 to 22. It is still a massive cut. It is still well below the average rate in the world. It still puts us in third place among the major economies. I have no problem with that. I know that the gross domestic product is the sum of spending over revenue. Now, I can tell you that in this country making between $20,000, $50,000, and $60,000 a year because they need our help.

What has been the opposition to this? Frankly, some of it is untrue. Some of it is protectionism. But one thing I have heard is that the people who would benefit from this tax cut don’t pay taxes. They don’t pay income tax or a lot of income tax, but they pay tax. If at 5 o’clock today you left your job as a construction worker and you received your paycheck, they took money out of your paycheck. When they take $200 out of your paycheck, it doesn’t matter if it says FICA or if it says income tax withholding; it is $200. It is the same money, and you have $200 less in it. That is a tax. Anytime the government takes your money, it is a tax.

I have had people tell me, including people in the administration, that they don’t pay taxes. I have had people say that they don’t generate economic growth, which is, in my mind, No. 1, not true, and No. 2, the wrong way to think about it. You see, our economy should be working for our people, not the other way around. It is working for our people, and when you talk that way, you have it wrong.

I also disagree that they don’t generate growth because when you make $50,000, you spend every penny that you make. I know these people. I live in West Miami, FL, and West Miami is a small, little city. It is three-quarters of a square mile. I have lived there since 1985. The average income is $38,000 a year. If you make $38,000 a year, you spend every penny, especially if you are raising children.

I do not see how much people tell you to put some money aside and save it for the future; you cannot because everything costs more and there are unexpected costs. You bought brand-new shoes in September for school, and by November they either have a hole or they no longer fit. You bought them a backpack in August for back-to-school, and by November or December, it has a hole in it or something broken and you have to pay for it. Costs constantly come up that you haven’t anticipated.

Where do they spend this money? In our economy. So, yes, maybe they don’t generate as much growth as a Fortune 500 company, but they have to spend every penny of it, so they do generate growth.

I have even heard terms used like “it is a black hole” and “it is welfare.” It is not welfare; it is their money. I heard one newspaper editorial say that it is anti-work. How could a tax credit that you can’t get unless you are working be anti-work? I will tell you what is anti-work: a package of benefits from the government that you get—which is worth more than this tax credit—that you are eligible for if you don’t work.

I want you to tell the worker at a Head Start facility—think about this. You are a teacher at a Head Start program, and you make the tax credit for your children to go to Head Start, but you don’t make enough to be able to afford child care for your own kids. That is happening all over this country, and somehow there are black holes that we can’t even find $86.9 billion to help them just a little bit more.

The second argument we have heard is that we can’t cut the corporate tax rate because it is going to hurt growth. OK. You are telling me that if we have a corporate tax rate that goes from 35 percent to 20.94 percent, that is going to hurt growth. Twenty percent is the most phenomenal thing we have ever done for growth, but if you add 0.94 percent to that, it is a catastrophe. We are going to lose thousands of jobs. Come on—especially when you add that to the fact that they are going to be able to immediately expense their investments, when you add that to the fact that they are going to repatriate money abroad to the United States with the lower tax rates. When you add all the things that we have done, argue all you want, but don’t please don’t tell me that 0.94 percent is going to somehow lead to less economic growth. It is just not true.

We are going to have a vote later today. I don’t know how many votes they are going to make us have in order to pass this; there are all kinds of procedural things that happen here. But I can tell you that this is about a lot more than just tax reform. We have a big problem that perhaps this tax reform debate has revealed; that is, the only way forward in this country is one that is pro-worker and pro-growth, and you cannot have one without the other. I tell you that if you look today, there are millions and millions of people who have been hurt by the new economy. The new economy is great. There is nothing we can do to turn it back. The future is here, and you cannot go back to the past.

We should embrace the new economy. It has created extraordinary wealth for people who are innovators or people who have the right careers or right jobs. I don’t begrudge it. I am glad that it is happening. But when you have a new economy, just as when we had the Industrial Revolution, there are some people who are going to be hurt and we have to help them in that transition because if we don’t help them, we are going to break the social compact that holds our Nation together. I am not claiming that the child tax credit will solve that problem by itself. I am telling you that if we aren’t even willing to do another $86 billion of allowing people to keep their own money—not the way that is happening now, as this—we are not willing to do anything for working people in this country, and that is a big problem. That is
an enormous challenge for our Nation. These people have felt neglected and disrespected for a long time. I want to be very careful, but I want to be clear about what I am saying. The political debate in America today is either helping the poor—and I support the safety net. I don’t think free enterprise works without a safety net. It should be there to help people who cannot help themselves. I want people stand back on their feet and try again. The political debate is also all about helping the business community, and I support that because we need vibrant economic growth to create jobs and opportunity. But what about everyone else? What about the people who make $50,000 a year? They make too much money for CHIP, for pre-K paid for them by the government through Head Start, for ObamaCare subsidies, too much for government through Head Start for poor, and millions of middle-class Americans. I am asking about something that is not in this new economy in which the haves and have-nots are largely divided between those who have the right skills and right degrees and those who do not, and that has gone unaddressed for a very long time. I am telling you, if we do not address it, we leave our Nation vulnerable to two dangerous political extremes—radical socialism on the left and ethnic nationalism on the right—and they are true to the American principles that created the greatest Nation on Earth.

Again, I am not here to tell you that the child tax credit solves that problem. I am here to tell you that if we can’t, if we won’t, or if we won’t do it, the evidence of our unwillingness to do beyond it the tasks that need to be done. We have a major challenge in this Nation. All we are asking for and all I implore my colleagues to vote for—I know that for people on the other side of the aisle, this doesn’t go far enough. I understand it; I do. I know you want to get to a higher number; I know you want it to apply to more people. I promise you, I did too. I wanted it to be $2,500. I am trying to figure out in this constitutional Republic, which cannot be a zero-sum game, how we can make things better if we do not make them perfect.

And on the other side of the aisle, I implore my colleagues to believe that this is not a black hole, and this is not welfare. These are the teachers, firefighters, neighbors, and friends who are struggling because everything costs so much more. About what can’t we use the CHIP or to keep a little bit more of their own money? Really, it is a 20.94 percent corporate tax rate going to hurt the workers, and higher wages. They didn’t have enough time to do that. We have been unable to reauthorize this CHIP program, the health insurance program for low-income children. They didn’t have enough time to do that. We have been unable to reauthorize the Community Health Center Program, providing 27 million people with health insurance. We don’t have the time to do that. But tonight we are presumably going to pass legislation when, at a time of massive income and wealth inequality, 62 percent of the tax benefits go to the top 1 percent, and 10 years from now, millions and millions of middle-class Americans will be paying more in taxes.

I have not the slightest doubt, as I have said before, that after the Republicans pass this huge tax giveaway to the wealthy and large corporations, they will be back on the floor of the Senate, and when they come back, they will say: Oh, my goodness, the deficit is too high. We have to cut Social Security, Medicare, Medicaid, education, and nutritional programs. In other words, in order to give tax breaks to billionaires and to laugh profitable corporations, they are going to cut programs for the elderly, the children, the working families of this country, and the poor. This legislation will go down in history as one of the worst, most unfair pieces of legislation ever passed.

I say to my Republican colleagues, as you saw on November 7, the American people are catching on. They are demanding a government that does not simply work for corporate lobbyists but works for the middle class. They are demanding a tax system that says to the wealthy and large corporations: You are going to start paying your fair share. You are not going to cut Social Security; we are going to expand Social Security. We are not going to cut Medicare; we are going to move to a “Medicare for all” healthcare system. The American people are catching on.

While Republicans may get away with this act of looting tonight, history is not on their side. The day will come, and it will come sooner rather than later, when we are going to have a government here that represents all of us, not just the Koch brothers, not just the billionaire class, not just wealthy campaign contributors. I yield.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. TOOMEY. Mr. President, I want to talk about one of the truly pro-growth features in this tax reform that is going to encourage investment in the United States, new business creation, startup, expansion, and hiring that would be associated with that. That means new jobs, more demand for workers, and higher wages. What am I referring to? I am referring to one of the things we do on the business side of the tax reform. The way I think about it, there are several big features that are going to drive economic growth on the business side of the Tax Code. One is certainly lowering the top rate from the 35 percent that makes us uncompetitive in the global economy to 20 percent, which puts us pretty close to dead even among our competitors. That is one. That is an important part.

The second one that I think is even more powerful is simply allowing businesses to recognize losses when they actually occur. Allow businesses, when they buy equipment and put that equipment to work in a factory or when buying earth-moving equipment or new machinery, to recognize that cost when it occurs. By allowing them to recognize that cost when it occurs, they can afford to purchase more of that equipment.

Why is that important? That is important because that is the source of enhanced worker productivity. Workers are more productive when they have machinery and equipment to work with. This is why capital drives productivity growth. It is the investment in that new equipment that creates demand for workers but also makes the worker more productive. The example I like to use that I think illustrates it reasonably well is this: If you go to a construction site and you have two guys working on that site and one of them is operating a backhoe and the other worker is using a shovel. They are both digging a hole; they are both moving dirt. Which one do you think gets paid more? It is not a close call. The
Mr. THUNE. Mr. President, I thank the Senator from Pennsylvania for outlining and highlighting what are, I should say, some of the many reforms that are included in this legislation. Now, what he talked about is critically important.

If America is going to be competitive in the global marketplace, we have to change our Tax Code because it is completely outdated, completely anti-competitive relative to any of the countries with whom we compete. So, as the Senator from Pennsylvania pointed out, the reforms we make in this bill allow American companies to compete and win against those other countries around the world—Chinas of the world, the Russias of the world. Those countries in which America has to compete on a daily basis have a huge advantage over American companies today simply because we have a tax code that does not recognize and reflect what is happening in the global economy, and that is why modernizing and updating our tax code was such a critical part of our tax reform effort.

I was listening to my friend from Vermont, and I think this is a really great day in the U.S. Senate. We are getting close to the finish line on this tax bill. Over the past 24 hours, I think we have made a really great bill even better with more immediate tax relief and more relief for small businesses. We have moved our bill closer to the House’s bill in key areas, which I think will help us get this bill to the President’s desk in the very near future. I am excited about what this tax bill is going to do for the American people.

America has always been about opportunity, a place where you could start from nothing and become anything. Generations of people have come to this country to build a better life for themselves and an even better one for their children. My grandparents were those people. They came here from Norway. They came back in that small merchandising company after they had learned the language and worked for a while on the railroads that were being built across this country. It later became a hardware store, and to this day in Mitchell, SD, there is still a store that goes by the name of Thune Hardware. The family is not associated with it, but it is an example of the millions of Americans or millions of people who came to this country, came to America in search of opportunity.

Unfortunately, in recent years, those vast horizons that so many people came to this country for seemed to shrink. The American dream has grown dim. Getting ahead has been replaced with getting by. We only as our jobs get shipped overseas, as other countries drop their business tax rates to better compete in the global marketplace, as emerging economies and developed nations grow faster than the American States, we frequently spend more time worrying about their future than looking forward to it.
We are turning that around starting today with this tax bill. I am reminded of Ronald Reagan’s Presidential ad noting that “It’s morning again in America.” Well, it may not be morning yet, but the dawn is peeking over the horizon.

The tax bill before us today is going to provide immediate relief to hard-working Americans. It is going to immediately lower their tax bills. It is going to immediately mean more money in workers’ pockets, but this bill is about much more than that. This bill isn’t just about helping Americans today, although it is most certainly going to do that. This bill is about helping Americans for the long term. It is about restoring the American dream. It is about giving Americans access to the kinds of wages, jobs, and opportunities that will set them up for a secure and more prosperous future, and it is about sending a message to the world that America is finally serious about competing for 21st century jobs and innovation.

For years, our tax laws have kept American businesses at a disadvantage in the global economy. As other nations have changed their Tax Codes to strengthen their businesses, our Tax Code has kept American businesses struggling, but that ends now. This legislation makes a tremendous investment in American businesses and American workers. Under this bill, American businesses will no longer face the double taxation that has kept them at a disadvantage next to their foreign counterparts and has pushed them to reduce the amount invested in American factories. They will no longer face the highest corporate tax rate in the industrialized world. They will no longer be playing catchup with their foreign competitors. Instead, American business will have money to invest in American workers. They will be able to expand their domestic operations, and they will be able to compete with and beat their competitors around the globe. What is the result of that? It means both here at home, more jobs, more opportunities, higher wages, and an America that can lead the world in innovation, job creation, and economic growth.

America may have been through a rough patch lately, but she is coming back stronger than ever. America led the world in the 20th century, and this tax bill makes it clear that she is going to do the same in the 21st century. I hope our colleagues, when it comes time to vote on this tonight, will vote in favor of tax relief for middle-income families, vote for a stronger, growing, vibrant, robust economy that is creating better paying jobs, raising wages for American workers and American families, and a brighter, better, and more prosperous future for future generations of Americans.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I would just like to set the record straight on a couple of points. I have a response to my colleagues who continually say this corporate tax cut is going to raise workers’ wages by $4,000.

Now, I asked the head of the Joint Committee on Taxation whether that was the case. He essentially said, no, he did not believe it was the case. I was surprised and referred us to tables that document it. Perhaps even more egregious is tonight we heard our colleague from Ohio say that a Congressional Budget Office report claims that workers are going to get 70 percent of the benefits from a corporate tax cut so it was raised even higher.

Mr. President, I ask unanimous consent to have printed in the RECORD a portion of the report from the Congressional Budget Office, making it clear on the cover where it says the analysis and conclusions expressed there should not be interpreted as those of the Congressional Budget Office. It directly contradicts the comments made by the Senator from Ohio on wages and corporate tax cuts.

There being no objection, the material was ordered to be printed in the RECORD, as follows:


**INTERNATIONAL IMPACTS OF THE CORPORATE INCOME TAX**


Working papers in this series are preliminary and are created to stimulate discussion and critical comment. These papers are not subject to CBO’s formal review and editing processes. The analysis and conclusions expressed in them are those of the authors and should not be interpreted as those of the Congressional Budget Office. References in publications should be cleared with the authors. Papers in this series can be obtained at www.cbo.gov (select Publications and then Working Papers).

**ABSTRACT**

This study applies a simple two-country, five-sector general model based on Harberger (1995, 2006) to examine the long-run incidence of a corporate income tax in an open economy. In equilibrium, capital is assumed to be perfectly mobile internationally in the sense that the country in which a real investment is located does not matter to the marginal investor. In addition, each country is assumed to produce at least some tradable corporate goods for which the country cannot affect world output prices. Like the original Harberger (1962) model, the worldwide supply of labor in each country is fixed. Under those assumptions, the model provides closed form solutions and easily understood predictions about its comparative static equilibrium. As with any simplified model, the analysis is silent about some potentially important issues—such as the effect of the corporate tax on savings or on the willingness of abroad that may also have important effects on corporate tax incidence.

The analysis shows how the domestic owners of capital benefit most of the tax burden, while foreign owners of capital abroad drive down the personal return to investment so that capital owners worldwide bear approximately the full burden of the domestic corporate income tax. Foreign workers benefit because an increased foreign stock of capital raises their productivity and their wages. If domestic workers lose because their productivity falls and they cannot emigrate to take advantage of higher foreign wages. Under basic assumptions, the outcome is also similar to the implications of the simpler model of Bradford in that the full world burden falls on domestic owners of productive inputs. That outcome changes, however, under alternative assumptions.

Burdens are measured in a numerical example by substituting factor shares and output shares that are reasonable for the U.S. economy. Given those values, domestic labor bears slightly more than 70 percent of the burden of the corporate income tax. The domestic owners of capital bear slightly more than 30 percent of the burden. Domestic landowners receive a small benefit. At the same time, the foreign owners of capital bear slightly more than 70 percent of the burden, but their burden is exactly offset by the benefits received by foreign workers and landowners. To the extent that capital is less mobile internationally, domestic labor’s burden would be lower and domestic capital’s burden would be higher. It would also be affected by the domestic country’s ability to influence the world prices of some traded corporate outputs. But the signs and magnitudes of those effects on burden depend on relative capital and labor productivities of production in the corporate sectors that produce internationally tradable goods.

Mr. WYDEN. Mr. President, if I could have the attention of my colleague from Pennsylvania, I would like to pose a question to him on a matter.

We, as we have indicated, have been digging through the amendments. As far as I can tell, what we have is the earlier language that imposes a new excise tax on the investment income of large university endowments. That has been in the bill, so be it.

Now, there seems to be a new exception on page 289. The bill says that the new tax does not apply to a university whose subject to the tax if it is described in the first section, which is 511(a)(2)(B), and which does not receive Federal funds.

This is new, and I am trying to figure out why there is this special exemption. I can’t seem to find other people who are getting it or whom it benefits. I thought perhaps my colleague from Pennsylvania could enlighten me on this.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. TOOMEY. Mr. President, I would be happy to enlighten the Senator from Oregon. What my provision does is it applies to any college that chooses not to receive Federal funds under title IV, which is a very big category of funding which is a very big category of funding for higher education. It is the provision that authorizes Federal financial student loan programs, for instance.

So the theory is, which you may or may not agree with, but the view is, if a college chooses to forgo Federal funds and the students that attend have to find their own way to get there, it is diminishing the burden that college would otherwise impose on the
taxpayers, and so it is perfectly reason-
able, in my view, to exempt such a col-
lege from the tax on endowments that
we are applying generally. That is the
answer to your question.

Mr. WYDEN. President, if my college
would yield further. What is your anal-
ysis of how many colleges would
benefit from this? The reason I
ask is, in my view, there are a lot of
deserving Oregon schools—and I seem
to remember quite a few colleges in
Pennsylvania—that also are very de-
serving. Who is in this category would have this
benefit from this? The reason I
ask is, in my view, there are a lot of
deserving Oregon schools—and I seem
to remember quite a few colleges in
Pennsylvania—that also are very de-
serving. Who is in this category would have this
benefit from this, and I would like my colleague’s
assessment of how many colleges would
benefit from this particular provision.

Mr. TOOMEY. Mr. President, I think
there are very few probably who choose
to forgo all of this taxpayer money, but any college in America
that wanted to could do so. So any col-
lege that decided to adopt the policy I
am alluding to here would choose to
forgo the taxpayer money subsidizing their
students and, if they choose to do that,
then they wouldn’t have to pay
tax on their endowment. It would apply
to any college that made the choice.

Mr. WYDEN. So is this Hillsdale Col-
lege—because that is what I have been
led to believe—and I would like my col-
league’s analysis of whether they
would benefit.

Mr. TOOMEY. I believe that Hillsdale
College would qualify for this, as would
any other college that chooses to forgo
title IV funding.

Mr. WYDEN. I am just not aware of
any.

Mr. TOOMEY. There are other col-
leges that choose to forgo the funding.
I am not sure how many of them also
have an endowment large enough at the
time that it would have an im-
 pact on them. I have no idea how long
it might take them to develop an en-
donement. But the point is, anybody
who is in this category would have this
same treatment.

Mrs. McCASKILL. Mr. President, would the Senator answer a question
about this provision?

Do you know who the biggest donor
was to the Hillsdale College endow-
ment?

Mr. TOOMEY. I do not.

Mrs. McCASKILL. Would that be the
DeVos family, by any chance?

Mr. TOOMEY. The answer to your
question is, I have no idea, and it doesn’t
have a fond opinion of discrimination and of
giving a tax provision for just one col-
lege that happens to be funded by one
of the wealthiest families in America
because they happen to be a Repub-
lican donor. Why would that be a good
provision in terms of the United States
of America, to subsidize a college that
quit taking Federal funds because of
discrimination?

Mr. TOOMEY. Why would you choose
to mischaracterize this provision the
way you just did? You said it is for one
college, and you know that is not true. This is criteria available to any
college in America, and any college that takes
it will get that benefit.

Mr. MERKLEY. Will my colleague
provide a list of all the colleges that qualify, because our understanding
is that only one—this was written for one
to qualify. And that is why this
shouldn’t be done at the last minute
and just stuffed into a tax bill?

Mr. TOOMEY. If my colleague
doesn’t like that provision, he can offer
an amendment to strike it. This is a
wide-open process.

Mr. WYDEN. I am reclaiming my
time.

Mr. TOOMEY. The criteria is, if the
school chooses to save Federal tax-
payers very substantial amounts of
money by forgoing the title IV funds,
then the school would not have to pay
tax.

Mrs. McCASKILL. My point, Sen-
or, is that the people who are giving to the
endowment get the exact same
tax benefit as people who give to any
endowment in the country.

Mr. TOOMEY. And it is a completely
irrelevant point. The fact is, the school
is choosing to save the taxpayers a lot of
money by forgoing money that
would be available to its students. So
it is very reasonable to have this mod-
est savings that is available to a school
that makes that choice and saves the
taxpayer a tremendous amount of
money, then your endowment is no
longer subject to any tax even though the
endowment money comes from peo-
ple who get a deduction for the money they
give, correct? The endowment comes from donors. I thought the
reason we were taxing the endowments is
because the people who were giving the
money were getting a tax deduction when
they put it there.

Mr. TOOMEY. The point is, the col-
lege that is qualifying for this is choos-
ing not to impose a tax burden on the
American taxpayer. They are not al-
lowing their students to take the Fed-
eral taxpayer benefits that are avail-
able to them. They choose not to. They
save taxpayers a tremendous amount
of money when they make that choice.

I think it is reasonable to allow them
not to also have to pay this tax on
their endowment.

Mrs. McCASKILL. Are the people
who are giving to the endowment still
allowed to take a tax deduction?

Mr. TOOMEY. I think people who
give to the endowments are treated the
same as people who give to any other
endowment.

Mrs. McCASKILL. So it doesn’t mat-
ter, in terms of the people giving to the
endowments, whether they get a tax
deduction, just whether the school
takes money from the Federal
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Mr. TOOMEY. And it is a completely
irrelevant point. The fact is, the school
is choosing to save the taxpayers a lot of
money by forgoing money that
would be available to its students. So
it is very reasonable to have this mod-
est savings that is available to a school
that makes that choice and saves the
taxpayer a tremendous amount of
money, then your endowment is no
longer subject to any tax even though the
endowment money comes from peo-
ple who get a deduction for the money they
give, correct? The endowment comes from donors. I thought the
reason we were taxing the endowments is
because the people who were giving the
money were getting a tax deduction when
they put it there.

Mr. TOOMEY. The point is, the col-
lege that is qualifying for this is choos-
ing not to impose a tax burden on the
American taxpayer. They are not al-
lowing their students to take the Fed-
eral taxpayer benefits that are avail-
able to them. They choose not to. They
save taxpayers a tremendous amount
of money when they make that choice.

I think it is reasonable to allow them
not to also have to pay this tax on
their endowment.

Mrs. McCASKILL. Are the people
who are giving to the endowment still
allowed to take a tax deduction?

Mr. TOOMEY. I think people who
give to the endowments are treated the
same as people who give to any other
endowment.

Mrs. McCASKILL. So it doesn’t mat-
ter, in terms of the people giving to the
endowments, whether they get a tax
deduction, just whether the school
takes money from the Federal
government?

Mr. TOOMEY. The criteria is, if the
school chooses to save Federal tax-
payers very substantial amounts of
money by forgoing the title IV funds,
then the school would not have to pay
tax.
and elsewhere that don’t get this special treatment, and obviously you have heard my colleagues express their concern, and I think it transcends somebody’s politics.

So my question now would be—the perfect parent tax penalty has not been filed. Would my colleague be willing to take his provision out of the perfecting amendment and offer it as a separate amendment so we can actually have an up-or-down vote? And perhaps by that time, we will know how many colleges, if any, will be under it, is a benefit.

Mr. TOOMEY. Mr. President, the Senator from Oregon referred to many other deserving schools. I don’t know which of them choose to forgo this taxpayer money, and if any of them do, then they qualify.

If you do not like the provision, you are free to offer an amendment to strike the provision. That would be my recommendation.

Mr. WYDEN. The answer is no.

Mr. TOOMEY. I made my recommendation. If you dislike the provision, you can offer an amendment.

Mr. WYDEN. Let the record show that my colleague has said no. And I can’t find anybody else in America who believes in this particular provision, and that doesn’t strike me as right, to have it airdropped at the last minute into a bill.

Mr. President, I believe I am out of time on my consent request.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. TOOMEY. Mr. President, I ask unanimous consent that there now be 30 minutes, equally divided, for debate only, with no amendments or motions in order, and that the majority leader be recognized at the conclusion of that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

If no one yields time, time will be equally charged to each side.

The Senator from Utah.

Mr. LEE. Mr. President, I stand in support of the child tax credit. It is something that this bill goes a long way toward promoting.

This is a great day in the sense that the Senate is moving forward with promoting the interests of the American family, doing something to weaken, to soften the impact of a little known feature of the tax penalty.

A lot of people are familiar with the marriage tax penalty in the Tax Code. It is a pernicious feature, one that punishes people for getting married, one that can produce a series of adverse effects simply by saying “I do.” That is wrong.

Most Americans acknowledge that it is wrong. This bill goes a long way toward undoing that.

There is a different thing called the parent tax penalty that, like I say, is less understood, less frequently discussed than it should be.

Here is how the parent tax penalty works. It is a basic function of the interaction between the Federal income tax system on the one hand and our Federal senior entitlement programs, on the other—Social Security and Medicare.

Here is how it works. Imagine two hypothetical couples, couple A and couple B are identical in every respect but one, and that is that they are identical in their income patterns, charitable contributions, mortgage interests, so on and so forth, except for one characteristic. Couple A has children, and couple B chooses to remain childless.

Over the course of their lifetimes and while raising their children, couple A will, on average—according to what we have described as lowball estimates produced by the U.S. Department of Agriculture—incur around $1 million in childrearing expenses, just the cost of raising their children. Couple B, of course, being childless, will not incur those same expenses. At the same time, they are paying more or less at the same tax rate. There are a few differences in the existing Tax Code, but nothing to offset the disparity between the two couples in the sense that the couple B is saving this $1 million in childrearing expenses while they are raising their children, is also paying into Social Security and Medicare. They are also paying taxes, and they are not having their contributions to this solvency of Social Security and Medicare adequately taken into account.

In other words, because Social Security and Medicare are funded on a pay-as-you-go basis, we have to remember that it is today’s workers who are paying the retirement benefits of today’s retirees. It is today’s children who will be tomorrow’s workers who will be funding the requirement benefits under Social Security and Medicare of today’s workers’ tomorrow’s retirees.

This is what the parent tax penalty is all about. You see, the Federal Tax Code doesn’t adequately take into account the enormous contribution of working parents contributing toward the solvency and sustainability of Social Security and Medicare.

This is why a little over 4 years ago, back in 2013, I started pushing this idea of the need to increase the child tax credit to help soften the impact of the parent tax penalty. This is not, to be sure, something that is intended to incentivize or compel parenthood. That is not our purpose at all. This is not social engineering.

It is one thing for the government to tell people they have to do something or to incentivize them to do another. It is quite another thing to simply tell people: We are going to punish you less for bringing into this world a new American; bringing into this world a new American.

This is important, and this is something that I am thrilled to see as part of this tax reform package. This tax reform package does, in fact, increase the child tax credit to $2,000 per child.

What I would like to see, and what I have been working on with Senator RUBIO, is also to increase the refundability of the child tax credit, to move that refundability all the way up to $2,000 per child and make it refundable up to the amount of taxes paid, including payroll taxes—in other words, up to 15.3 percent of earnings.

This would do is it would result in an effective cut in the payroll tax liability of middle-class, hard-working American moms and dads, some of whom might see their payroll tax liability exceed their income tax liability. They are still paying taxes.

Tell a construction worker or a secretary or a police officer that he or she is not paying Federal taxes simply because their biggest tax liability is found in the payroll tax. In this circumstance, this amendment is needed in order to give these people significant tax benefits under this bill.

It is important to remember that some 70 percent of the benefits under this bill go to America’s corporations and 45 percent to America’s high earners. It is our desire to help spread out some of these benefits of this and to help spread it out, in particular, to America’s hard-working middle-class moms and dads.

Now, the Rubio-Lee amendment, in its current formulation, would involve a very slight adjustment to the corporate tax rate, taking it from 20 percent to 20.94 percent. This is not an enormous difference.

This reminds me a little bit of a story that I first heard told by Emo Philips. Emo Philips described himself as walking across the Golden Gate Bridge one night very late. He was alone on the bridge, or so he thought, until he got to about halfway across the bridge when he discovered he was not alone. He found somebody else standing on the outside of the guardrail of the Golden Gate Bridge.

Emo said: I could tell right away that this man was in trouble, and the thought occurred to me that maybe this man is thinking about taking the unfortunate step of ending his life by jumping off the bridge.

Emo said: I stopped and asked the man the first thing that came to mind: Do you believe in God? The man said: Yes.

Emo said: Me too. Are you a Christian? The man said: Yes.

Emo said: Me too. What denominations are you? The man said: I am a Baptist.

Emo said: Me too. Are you a northern Baptist or a southern Baptist? The man said: I am a northern Baptist.

Emo said: Me too. Are you a northern fundamentalist Baptist or a northern reformed Baptist? The man said: I am a northern fundamentalist Baptist.

Emo said: Me too. Are you a northern fundamentalist Baptist, conference of
1857 or a northern fundamentalist Baptist, conference of 1812.

The man said: Northern fundamentalist conference of 1857.

Emo said: Die, you heretic. And he pushed him off the bridge.

That is not what we have to acknowledge. People have done this before, but in the very sense that we are having heretics.

There is a very minor difference between a corporate tax rate of 20 percent and a corporate tax rate of 20 percent. But that minor difference would make all the difference in the world to America’s hard-working moms and dads, many of whom are in those very cusp of where many parents find themselves, especially while their children are young.

Imagine the construction worker, police officer, or school teacher who are just making ends meet and who realize that if they were to take themselves out of the workforce, they might be able to receive government benefits that they are currently not receiving. They might, in some ways, find their quality of life going up, at least in the sense that they wouldn’t have to go to work. We don’t want them to have to do that. We see, because when they get into that circumstance, they might forgo other career opportunities.

Without that job, there will not be the next job, the next promotion, and the next promotion after that. They might find themselves trapped in a web of poverty, held down by the very government programs that are there to help them.

That, in turn, might contribute to this growing expanse of the Federal Government and might inhibit economic growth.

You see, sometimes we have to re-

member that America’s ultimate and most important investor class is not necessarily just those people gathered around the fire. They are not in maternity wards or at the altar in a church saying “I do.” Sometimes the most important investments we make are in those children whom we rock to sleep at night, whom we raise to be the next generation of taxpayers, the next generation of contributors to our great society.

This is why making sure that the child tax credit is there for them, is available to them, and is refundable up to the amount of taxes paid is so important.

These are not freeloaders. These are not people who would be seeking a welfare benefit, because the only benefit available to them under this child tax credit would be there for them only to the extent that they are working and paying taxes, paying into the system. This is an imminently reasonable request.

In any event, this is a great moment in the very sense that we are having this conversation in the very sense that we are poised right now to increase the child tax credit to $2,000 per child. This would go a significant way toward offsetting the parent tax penalty.

It is my hope and my humble request that my colleagues will heed this call to make it even more meaningful by making the child tax credit refundable up to the amount of taxes paid, including payroll taxes.

Thank you, Mr. President. I yield the floor.

Mr. WYDEN. Mr. President, how much time remains on our side in the tranche?

The PRESIDING OFFICER. Eleven minutes.

Mr. WYDEN. I would like to yield 5 minutes of my time to the Senator from Ohio, Mr. Brown.

Mr. BROWN. Mr. President, I thank Senator Wyden.

Mr. President, if we want to cut taxes for the middle class, as my colleagues keep saying, then let’s cut taxes for the middle class. Instead of giving the money to corporations and hoping it trickles down, let’s cut out the middleman. Let’s put the money directly in the pockets of working families.

I will say that again. Instead of giving the money to our corporations and hoping it trickles down, cut out the middleman and put the money directly in the pockets of working families. I will keep saying this, because tax reform should be that simple.

I spent the last 2 weeks, and in particular 2 days, working with Senators Rubio and Lee on a good-faith effort to bring the child tax credit into this conversation.

I don’t believe their proposal goes far enough because it fails to index the CTC for inflation. For inflation, it is temporary. Remember, the tax cuts for individuals are temporary; the tax cuts for corporations are permanent. It continues to be tied only to payroll taxes. It ignores the burdens we place on working families.

We can find trillions—trillions—for corporations. This is all we can do for working families?

Unfortunately, while Senators Lee and Rubio were making a real effort at middle-class tax cuts, and I thought we were close to a bipartisan bill that could save this bill, it didn’t happen. Republican leadership—coming down the aisle and sweepng in and made it clear that this bill be be benifit only the wealthiest of people: corporations that shift jobs overseas and their CEOs.

While Senators’ sons and daughters will do just fine under this proposal—they will get the full tax cut for their children—working families will pay the price.

What we should do—frankly, what we must do—is vote this bill down and start over.

Senators Rubio and Lee and I could work together, along with our colleagues, Senator Gember, to pass real middle-class tax cuts built around a compromise that begins with our shared goals on the child tax credit. That is where we start because, right now, this bill is not a tax cut for working families. Everybody on this side of the aisle knows it. Every single person knows it. Whether they were personally a CEO, whether they were an accountant, whether they were a lawyer in a small town, they all know this is not a tax cut for middle-class families.

Right now this bill is a massive give-

away to multinational corporations that outsource American jobs. We know the companies shut down in Mansfield, OH, in Zanesville, in Chillicothe, they get a tax break, they move overseas, build a new factory, and sell those products back into the United States. We know that is what has been happening. We choose not to fix that and instead we do more of the same.

Even before we take into account the loss of healthcare coverage for tens of millions of Americans, a full 62 percent of these tax cuts will go to the top 1 percent of households of the middle class of the decade. Sixty-two percent of these tax cuts go to the top 1 percent of households. Even with the Bush tax cuts, which were clearly weighted too much to the wealthiest people in our country—the most privileged—those that was only 27 percent of those tax cuts, those benefits that went to the wealthiest 1 percent.

So let’s end the charade that this bill is a tax cut for ordinary Americans. It is not. Their CEO pals have let the cat out of the bag. Bloomberg said this morning: “Instead of hiring more workers. . .” My friends on the other side of the aisle say, if we cut taxes on corporations, it will raise wages, and they will hire more workers.

Bloomberg said: “Instead of hiring more workers or raising their pay, companies say they will first increase dividends or buy back their own stock.”

That is what they always do. They take the money for themselves. They take the money for stockholders and stock buybacks and more executive compensation. The corporate CEOs couldn’t be clearer: They are keeping the money for themselves. It is not going into the pockets of workers.

Again, take out the middleman. If you want to do tax cuts for the middle class, then do tax cuts for the middle class. If my colleagues mean what they say—if they want to cut taxes for the middle class—work with us bipartisanly on a good child tax credit that will really work for working families and cut taxes directly for the middle class.

I yield the floor.

Mr. ENZI. Mr. President, today I wish to speak about the important legislation we are now considering.

Earlier this week, I explained some of the reasons that Senate needs to consider substantial legislation and gave a general overview of the bill. Today I want to talk about some of the specific provisions of the bill.
First, I want to talk about the relief this bill provides to hard-working Americans. The Tax Cuts and Jobs Act reduces tax rates for individuals, almost doubles the standard deduction, and doubles the child tax credit. This will allow us to keep more of the money they earn in their pockets. The independent Tax Foundation estimates that this will amount to about $2,500 more in after-tax income for a middle-income family in Wyoming. The bill would provide relief to small, family-owned businesses that currently employ the majority of the private sector in Wyoming. The bill cuts taxes for these businesses while enhancing deductions that are important to them, like the section 179 deduction that promotes business investment. The Tax Foundation believes changes like this will add more than 1,700 full-time jobs in my home State.

With these provisions in law, families would hear fewer stories about how U.S. companies are moving their profits to tax haven countries and avoiding U.S. tax on those earnings. Families would hear fewer stories about how U.S. multinationals complained that the setup of post office boxes in the Cayman Islands and Switzerland without an employee or officer of the company anywhere in sight and attribute a significant portion of their foreign earnings to these foreign corporations. Families would hear more stories about how U.S. companies are generating the ideas and inventions of tomorrow right here in America.

The international tax rules are not easy or simple, and a lot of work went into these provisions. I want to again thank Senator PORTMAN and Chairman HATCH for their work with me in this area. I look forward to continuing to work with them and the rest of my colleagues to pass this bill that our country desperately needs.

Thank you.

Mr. PORTMAN. Mr. President, I rise today to engage in a colloquy with the distinguished chairman of the Senate Finance Committee, Senator HATCH.

Mr. Chairman, I would like to clarify a point in connection with the application of the base erosion anti-abuse tax in the Tax Cuts and Jobs Act to services companies. The act provides an exception from the base erosion anti-abuse tax for services. The act limits the exception to the "total services cost with no markup." As a practical matter, account for amounts paid or accrued for services in a variety of ways. I would like to clarify that, if in a transaction a company used one account for services cost with no markup and another account for any additional amounts paid or accrued, that the first account would be subject to the exception under the bill.

The act also excludes an amount paid or incurred for services if those services meet the requirements for the services cost method under Internal Revenue Code section 482, excluding the requirement that the services not contribute significantly to fundamental risks of business success or failure.

Is it the intent that, for this purpose, that the business judgment rule under current law and regulations will not prevent an amount from being excluded under the act?

Mr. HATCH. The Senator is correct.

The intent of the provision is to exclude all amounts paid or accrued for services costs with no markup. Thus amounts paid or accrued in that account would be excluded from the base erosion anti-abuse tax. The amounts related to the same transaction may or may not be excepted from this tax.

Similarly, it is the intent that for purposes of the base erosion anti-abuse tax that the business judgment rule will not prevent an amount from being excluded under the act.

I would like to thank my friend from Ohio for his leadership on international tax issues, especially since he joined this committee. I look forward to continuing to work with him on these important issues.

Mr. PORTMAN. I thank the chair for that clarification and appreciate his outstanding leadership and work on this historic tax reform measure.

Mr. CARPER. Mr. President, I wanted to take an opportunity to clarify the implications of title II in the reconciliation bill before us pertaining to the development of oil and gas resources along the coastal plain of the Arctic National Wildlife Refuge.

As our colleagues recall, the Senate instructed the Energy and Natural Resources Committee to report legislation that reduces the deficit by $1 billion between 2018 and 2027. In response to those instructions, the committee reported recommendations to open the refuge’s coastal plain, otherwise known as the 1002 Area, to oil and gas development.

In the process of considering and ultimately reporting this legislation, the chair of the Energy and Natural Resources Committee, the senior Senator from Alaska, Ms. Murkowski, assured members of the committee that if the legislation became law, it would require such development be subject to the full scope of environmental review required by the National Environmental Policy Act, or NEPA, as well as other environmental laws.

Indeed, earlier in this floor debate, the Senator from Alaska reiterated an assurance that the environment and local wildlife will always be a concern and a priority and that this legislation does not waive NEPA or any other environmental laws. I take my colleague at her word and thank her for her commitment.

After the Energy Committee reported its recommendations to the Senate Budget Committee, the Parliamentarian advised that the committee-reported language directing the Secretary of the Interior to manage the oil and gas program on the coastal plain “in accordance with” the Naval Petroleum and Gas Reserves Production Act of 1976 and its supporting regulations set up a clear conflict of law with NEPA, which is the jurisdiction of the EPW Committee. Because any changes to NEPA applicability, scope, and the content of environmental laws enacted under the law, especially those within a National Wildlife Refuge, lie exclusively within the jurisdiction of the Environment and Public Works Committee, the language in section 20001(b)(3) was found to be extraneous under the definition in section 313(b)(1)(C) of the Congressional Budget Act.

It appears that this effect may have been inadvertent, given the assurance we have received from the Senator from Alaska, chair of the Energy Committee, that “we did not waive NEPA or any other environmental law.” In any event, as a result, the substitute
amendment if adopted, would modify section 20001(b)(3) in an effort to eliminate extraneous language. It does this by directing the Secretary of the Interior to manage the oil and gas operations in the coastal plain in a manner “consistent with the requirements of the Naval Petroleum Reserves Product Act of 1976. This modification, while it might appear to be small, is a significant change.

The Parliamentarian has advised that the requirement in the substitution is in order, meaning that it no longer runs afoul of section 313(b)(1)(C) of the Congressional Budget Act. The new language appears to achieve the stated intent of the chair of the Energy Committee, and I, serving as the ranking member of the Energy Committee, and I, serving as the ranking member of the Environment and Natural Resources Committee, are committed to not repeal, modify or otherwise limit in any way the application of NEPA, the Endangered Species Act, the Marine Mammal Protection Act, the Alaska National Interest Lands Conservation Act, or any other environmental or land management statute. Importantly, the requirement that oil and gas activities must be determined to be “compatible with the major purposes for which such areas are established,” as required by 16 U.S.C. 668dd(d)(1)(A), still applies.

The Senate should be fully aware of the substantive difference produced by the perfecting amendment offered by the majority leader, Mr. MCCONNELL. The change in the management regime as required by this amendment significantly reduces the receipts generated by lease sales that are mandated on the coastal plain, as shown in the amendment’s score produced by the Congressional Budget Office.

While the Energy and Natural Resources Committee rightly exercises the prime responsibility to determine the scope and nature of oil and gas leasing activities broadly, these activities are subject to a variety of aforementioned environmental and natural resource statutes and associated regulations that fall within the Environment and Public Works Committee’s jurisdiction. That is particularly true of activities in National Wildlife Refuges and most certainly true of the refuge’s coastal plain.

Indeed, NEPA assessments for Federal oil and gas activities in Alaska’s Kenai National Wildlife Refuge are conducted in accordance with the same standards applied to oil and gas leasing in all areas. The Bureau of Land Management, in coordination with the Fish and Wildlife Service, will continue to apply the provisions of the Mineral Leasing Act and the associated regulations, memorialized in 43 CFR part 3100, which specify that leases shall be issued subject to stipulations prescribed by the Fish and Wildlife Service.

In summary, I would just say that my colleague from Alaska, as chair of the Energy Committee, and I, serving as the ranking member of the Environment and Public Works Committee, share a common understanding that NEPA and other seminal environmental laws will apply to potential leasing activities and related exploration and development on the coastal plain of the Arctic Refuge.

Mr. CASSIDY. Mr. President, today I wish to discuss the historic rehabilitation tax credit. The Senate Finance Committee restored the historic rehabilitation tax credit. The Senate Finance Committee markup of the Tax Cuts and Jobs Act, the committee adopted my amendment to return the historic rehabilitation tax credit to the 20 percent level, with the credit now claimed over 5 years. The transition rule to grandfather approved and underway projects under the prior law and regulations.

The historic rehabilitation tax credit program provides jobs and investment in communities across the country. More than 40 percent of projects over the past 15 years have been located in communities with populations less than 25,000 people. Since 2002, the historic rehabilitation tax credit has facilitated in Louisiana, bringing more than $2.2 billion of investment into cities and towns across the State. I am pleased this important provision will be preserved in tax reform.

For purposes of the transition rule in my amendment, “taxpayer” refers to the person who undertakes the rehabilitation of a building. In the case where a person makes an election under section 38(d), the term “taxpayer” means the lessor, since the lessee is the person who undertook the rehabilitation. It is intended that the historic rehabilitation tax credits be available during the transition period only to the extent such credits would have been available under the prior law and regulations.

Mr. President, I am proud of the work we have done in the Senate to develop a bill that delivers tax cuts to working families and significantly improves the competitiveness of our Tax Code. This will lead to greater investment, more jobs and opportunity, and an increase in economic growth.

I would like to take a moment to highlight an important, unresolved issue that we should consider as we work toward putting a bill on the President’s desk.

Historic rehabilitation tax credits are critical to families and businesses in Louisiana, particularly after a natural disaster, and I hope to work with my Senate and House colleagues on this matter as we work to get the bill to the President’s desk.

Mr. KENNEDY. Mr. President, today I rise to discuss the historic rehabilitation tax credit. The historic rehabilitation tax credit is a vital component of pro-growth tax reform and a shot in the arm for communities across the country. For instance, in my State of Louisiana, the credit has encouraged 782 restoration projects since 2002. This amounts to more than $2.2 billion in investment into cities and towns across the State. Many of these private investment dollars are flowing into small and rural communities with populations less than 25,000 people.

I am pleased that the Finance Committee restored the historic rehabilitation tax credit to the 20 percent level and ensured a smooth transition for approved and underway projects by grandfathering them in under the prior law and regulations.

For purposes of the transition tax credit’s transition rule, “taxpayer” refers to the person who undertakes the rehabilitation of a building. In the case where a person makes an election under section 38(d), the term “taxpayer” means the lessor, since the lessee is the person who undertook the rehabilitation. It is intended that the historic rehabilitation tax credits be available during the transition period only to the extent such credits would have been available under the prior law and regulations.

Mr. WYDEN. Mr. President, I ask unanimous consent that my motions to unanimous consent to print the Record.
Mr. UDALL. Mr. President, I ask unanimous consent with the support of Senators Wyden, Bennet, Feinstein, and Klobuchar, that the text of my motion to commit the record in the RECORD, there being no objection, the material was ordered to be printed in the RECORD, as follows:

**MOTION TO COMMIT WITH INSTRUCTIONS**

Mr. Udall moves to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

1. are within the jurisdiction of such committee; and
2. would make permanent the tax cuts for individuals and small businesses and eliminate middle-class tax increases, including reinstituting the full State and Local tax deduction, paid for by sun-setting tax cuts for domestic and multinational corporations.

Mr. UDALL. Mr. President, I ask unanimous consent with the support of Senators Wyden, Bennet, Feinstein, and Klobuchar, that the text of my motion to commit the record in the RECORD, there being no objection, the material was ordered to be printed in the RECORD, as follows:

**MOTION TO COMMIT WITH INSTRUCTIONS**

Mr. Menendez moves to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

1. are within the jurisdiction of such committee; and
2. would eliminate the repeal of the State and Local tax deduction if State and local spending on investments in Medicaid and other health care, infrastructure, or services for children or schools, or for law enforcement is reduced or taxes on the middle class are increased.

Mr. SCOTT. Mr. President, I suggest the absence of a quorum.

**THE PRESIDING OFFICER.** The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order to offer the following motion to H.R. 1, the Tax Reconciliation Act, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**MOTION TO COMMIT WITH INSTRUCTIONS**

Mr. Reed moves to commit the bill, H.R. 1, to the committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

1. are within the jurisdiction of such committee; and
2. preserve the value of the low income housing tax credit and increase further the small State minimum allocation.

Mr. BOOKER. Mr. President, I intend to offer the following motion to H.R. 1, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**MOTION TO COMMIT WITH INSTRUCTIONS**

Mr. Booker moves to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

1. are within the jurisdiction of such committee; and
2. would ensure that the bill would not result in cuts to the Medicare program under title XVIII of the Social Security Act.

Mr. MENENDEZ. Mr. President, I intend to offer the following motion to H.R. 1, and I ask unanimous consent that it be printed in the RECORD.

The motion is supported by Senators Cantwell, Van Hollen, Cardin, and Booker.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**MOTION TO COMMIT WITH INSTRUCTIONS**

Mr. Menendez moves to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

1. are within the jurisdiction of such committee; and
2. would repeal the estate of the State and Local tax deduction if State and local spending on investments in Medicaid and other health care, infrastructure, or services for children or schools, or for law enforcement is reduced or taxes on the middle class are increased.

Mr. SCOTT. Mr. President, I suggest the absence of a quorum.

**THE PRESIDING OFFICER.** The clerk will call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order to offer the following motion to H.R. 1, the Tax Reconciliation Act, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**MOTION TO COMMIT WITH INSTRUCTIONS**

Mr. Menendez moves to commit the bill H.R. 1, and I ask unanimous consent that the order for the quorum call be rescinded.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

The minority leader.

Mr. SCHUMER. Mr. President, in just a short time we will proceed to a final vote on the Republican tax bill. We understand they have the votes to pass their bill, despite a process and a product that no one can be proud of, and everyone should be ashamed of. Historians will mark today as one of the darkest black-letter days in the long history of this Senate.

Once hailed as the greatest deliberative body, as a beacon of American democracy, and the envy of representative governments around the world, the Senate seems to have abandoned those qualities in a rush to pass a bill that no one is proud of. Substantively, the Republicans have managed to take a bad bill and make it worse. It was chockful of special interest giveaways before too long, but now, under the cover of darkness and with the aid of haste, a flurry of last-minute changes will stuff even more money into the pockets of the wealthy and the biggest corporations while raising taxes on millions in the middle class.

One provision may be a metaphor for the whole bill. One college, Hillsdale College, has been exempted from taxes on colleges with large endowments. Hillsdale College is supported by the DeVos family, one of the largest contributors to the Republican Party. A specific provision, just like an earmark, was slipped into the bill, added by a Senator who fought to remove earmarks from Congress several years ago. A single wealthy college—the pet project of a billionaire campaign contributor to the Republican Party—was exempted from a tax by a Senator who fought to get rid of earmarks. This, unfortunately, is the metaphor for this bill and how high the stench is rising in this Chamber as we debate the bill tonight.

In my long career in politics, I have not seen a more regressive piece of legislation so devoid of rationale, so ill-suitied for the conditions of the country, so removed from the reality of what the American people need. Working people in this country are struggling. Corporations and the very wealthy are doing great.

There is no reason for rushing through a tax break for millionaires and billionaires, paid for by pilfering the pockets and the healthcare of middle-class Americans. Millions of middle-class families will get a tax hike next year and millions more thereafter because of this bill. That is why this bill is such a monstrosity, such a danger to the country, and the American people know it. That is why they oppose the bill in large majorities.

My Republican friends will ultimately pay consequences for this bill in 2018 and beyond. The Republican Party will never again be the party of tax cuts for middle-class people. With the passage of this tax bill today, it will be the first day of the new Republican Party—one that raises taxes on the middle class, abandoning its principles for its political paymasters.

With respect to the process, the bill my Republican friends hope to pass so soon was received by Members of this Chamber only a few hours ago. Not a single Member of this Chamber has read the bill. It would be impossible. Some of the pages were completely crossed off, and text had been replaced by handwritten notes. When we got the bill, this is what it looked like. This is what it looked like.

When asked before Senator Durbin, the Senate clerk said she couldn’t even read it, and this section is one of the most complicated sections of the bill, dealing with pass-throughs. Lawyers are paid thousands of dollars an hour to find ways for their wealthy patrons to avoid sections just like this, and my Republican friends don’t have the decency, the honor to let us debate it.

Senator McCaskill was the first to discover that a list of proposed amendments was circulating among lobbyists. My Republican friends allowed lobbyists to see amendments, and likely the text of this bill, before their fellow U.S. Senators.

There is no score of this bill by the Joint Committee on Taxation. There will be no analysis of how American businesses and taxpayers fare under this tax bill. How high will taxes go up or go down, whether the economy grows or shrinks, whether it creates jobs or loses them. Who knows? Certainly no one here. No one could know because it hasn’t even been read, let alone thoughtfully considered.

I remember a few years back when my Republican colleagues gleefully scolded us to “read the bill” because the Affordable Care Act was a lengthy piece of legislation, and that bill was available for days before anyone had to vote on it. With this reckless ramrodding of this bill, Republicans are reaching heretofore unreached heights of hypocrisy.
and the Senate is descending to a new low of chicanery.

Read the bill? They are still writing it by hand, mere hours before voting on it. Is this really how Republicans are going to rewrite the Tax Code, scrapping like something on the back of a napkin behind closed doors with the help of K Street lobbyists? If that is not a recipe for swindling the middle class and losing loopholes for the wealthy that we know what is, I don’t know if it is possible for a Senate majority leader to depart further from responsible legislating than the process we witnessed with this tax bill.

Tonight, Mr. President, I feel mostly regret that what could have been. What grave shame it is that we weren’t able to work together on this bill. Tax reform is an issue that is ripe for bipartisan compromise. Democrats have spent many long hours with our Republican colleagues talking about our tax reform ideas. There is a sincere desire on this side of the aisle to work with our colleagues, particularly on tax reform, but we have been rebuffed time and time again. Even under these difficult circumstances, Senators Coons, Warner, Bennet, Manchin, Hektkamp, Donnelly, and McCaskill have tried in good faith to convince our Republican colleagues to sit down and talk to us. We have tried to convince you all that we want to join you in tax reform, to have a real debate befitting this august body.

It is an expression of the brokenness of our politics that the influence of money interests is the poll of utmost consideration. The poll right was so great that it overcame even the best of intentions of my Republican colleagues, so many of whom I admire, so many of whom I know, because they have said it to me, lament the steady erosion of bipartisanship in the one institution in our government designed by nature to foster it.

I salute my friend the Senator from Tennessee for standing fast by his principles and having the courage of his convictions. Only regret that there were not more who followed his admirable example.

After a divisive and draining battle over the future of healthcare, we could have moved the Senate back toward sanity, bipartisanship, compromise. We could have accomplished something great for the country and for this body at the same time.

Although time is running short, there is still time, and I will make one final plea. Because this bill is so slanted toward the wealthy and powerful and rains tax increases upon millions of middle-class citizens; because the bill is laden with special interest provisions that are recently found and many not yet seen; because the bill was given to lobbyists to read and change before Senators saw it; and because the bill was given to us on few hours’ notice and has been read fully or considered fully by a single Senator. I move that we adjourn until Monday so we can first read and then clean up this awful piece of legislation.

MOTION TO ADJOURN

Mr. President, I move that the Senate adjourn until Monday, December 4, 2017, at 12 noon, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislation will call the roll.

The result was announced—yeas 48, nays 52, as follows:

(Roll Call Vote No. 293 Leg.)

YEAS—48

Baldwin  Bennet  Blumenthal  Booker  Cantwell  Cardin  Carper  Casey  Coons  Cortez Masto  Donnelly  Durbin  Feinstein  Franken  NEL  NAYS—52

Alexander  Barrasso  Blunt  Booker  Boozman  Capito  Cassidy  Cochran  Collins  Corker  Cornyn  Cotton  Crapo  Cruz  Daines  Ernst  Fischer  Paul

The motion was rejected.

The PRESIDING OFFICER (Ms. Murkowski). The majority leader.

AMENDMENT NO. 1652 TO AMENDMENT NO. 1618

(Purpose: To provide a perfecting amendment.)

Mr. MCCONNELL. Madam President, I ask unanimous consent to call up amendment No. 1855; that the amendment be agreed to; that Senate amendment No. 1618, as amended, be considered original text for the purpose of further amendment; and that all points of order be preserved. I further ask that all time be yielded back.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report the amendments en bloc by number.

The senior assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. McConnell], for others, proposes amendments numbered 1720, 1854, and 1850 en bloc to amendment No. 1618.

The amendments are as follows:

AMENDMENT NO. 1720

(Purpose: To create a point of order against legislation that cuts Social Security, Medicare, or Medicaid benefits)

At the appropriate place, insert the following:

SEC. 11022. INCREASE IN AND MODIFICATION OF MEDICARE, OR MEDICAID BENEFITS.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or concurrent resolution that would:

(1) result in a reduction of guaranteed benefits scheduled under title II of the Social Security Act;

(2) increase either the early or full retirement age for the benefits described in paragraph (1);

(3) privatize Social Security;

(4) result in a reduction of guaranteed benefits for individuals entitled to, or enrolled for, benefits under the Medicare program under title XVIII of such Act;

(5) result in a reduction of benefits or eligibility for individuals enrolled in, or eligible to receive medical assistance through, a State Medicaid plan or waiver under title XIX of such Act.

(b) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of two-thirds of the Members, duly chosen and sworn. An affirmative vote of two-thirds of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

AMENDMENT NO. 1854

(Purpose: To amend the Internal Revenue Code of 1986 to increase the Child Tax Credit, and for other purposes)

Strike section 11022 and insert the following:

SEC. 11022. INCREASE IN AND MODIFICATION OF CHILD TAX CREDIT.

(a) IN GENERAL.—Sections 151, 152, 1511, and 1512 of title 26 are amended—

(1) by striking subsection (b)(3) and inserting in lieu thereof—

"(3) Child Tax Credit.

"(A) IN GENERAL.—A credit for each qualifying child of the taxpayer for the calendar year shall be allowed for the taxable year an amount equal to the sum of—

"(B) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(C) ALLOWANCE WITH RESPECT TO QUALIFYING CHILD.—With respect to each qualifying child of the taxpayer who has attained 6 years of age before the close of such taxable year and..."
for which the taxpayer is allowed a deduction under section 151, an amount equal to $2,000.

(2) with respect to each qualifying child of the taxpayer who has not attained 6 years of age before the close of such taxable year and for which the taxpayer is allowed a deduction under section 151, an amount equal to $2,000.

(3) LIMITATION.—In lieu of the amount determined under paragraph (2), the threshold amount shall be—

(A) in the case of a joint return, $500,000, and

(B) in the case of an individual who is not married or a married individual filing a separate return, $250,000.

(4) DEFINITION OF QUALIFYING CHILD.—Paragraph (1) of subsection (c) shall be applied by substituting ‘‘18’’ for ‘‘17’’.

(5) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

(A) IN GENERAL.—The credit determined under subsection (a) (after the application of paragraph (2)) shall be increased by $500 for each dependent of the taxpayer described in subsection (c)(2) other than a qualifying child described in subsection (c) (after the application of paragraph (4)).

(B) EXCEPTION FOR CERTAIN NONCITIZENS.—Subparagraph (A) shall not apply with respect to any taxpayer who would not be a dependent if paragraph (A) of section 152(b)(3) were applied without regard to all that follows ‘‘resident of the United States’’.

(6) PORTION OF CREDIT REFUNDABLE.—In lieu of subsection (d), the following provisions shall apply for purposes of the credit allowed under this section:

(A) IN GENERAL.—The aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

(i) the credit which would be allowed under this section without regard to this paragraph and the limitation under section 26(a), or

(ii) the amount by which the aggregate amount of credits allowed by this subpart determined without regard to this paragraph would increase if the limitation imposed by section 26(a) were increased by an amount equal to the sum of the taxpayer’s payroll taxes for the taxable year.

(7) PAYROLL TAXES.—(i) IN GENERAL.—For purposes of subparagraph (A), the term ‘‘payroll taxes’’ means, with respect to any taxpayer for any taxable year, the amount of the taxes imposed by—

(A) section 1401 on the self-employment income of the taxpayer for the taxable year,

(B) section 3101 on wages received by the taxpayer during the calendar year in which the taxable year begins,

(C) sections 3201(a) and 3211(a) on compensation received by the taxpayer during the calendar year in which the taxable year begins, and

(V) section 2211(a) on compensation paid by an employer with respect to services rendered by the taxpayer during the calendar year in which the taxable year begins.

(2) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—

(A) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, the credit determined by section 151, an amount equal to $2,000.

(2) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting ‘‘$2,000’’ for ‘‘$1,000’’. 
(d) to a taxpayer with respect to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year. For purposes of the preceding sentence, the term ‘social security number’ means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued to a citizen of the United States or is issued pursuant to subsection (i) (or that portion of subsection (III) that relates to subsection (I)) of section 205(c)(2)(B)(i) of the Social Security Act.”

(b) INCREASE IN CORPORATE TAX RATE.—Subsection (b) of section 11, as amended by section 205(c)(2)(B)(i) of the Social Security Act, is amended by striking “20 percent” and inserting “20.94 percent”.

(c) EFFECTIVE DATE.—The amendments made by

Mr. McCONNELL. Madam President, the next three votes will be in relation to Sanders amendment No. 1720, Brown amendment No. 1854, and Rubio amendment No. 1850.

AMENDMENT NO. 1720

The PRESIDING OFFICER. There is now 2 minutes of debate equally divided prior to a vote on the Sanders amendment.

Mr. SANDERS. Madam President, could we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Vermont.

Mr. SANDERS. Thank you.

Madam President, tonight is chapter 1 of the Republican Party Koch brothers plan.

Tonight, the Republicans provide $1 trillion in tax breaks to the wealthiest people in this country and to the largest corporations, while raising the deficit by over $1.4 trillion.

Part 2 of their plan—probably coming in a few months—will be to call for massive cuts to Social Security, Medicare, and Medicaid in order to pay for their tax breaks to the rich. For those of us who don’t want to cut these vital programs that the American people have paid for, this amendment establishes a 67-vote threshold to make those cuts.

If you don’t want to cut Social Security, Medicare, and Medicaid to give tax breaks to millionaires, support this amendment.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. ENZI. Madam President, the Sanders amendment is non-germane and would gut this legislation. The bill before us does not cut Social Security. It does not cut Medicare. It does not cut Medicaid benefits. So I encourage my colleagues to oppose the Sanders amendment and—does the Senator have any time remaining?

Mr. SANDERS. I would just say that I would be delighted to gut and destroy this legislation, but pursuant to section 904 of the Congressional Budget Act of 1974—I am sorry.

Mr. ENZI. I yield back the remainder of my time.

The pending amendment No. 1720 does not produce a change in outlays or a change in revenues, and this is extra-

Brown-Bennet provides more for small children at the most important time in their young lives.

My wife and I live in Cleveland, OH, in ZIP Code 44105. Our ZIP Code had more foreclosures in 2007 than any ZIP Code in the United States of America. This amendment helps to answer that. ZIP Codes should not be the determining factor for the future of a child.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, while this amendment expands the child tax credit provisions, it makes the credit available to fewer taxpayers. It also raises the corporate tax rate to 25 percent. The underlying bill already provides for a generous enhanced child tax credit with increased refundability that reaches far up into the middle class, giving relief to millions of families.

This amendment would undermine the balance struck in the drafting of this bill and diminish its potential to generate growth.

Has all time expired?

The PRESIDING OFFICER. All time has not expired. The Senator has 20 seconds.

Mr. ENZI. The pending amendment No. 1854 would cause the underlying legislation to exceed the Finance Committee’s section 302(a) allocation of new budget authority or outlays. Therefore, I raise a point of order against this measure pursuant to section 302(f) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. BROWN. Madam President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive all applicable sections of that act for purposes of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The yeas and nays resulted—yeas 46, nays 54, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—46

Baldwin
Blumenthal
Booker
Brown
Cassell
Cardin
Casey
Collins
Coons
Cortez Masto
Donnelly
Duckworth
Feinstein
Franken
Gilibrand
Nelson
Peters
Reed
Sanders
Schatz
Schaten
Shaben
Tester
Van Hollen
Warren
Whitehouse
Wyden

NAYS—54

Alexander
Barrasso
Brown
Boozman
Burr
Capito
Carper
Capito
Burr
Boozman
Barrasso
Franken
Murphy
Gillibrand
Murray

Yeas—48

Baldwin
Barrasso
Blumenthal
Booker
Brown
Cassell
Cardin
Casey
Cortez Masto
Donnelly
Duckworth
Feinstein
Franken

Gilibrand
Murray
Nelson
Peters
Reed
Sanders
Schaten
Schaten
Shaben
Tester
Van Hollen
Warren
Whitehouse
Wyden

NAYS—52

Alexander
Barrasso
Blumenthal
Booker
Brown
Cassell
Cardin
Casey
Cortez Masto
Donnelly
Duckworth
Feinstein
Franken

Baird
Burr
Capito
Collins

}
Lee stopped far short of meaningful re-
tect these families is not through a
than temporary protection for some
rection for all working families, rather
shipping jobs overseas. Democrats
orations get permanent tax breaks for
Dreamers.
so many deserving children like the
ican families and leave out altogether
relief for millions of vulnerable Amer-

The PRESIDING OFFICER. On this
vote, the yeas are 48, the nays are 52.
Three-fifths of the Senators duly chos-

Mr. RUBIO. Madam President, pursu-
section 904 of the Congressional
Budget Act of 1974 and the waiver pro-
resolutions. I move to waive all applicable
budget resolutions for purposes of this
amendment, and I ask for the yeas and
nays.

The PRESIDING OFFICER. Is there a
sufficient second?

There appears to be a sufficient sec-

The question is on agreeing to the
motion. The clerk will call the roll.
The bill clerk called the roll.

The yeas and nays resulted—yeas 29,
nays 71, as follows:

<table>
<thead>
<tr>
<th>Yeas 29</th>
<th>Nays 71</th>
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Mr. MENENDEZ. Mr. President, I rise
again to stand up for the good
people of New Jersey and other States
to offer a motion to restore the State
and local tax, or SALT, deduction.

Ending the SALT deduction will sub-
ject millions of middle-class families
to double taxation, but that is not all.
It will also set the stage for huge cuts
to education, law enforcement, infra-
structure, public health, and other
critical services. But don’t take my
word for it. Listen to the teachers and
police officers, the doctors and nurses
and firefighters.
The National Education Association
opposes it because it will hurt our pub-
lic schools. The Fraternal Order of Po-
lice and the National Sheriffs’ Associa-
tion oppose it because it will make our
streets less safe. The American Medical
Association and the American Hospital
Association oppose it because people
will lose access to healthcare. The
AARP opposes it because it will lead to
cuts in Medicare and Medicaid and hurt
our seniors. Even the New Jersey
Chamber of Commerce opposes it be-
cause it will hinder investments in the
infrastructure that businesses need in
order to compete.

My motion to commit would restore
the SALT deduction if these all too
predictable consequences happen. A
corporate tax cut cannot build a road,
care for a senior, teach a child, or help
keep our streets safe. If corporations
can keep the State and local tax deduc-
tion, so should middle-class families.
We cannot afford to roll the dice and
risk these investments in the middle
class.

I urge the adoption of the motion to
commit, and I ask for the yeas and
nays.

The PRESIDING OFFICER. Is there a
sufficient second?

There appears to be a sufficient sec-

The yeas and nays were ordered.
The PRESIDING OFFICER. Does any
Senator seek time in opposition?
The Senator from South Dakota is
recognized.

Mr. THUNE. Mr. President, let’s keep
in mind that the State and local tax, or
SALT, deduction disproportionately
The clerk will report the amendments en bloc by number.

The senior assistant legislative clerk read as follows:

The Senator from Texas [Mr. CORNYN], for others, proposes amendments numbered 1852 and 1846 in en bloc Amendment No. 1618.

The amendments are as follows:

**AMENDMENT NO. 1852**

(Purpose: To allow limited $29 account funds to be used for elementary and secondary education, including homeschool)

At the end of part IV of title A of title 1, insert the following:

```
(4) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this subsection to the term ‘qualified higher education expense’ shall include a reference to—
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(A) expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school, and
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(B) expenses for—
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(i) curriculum and curricular materials,
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(ii) books or other instructional materials,
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(iii) online educational materials,
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(iv) tuition for tutoring or educational classes outside of the home (but only if the tutor or instructor is not related to the student),
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(v) dual enrollment in an institution of higher education, and
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(vi) educational therapies for students with disabilities, in connection with a homeschool (whether treated as a homeschool or a private school for purposes of applicable State law)."
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(2) LIMITATION.—Section 529(e)(3)(A) is amended by adding at the end the following:

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(IV) subject to the provisions of paragraph (14), upon hardship of the employee, or—
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(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.

**AMENDMENT NO. 1846**

(Purpose: To provide middle class tax relief)

Beginning on page 95, strike line 7 and all that follows through page 97, line 14 and insert the following:

**Subtitle B—Permanent Individual Income Tax Relief for Middle Class**

SEC. 12001. AMENDMENT OF INCOME TAX BRACKETS.

(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The table contained in subsection (a) of section 1 is amended to read as follows:

(b) HEADS OF HOUSEHOLDS.—The table contained in subsection (b) of section 1 is amended to read as follows:

### If taxable income is: Tax is:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Amount</th>
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<tr>
<td>Not over $19,050</td>
<td>$0</td>
</tr>
<tr>
<td>Over $19,050 but not over $26,750</td>
<td>$1,905, plus 12% of excess over $19,050</td>
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<tr>
<td>Over $26,750 but not over $34,300</td>
<td>$8,307, plus 22% of excess over $26,750</td>
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<tr>
<td>Over $34,300 but not over $42,675</td>
<td>$22,679, plus 24% of excess over $34,300</td>
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<tr>
<td>Over $42,675 but not over $50,600</td>
<td>$65,879, plus 32% of excess over $42,675</td>
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<tr>
<td>Over $50,600 but not over $80,000</td>
<td>$91,479, plus 35% of excess over $50,600</td>
</tr>
<tr>
<td>Over $80,000</td>
<td>$119,479, plus 39.6% of excess over $80,000</td>
</tr>
</tbody>
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For purposes of paragraphs (14), upon hardship of the employee, or—

(2) CONFORMING AMENDMENT.—Section 401(a)(2)(B)(i)(IV) is amended to read as follows:

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(IV) subject to the provisions of paragraph (14), upon hardship of the employee, or--
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### If taxable income is: Tax is:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Amount</th>
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<tr>
<td>Not over $9,525</td>
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<tr>
<td>Over $20,000 but not over $38,700</td>
<td>$5,941, plus 22% of excess over $20,000</td>
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</tr>
<tr>
<td>Over $51,800 but not over $80,000</td>
<td>$13,589, plus 32% of excess over $51,800</td>
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<tr>
<td>Over $80,000</td>
<td>$19,050, plus 35% of excess over $80,000</td>
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<td>Over $80,000</td>
<td>$19,050, plus 35% of excess over $80,000</td>
</tr>
</tbody>
</table>

The motion was rejected.

The PRESIDING OFFICER.

The Senator from Texas.
Mr. CRUZ. Mr. President, tonight I ask your support for this common sense amendment, which will expand the already immensely popular 529 college savings plan so that parents can also save for K–12 elementary and secondary school tuition, including educational expenses for homeschool students.

This change will have real and significant effects. Your vote will expand options for parents and children spending their own money and will prioritize the education of the next generation of Americans. By expanding 529s, which Americans already value greatly, we will help ensure that each child can receive an education that meets his or her individualized needs, and this reasonable expansion will enable working parents to better save for the educational future of their kids.

This amendment was in the House bill, and it is fully paid for, and I urge your support.

The PRESIDING OFFICER. The Senator from Texas is recognized.

AMENDMENT NO. 1852

Mr. CRUZ. Mr. President, tonight I ask your support for this common sense amendment, which will expand the already immensely popular 529 college savings plan so that parents can also save for K–12 elementary and secondary school tuition, including educational expenses for homeschool students.

This change will have real and significant effects. Your vote will expand options for parents and children spending their own money and will prioritize the education of the next generation of Americans. By expanding 529s, which Americans already value greatly, we will help ensure that each child can receive an education that meets his or her individualized needs, and this reasonable expansion will enable working parents to better save for the educational future of their kids.

This amendment was in the House bill, and it is fully paid for, and I urge your support.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. WYDEN. Mr. President, Senator CRUZ’s amendment expands tax subsidies for upper income households to aid private or parochial schools by allowing 529 account balances to spend up to $10,000 a year on private or parochial school tuition and supplies.

Collegiates, this is nothing less than a backdoor assault on the public K–12 education system. The real goal seems to be to take more and more children from the public schools and put them into private schools and shrink the funds that would be available to the public schools that give all of America’s children the chance to get ahead. Members should oppose the amendment because it undermines America’s public education system.

I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second?

The question is on agreeing to the amendment. The clerk will call the roll.

The yeas and nays resulted—yeas 50, nays 50, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—50

Alexander, Baldwin, Bennet, Blount, Brown, Burr, Capito, Cassidy, Cochran, Corker, Cornyn, Cotton, Crapo, Cruz, Enzi, Ernst, Fischer, Toomey

NAYS—50

Barrasso, Boozman, Booker, Brown, Capito, Cassidy, Corker, Cornyn, Cotton, Crapo, Daines, Cruz, Duckworth, Enzi, Ernst, Fischer, Graham, Heinrich, Hassan, Harris, Hirono, Kaine, King, Klobuchar, Lankford, McConnell, Menendez, Murphy, Warren, Udall, Whitehouse, Wyden

The VICE PRESIDENT. On this vote, the yeas are 50, the nays are 50. The Senate being equally divided, the Vice President votes in the affirmative, and the amendment, No. 1852, is agreed to.

AMENDMENT NO. 1846

The PRESIDING OFFICER (Mr. LANKFORD). There will now be 2 minutes of debate, equally divided, prior to a vote on Kaine amendment No. 1846.

The Senator from Virginia.

Mr. Kaine. Mr. President, may I ask that amendment No. 1846 be called up?

The PRESIDING OFFICER. It is already called up.

Mr. Kaine. Thank you, Mr. President. It is impossible to fix all the problems with this bill in a 1-minute amendment, but my amendment fixes two problems. It makes the middle-class tax cuts permanent, and it takes nearly $1 trillion away from the massive deficit caused by this big give-away.

How does the amendment do these two things? First, it leaves the AMT where it is under current law instead of scaling it back. Second, while making middle-income tax cuts permanent, it provides no individual tax relief to those Americans currently in the top bracket. Third, it cuts the corporate tax rate from 35 to 25, raising more than $250 billion.

The problem with the Republican bill is the priority. It prioritizes the corporate tax cuts over individual tax cuts for middle-class people and that is why we oppose it and that is why everyone should support this amendment. People come first.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. TOOMEY. Mr. President, taking the time in opposition, first, I want to acknowledge that we share the goal of making the individual tax rates permanent, and I hope we will have an opportunity to do that, but, more important, I want to thank the Senator from Virginia for acknowledging and complimenting our work, acknowledging that we have cut taxes for working-class and middle-income families.

There are people who came down here during the course of the last couple of days suggesting that somehow wasn’t true. I appreciate your honesty in acknowledging that we did, in fact, cut taxes for middle-income families, for working-class families, so much so, in fact, that you want to make our policy permanent, and I commend you for that. Unfortunately, you also added a huge tax increase on the very businesses that are going to help drive our economy.

By lowering our rate to 20 percent, which is what we do in our bill and which you would undermine, we would lose the opportunity to create new businesses, existing business growth, and the wage and job growth we want to drive.

I would suggest we work together on making our individual tax cuts permanent in the future, but I would urge my colleague to oppose this amendment in the current form.

Mr. Kaine. Mr. President, do I have any remaining time?

Mr. SCHUMER. Mr. President, I ask unanimous consent that he be given a minute.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. Kaine. Mr. President, I don’t need a full minute. I am just here to say that permanent middle-class tax cuts are more important than 25 to 20 percent for corporations.

The problem with the Republican bill is the priority. It prioritizes the corporate tax cuts over individual tax cuts for middle-class people and that is why we oppose it and that is why everyone should support this amendment. People come first.

The PRESIDING OFFICER. The Senator from Pennsylvania.
Mr. TOOMEY. Mr. President, the pending amendment No. 1846 offered by Senator KAINES has unknown budgetary effects. Therefore, I raise a point of order against this measure pursuant to section 405 of H. Con. Res. 71, the concurrent resolution on the budget for fiscal year 2017.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. KAINES. Mr. President, I am shocked to learn that at 10 after 12 we are actually following a procedure that is a normal budget procedure, but since that has been raised, pursuant to section 904 of the Congressional Budget Act of 1974 and the waiver provisions of applicable budget resolutions, I move to waive all applicable sections of that act and applicable budget resolutions for purposes of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from North Dakota (Ms. HEITKAMP) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yea and nay results—yeas 34, nays 65, as follows:

[Rollcall Vote No. 299 Leg.]

YEAS—34

Baldwin   Franken   Nelson
Bennet    Grassley  Portman
Blumenthal Heinrich  Schatz
Brown     Kaine     Shaheen
Cantwell  King      Stabenow
Cardin    Klobuchar  Udall
CARPER    Leahy     Van Hollen
Casey     Manchin    Warner
Coons     McCaskill  Whitehouse
Donnelly  Menendez  Wyden
Duckworth Moran      Young
Feinstein  Murray    

NAYS—65

Alexander Gardner    Perdue
Barasso      Gistbrandt  Portman
Blumenthal Grassley  Reed
Booker      Grassley   Risch
Boozman     Harris     Roberts
Burk         Hatch      Rounds
Capito      Heller     Rubio
Cassidy     Hirono     Sanders
Cochen    Hoeven     Shaheen
Collins    Inhofe     Schumacher
Corker      Isaksen    Scott
Cornyn     Johnson    Stabenow
Cortez Masto Kennedy  Shelby
Cotton      Lankford  Strange
Crapo       Lee       Sullivan
Cruz          Markley  Tester
Daines       Moran     Toomey
Dartun       McConnell  Tillis
Kain          Moran     Toomey
Ernst        Morey      Warren
Fischer      Murphy    Wicker
Flake        Paul      Young

NOT VOTING—1

Heitkamp

The PRESIDING OFFICER. On this vote, the yea are 34, the nay 65.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

The majority leader. Mr. MCCONNELL. Mr. President, I ask unanimous consent that following the disposition of the motion to commit, the Cantwell amendment No. 1717 be called up and reported by number. The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MOTION TO COMMIT

Mr. MANCHESTER. Mr. President, I have a motion to commit the bill.

The PRESIDING OFFICER. The clerk will report the motion.

The senior assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. MANCHIN) moves to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

(1) are within the jurisdiction of such committee;

(2) make the reductions to individual tax rates for middle class and working people permanent;

(3) would maintain at existing levels—

(A) the medical expense deduction;

(B) the student loan interest deduction;

(C) retiree health care incentives;

(D) homeownership incentives; and

(E) the historic tax credit;

(4) provide small businesses with permanent maximum tax relief, and

(5) fully offset the changes described in paragraphs (2) through (4) by setting the corporate tax rate at 25 percent.

Mr. MANCHESTER. Mr. President, I want to thank Senator HEITKAMP for her support of this motion.

Our motion would simply send this legislation back to the Senate Finance Committee with instructions to change provisions important to West Virginians.

First, it would call for the reductions on individual tax rates for middle class and working people to be made permanent. Currently, individuals receive temporary relief while corporate changes are made permanent—a gimmick that provides certainty for West Virginia taxpayers and North Dakotans.

Next, it directs the committee to maintain important priorities, such as the medical expense deduction, student loan interest deduction, retirement savings incentives, homeownership incentives, and the historic tax credit.

It is important that we provide this permanent relief to American taxpayers who are slated to see higher taxes as rates go up in the later years of this bill. In my State alone, 79 percent of West Virginians make under $75,000 and will see their taxes spike as rates go up in the later years. In my State alone, 79 percent of West Virginians make under $75,000 and will see their taxes spike as rates go up in the later years. In my State alone, 79 percent of West Virginians make under $75,000 and will see their taxes spike as rates go up in the later years. In my State alone, 79 percent of West Virginians make under $75,000 and will see their taxes spike as rates go up in the later years.

Finally, this amendment calls for small businesses to receive much needed relief and for the corporate tax rate to be set at 25 percent. In my State, 95.6 percent of businesses are small businesses and employ over 50 percent of West Virginians.

I urge my colleagues to support sending this bill back to Committee and to work in a bipartisan way to pass a fiscally responsible tax reform bill that positions this country to thrive for future generations.

The PRESIDING OFFICER. The Senator from Texas.

Mr. CORNYN. Mr. President, what our friend from West Virginia is proposing is to make the United States uncompetitive in a global economy.

Right now, we have the highest tax rate in the industrialized world and what we are doing is lowering that tax rate to make us competitive and in so doing, taking the advice of Barack Obama in his 2011 State of the Union message; advice from the Democratic Senator from Delaware; and Senator WYDEN, the ranking member of the Finance Committee, who has recommended a lower rate than that contained in this motion to recommit.

We think we should take the advice of President Obama, President Clinton, Senator SCHUMER, and other prominent Democrats—the advice they have given us over the last few years to lower these corporate rates and make us more competitive so we can bring jobs back home, improve wages, and get the economy growing again so people can pursue their American dreams.

I would encourage our colleagues to defeat this motion to commit.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. MANCHESTER. If I could just say—

The PRESIDING OFFICER. There is no time remaining.

Mr. MANCHESTER. I ask unanimous consent for an additional 30 seconds.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MANCHESTER. Mr. President, a 33 percent decrease from 35 percent to 25 percent is quite substantial. I have not had a corporation yet, if you have spoken to any of them, that wouldn’t be tickled to death with 25 percent. That basically sustains that we can help more people. I think it would be great for the economy of the United States of America, and I ask everyone to consider that. It is a most reasonable request.

The PRESIDING OFFICER. The question is on agreeing to the Manchin motion to commit.

Mr. LEAHY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The senior assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Rhode Island (Mr. WHITEHOUSE) is necessarily absent.

The majority leader. Mr. MCCONNELL. Mr. President, I ask unanimous consent that following the disposition of the motion to commit, the Cantwell amendment No. 1717 be called up and reported by number. The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MOTION TO COMMIT

Mr. MANNING. Mr. President, I have a motion to commit the bill.

The PRESIDING OFFICER. The clerk will report the motion.

The senior assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. MANNING) moves to commit the bill H.R. 1 to the Committee on Finance with instructions to report the same back to the Senate in 3 days, not counting any day on which the Senate is not in session, with changes that—

(1) are within the jurisdiction of such committee;

(2) make the reductions to individual tax rates for middle class and working people permanent;

(3) would maintain at existing levels—

(A) the medical expense deduction;

(B) the student loan interest deduction;

(C) retiree health care incentives;

(D) homeownership incentives; and

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(4) provide small businesses with permanent maximum tax relief, and

(5) fully offset the changes described in paragraphs (2) through (4) by setting the corporate tax rate at 25 percent.

Mr. MANNING. Mr. President, I want to thank Senator WYDEN for his support of this motion.

Our motion would simply send this legislation back to the Senate Finance Committee with instructions to change provisions important to West Virginians.

First, it would call for the reductions on individual tax rates for middle class and working people to be made permanent. Currently, individuals receive temporary relief while corporate changes are made permanent—a gimmick that provides certainty for West Virginia taxpayers and North Dakotans.

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I urge my colleagues to support sending this bill back to committee and to work in a bipartisan way to pass a fiscally responsible tax reform bill that
In addition to drilling in the Arctic refuge, this bill would sell 7 million barrels of oil from our Nation’s strategic petroleum reserve in order to pay for oil drilling in the Arctic National Wildlife Refuge.

It doesn’t make any sense. The Arctic National Wildlife Refuge is one of the crown jewels of the national wildlife refuge system. The U.S. Fish and Wildlife Service, which manages the refuge, describes it as “the only conservation system unit that contains a complete spectrum of the arctic ecosystems in North America.”

It is home to an incredible diversity of wildlife: 47 different species of mammals, including polar bears, grizzly bears, wolves, Dall’s sheep, moose, musk-ox, and the Porcupine caribou herd.

The refuge provides important habitat for over 40 species of fish and more than 200 species of migratory birds whose lives depend on the Arctic refuge.

The refuge was first established by the Eisenhower administration. Congress later protected this amazing Arctic ecosystem in 1980. It did so specifically to protect wildlife and wildlife habitat in its natural diversity.

The Arctic National Wildlife Refuge is known as the Last Great Wilderness and is truly one of our last great wild places.

But the provisions of this bill turn the purpose of the Arctic refuge on its head. It would make oil and gas development on the refuge’s coastal plain one of the statutory purposes of the wildlife refuge.

Under this bill, our Nation’s most pristine national wildlife refuge will become the only refuge where oil and gas development is required by law. It opens up the entire 1.5-million-acre coastal plain for oil and gas exploration and requires leasing of at least 800,000 acres.

It requires leasing of areas with the highest oil and gas potential, no matter the consequences for wildlife or the environment.

The bill requires that the Arctic National Wildlife Refuge be managed as a petroleum reserve, which is unprecedented and undercutting managing the refuge for wildlife.

So at the same time as we are being told we need to ruin a pristine national wildlife refuge to drill for more oil, the very same bill is selling off millions of barrels out of our strategic petroleum reserve, which was used most recently during this hurricane season to protect Americans from gas price spikes.

The bill has now been amended to require the sale of 7 million barrels from our strategic petroleum reserve. So at the same time as we are being told we need to ruin a pristine national wildlife refuge to drill for more oil, the very same bill is selling off millions of barrels out of our strategic petroleum reserve, which was used most recently during this hurricane season to protect Americans from gas price spikes.

The bill requires that the Arctic National Wildlife Refuge be managed as a petroleum reserve, which is unprecedented and undercutting managing the refuge for wildlife.

The bill includes no clear requirements to comply with environmental laws or to protect wildlife. Its sponsors, however, say they are not pre-empting environmental laws, and that, in fact, laws like the National Environmental Policy Act will “fully apply.”

Given the assurances that environmental and wildlife refuge laws will continue to apply, I do not understand why their bill adds oil development as a purpose of the Arctic National Wildlife Refuge.

Adding oil development as a purpose of the refuge seems contrary to its primary purpose, which is to protect wildlife.

What a no-brainer: The purpose of a wildlife refuge is to protect wildlife. Refuges must be managed that way. At every other national wildlife refuge in the country, development within the refuge is only permitted to the extent it is compatible with the primary purpose of the refuge: protecting wildlife.

But because the bill makes oil and gas development a purpose of the refuge, oil drilling in the refuge will no longer be subject to a meaningful “compatibility determination.”

This bill essentially waives one of the most important management protections that applies to every other national wildlife refuge.

They have to do this because they know that oil and gas isn’t compatible with protecting wildlife—it is just the opposite.

This bill does not provide energy security. There is no prohibition in the bill against exporting oil from the Arctic refuge. In all likelihood, much of this oil will end up being exported.

The Republican majority agreed to include only one amendment during the Energy Committee’s consideration of this issue, and that amendment required the sale of 5 million barrels of oil from the strategic petroleum reserve to give $300 million to the States of Texas, Louisiana, Mississippi, and Alabama.

The bill has now been amended to require the sale of 7 million barrels from our strategic petroleum reserve. So at the same time as we are being told we need to ruin a pristine national wildlife refuge to drill for more oil, the very same bill is selling off millions of barrels out of our strategic petroleum reserve, which was used most recently during this hurricane season to protect Americans from gas price spikes.

The impact of oil and gas exploration in the Arctic National Wildlife Refuge and the danger to its wildlife cannot be overstated. The importance of the refuge for wildlife such as polar bears and caribou have been documented in letters I have received from biologists and other scientists who have worked in the Arctic.

I ask unanimous consent that the letters be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:


Dear United States Senator: It seems that each day brings ever more dire news about what we humans are doing to harm
our planet, the animals that share it with us and, by doing so, harming ourselves also. You have an important opportunity to make a difference both now, and for future generations.

The Porcupine herd is one of the world’s most spectacular wilderness areas—the Arctic National Wildlife Refuge.

This Refuge is a truly wonderful place—nearly 20 million acres of pristine and ecologically significant habitat. There is compelling scientific evidence as to why it is truly important to protect this place. For one thing, it provides key breeding habitat for the millions-upon-millions of birds that migrate there from six of our planet’s seven continents. The Porcupine Caribou herd is jointly managed between the Alaska Department of Fish and Game (ADF&G), the US Fish and Wildlife Service (USFWS), and the Yukon, NWT and Nunavut governments on Canada. The Porcupine Caribou herd is the largest remaining herd in the state of Alaska. It is also a calving ground for the 200,000-strong Porcupine caribou herd. And it is one of the most important denning habitats on earth for polar bears. Moreover, it plays a key role in helping to protect us from the onslaught of climate change.

But the Arctic National Wildlife Refuge is more than that. Its very existence speaks to our deeply rooted spiritual connection to nature, a necessary element of the human psyche. The Gwich’in people understand this and call the area “The Sacred Place Where Life Begins.”

If we violate the Arctic Refuge by extracting the oil beneath the land, this will have devastating effects on the Gwich’in people for they depend upon the caribou herds to sustain their traditional way of life. Around the globe so many indigenous people have been harmed in the name of “progress”—let us not add one more tragedy to the list. We have other sources of energy. And so I beg you: Please use your voice and your influence as a U.S. Senator to protect the Gwich’in people and the American treasure that is the Arctic National Wildlife Refuge.

Americans have lead the world in the conservation of wildlife and your voice has been so meaningful in this regard, your example so powerful. Please take this opportunity to demonstrate your commitment to the natural world and to future generations and stand with me to protect the Arctic National Wildlife Refuge.

Please vote against oil development in the Arctic National Wildlife Refuge.

Sincerely,

JANE GOODALL, DBE, Ph.D.
Founder—the Jane Goodall Institute, & UN Messenger of Peace.

November 26, 2017.

Hon. MARIA CANTWELL,
Ranking Member, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

Dear Senator Cantwell: Research across North America including Alaska has revealed much about how we can monitor and mitigate the effects of industrial activities on migratory tundra caribou. We have learnt that, although the Prudhoe Bay oilfield displaced calving and post-calving caribou of the Central Arctic, the effect was set off by reduced hunting. Consequently the herd increased but between 2010 and 2016 the herd is declining at the rate of halving every 4 years. We have also learnt that industrial activities including roads can displace caribou by larger distances than previously realigned.

Caribou across North America are part of a global decline. The Porcupine herd is the only herd of migratory tundra caribou in North America that is not currently declining. It has the diversity of ranges and habitats that allow the caribou to respond to the changing climate by choosing the best habitats for their survival. This is true for caribou populations in the 1990s Arctic and the western Canadian coastal plain depending on weather. The coastal plains are so narrow that even a small footprint for oil and gas activities may be too much for the caribou already trying to adapt to a changing climate.

The Porcupine herd is jointly managed between the Alaska Department of Fish and Game (ADF&G), the US Fish and Wildlife Service (USFWS), and the Yukon, NWT and Nunavut governments on Canada. The Porcupine Caribou herd is the largest remaining herd in the state of Alaska. It is also a calving ground for the 200,000-strong Porcupine caribou herd. And it is one of the most important denning habitats on earth for polar bears. Moreover, it plays a key role in helping to protect us from the onslaught of climate change.

But the Arctic National Wildlife Refuge is more than that. Its very existence speaks to our deeply rooted spiritual connection to nature, a necessary element of the human psyche. The Gwich’in people understand this and call the area “The Sacred Place Where Life Begins.”

If we violate the Arctic Refuge by extracting the oil beneath the land, this will have devastating effects on the Gwich’in people for they depend upon the caribou herds to sustain their traditional way of life. Around the globe so many indigenous people have been harmed in the name of “progress”—let us not add one more tragedy to the list. We have other sources of energy. And so I beg you: Please use your voice and your influence as a U.S. Senator to protect the Gwich’in people and the American treasure that is the Arctic National Wildlife Refuge.

Americans have lead the world in the conservation of wildlife and your voice has been so meaningful in this regard, your example so powerful. Please take this opportunity to demonstrate your commitment to the natural world and to future generations and stand with me to protect the Arctic National Wildlife Refuge.

Please vote against oil development in the Arctic National Wildlife Refuge.

Sincerely,

JANE GOODALL, DBE, Ph.D.
Founder—the Jane Goodall Institute, & UN Messenger of Peace.

November 26, 2017.

Hon. MARIA CANTWELL,
Ranking Member, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

Dear Senator Cantwell: I’ve studied polar bears for 37 years—solving many of the mysteries of their life cycle. I led polar bear research in Alaska for 30 years, and my research team at the USGS provided the information that led Interior Secretary Kempthorne to list polar bears as a threatened species. I am currently the chief scientist at Polar Bears International.

I am reaching out today because I’m concerned about the likely impacts on Alaska’s polar bears should the Arctic National Wildlife Refuge be opened to oil and gas development.

The ANWR coastal plain is vitally important to polar bears. Pregnant female polar bears head to this area every fall to create snow dens where they give birth to their young. In fact, the region has higher concentrations of polar bear maternal denning in the coastal plain. In addition, it is a critical denning area for polar bears. The region faces profound impacts from climate change unless we transition away from fossil fuels. Warmer temperatures mean less sea ice, which polar bears rely on to catch their seal prey. In addition, encouraging more fossil fuel usage, as opening the ANWR would do, will only add to ongoing global warming.

If we continue to follow a “business as usual” reliance on fossil fuels, average annual temperatures in the 2090s Arctic are projected to be more than 10 degrees Celsius (18 degrees Fahrenheit) higher, at century’s end, than they are now. Such high temperatures would assure ice-free summers in the Arctic, with devastating impacts on polar bears and other Arctic wildlife. And, of course, the rest of life on Earth—including humans.

With “on the ground” drilling activities potentially threatening polar bear sites, and prolonged reliance on fossil fuels continuing to melt the sea ice polar bears need to catch their prey, oil and gas development in the ANWR would serve a double whammy. Opening the ANWR to drilling, therefore, is a path we should avoid—for the sake of polar bears, our children, and our grandchildren.

Respectfully,

STEVEN C. AMSTRUP,
Chief Scientist, Polar Bears International.

November 9, 2017.

Hon. LISA MURKOWSKI, Chair.
Hon. MARIA CANTWELL, Ranking Member Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

Dear Senators Murkowski and Cantwell: As scientists who have either conducted research in Arctic Alaska or traveled in the Arctic National Wildlife Refuge, we are writing to highlight for you the fundamental importance of protecting its 1.5-million acre coastal plain. Based on our experience in the Arctic, we oppose oil exploration, development and production in the Arctic Refuge. Such activities would be incompatible with the purposes for which the refuge was established, including “to conserve fish and wildlife populations and habitats in their natural diversity.”

When the original Arctic National Wildlife Range was established in 1960 by the Eisenhower Administration, it was done with the foresight and wisdom to protect an entire ecosystem, both south and north of the Brooks Range, including the rich coastal plain. Decades of biological study and scientific research within the Arctic Refuge have confirmed that the coastal plain specifically is vital to the biological diversity of the entire refuge. Within the narrow (15-40 miles) coastal plain, there is a unique compression of habitats which concentrates a wide array of wildlife native to the Arctic, including polar bears, musk oxen, Dall’s porcupine, caribou, wolves, wolverines, caribou, musk oxen, Dolly Varden char, Arctic grayling, and many special migratory birds. Protecting the U.S. Fish and Wildlife Service, the Arctic Refuge coastal plain contains the greatest wildlife diversity of any protected area above the Arctic Circle.

In 2003, the National Research Council (NRC) published a report on the “Cumulative Environmental Effects of Oil and Gas Activities on Alaska’s North Slope.” Led by Dr. Gordon Orians, University of Washington, this report was prepared by a panel of prominent scientists following an extensive review of the literature and with input from experts. It remains the best, most comprehensive synthesis of the effects of oil development on wildlife and the landscape of Arctic Alaska. Among the report’s “major findings” (Chapter 11) are the following:

Three-dimensional seismic surveys require a large spatial density of small seismic explosion can damage vegetation and cause erosion, especially along stream banks. The effects of roads, pads, pipelines, and oil well infrastructure extend beyond the physical footprint itself, and the distances at which impacts occur vary with the environmental component affected. Effects on hydrology, vegetation, and animal populations occur at distances up to several kilometers.

“Roads have had effects as far-reaching and complex as any physical component of the North Slope oil fields.”

December 1, 2017.
Denning polar bears are among the animals that “have been affected by industrial activities on the North Slope.”

Readily available food supplies in the oil fields attract higher-than-normal densities of predators, which then prey on birds and their eggs and young. The reproductive success rate of all species in the developed parts of oil fields “has been reduced to the extent that it is insufficient to balance mortality.”

The spread of industrial activity, especially to the east where the coastal plain is narrower than elsewhere (i.e., the Arctic Refuge), “would likely result in reductions in reproduction of caribou.”

Although oilfield technologies continue to improve, the NRC’s findings are still of concern today. Indeed, proposals that would limit or forego development of oil development to 2,000 acres on the coastal plain within the Arctic Refuge are of little value, since those areas may be spread over much of the coastal plain. This would be especially true if oil reserves are scattered in multiple pockets across the refuge, as is suggested by the U.S. Geological Survey (Fact Sheet 0028–01). Since there are few, if any, industrial activities starting with seismic surveys, are not limited to the footprint of a structure or to its immediate vicinity, it is highly likely that such activities would result in significant impacts on a variety of wildlife in the refuge’s narrow coastal plain.

Despite all the other oilfield activities, another oilfield would further set back efforts to limit the carbon emissions that are fueling the dramatic sea ice losses and, indeed, North Pole.

The almost 200,000-member herd has seen its numbers reduced by the Endangered Species Act—already struggling with deteriorating sea ice and increasingly are forced to den on land on the eastern coastline, including the coastal plain of the Arctic Refuge. In fact, three-fourths of the refuge coastal plain is designated as critical habitat for polar bears, which are highly vulnerable to disturbance due to oil and gas activities.

The NRC report and subsequent work done in Arctic Alaska strongly indicate that the cumulative impact of many seemingly small changes is significant. New development on the coastal plain of the Arctic Refuge, one of the nation’s and planet’s premier protected areas, will almost certainly contribute to these cumulative impacts on wildlife. For all these reasons, we oppose oil and gas exploration, development and production on the coastal plain of the Arctic Refuge.

Thank you for your consideration.

Sincerely,


Stephen Brown, Ph.D., Shorebird Biologist, Saxtons River, Vermont; Kathy Froemming, Deputy of 1976 (retired), Kailua Kona, Hawaii; F. Stuart Schlesinger, Ph.D., Professor Emeritus, Ecology, University of Alaska Fairbanks, Fairbanks, Alaska; River Gates, M.Sc., Shorebird Biologist, Anchorage, Alaska; Dave Cline, M.Sc., National Audubon Society (retired), Anchorage, Alaska; Rosa H. Meehan, Ph.D., U.S. Fish & Wildlife Service (retired), Anchorage, Alaska; Stan Senner, M.Sc., National Audubon Society, Missoula, Montana; Sterling Miller, Ph.D., Alaska Dept. of Fish & Game (retired), Anchorage, Alaska; Mark E. John Coady, Ph.D., Alaska Dept. of Fish & Game (retired), Anchorage, Alaska; M. Scott Schaller, Ph.D., Wildlife Conservation Society, New York, New York; Robert G. White, Ph.D., Professor Emeritus, Zoophysiology, University of Alaska Fairbanks, Fairbanks, Alaska; Nils Warnock, Ph.D., Audubon Alaska, Anchorage, Alaska; Mary Lobard, Ph.D., Arctic Beringia Program, Wildlife Conservation Society, Fairbanks, Alaska; Robert G. White, Ph.D., Professor Emeritus, Zoophysiology, University of Alaska Fairbanks, Fairbanks, Alaska; John Schoen, Ph.D., Alaska Dept. of Fish & Game (retired), Anchorage, Alaska; John W. Schoen, Ph.D., Alaska Dept. of Fish & Game (retired), Anchorage, Alaska; Scott Schaller, Ph.D., Wildlife Conservation Society, Fairbanks, Alaska; Kathy Froemming, Deputy of 1976 (retired), Kailua Kona, Hawaii; and Kathy Froemming, Deputy of 1976 (retired), Kailua Kona, Hawaii.

Ms. CANTWELL. The Arctic Refuge’s coastal plain waters are designated as critical habitat for polar bears, which were designated as a threatened species under the Endangered Species Act in 2008. Female polar bears head to this area every fall to create snow dens where they give birth to their young.

The Arctic National Wildlife Refuge is also famously known as the summer calving grounds for the Porcupine caribou herd. The herd’s range extends into Canada. A treaty between our countries protects the herd and its habitat.

The almost 200,000-member herd has an annual migration of hundreds of miles—and in some cases thousands of miles—wintering south of the refuge. These caribou are an important food source for many Alaska Natives, but in particular the Gwich’in people, who live south of the refuge. Wildlife biologists argue that the risk to the caribou herd—and those who rely on this herd—could be quite significant.

Do you know what Webster's definition of stewardship is? The careful and responsible management of something entrusted to one’s care. Since 1900, under President Eisenhower, this iconic refuge has been protected. Tonight, unless you help strike this, you will be joining the ranks of those that believe in protecting a wildlife refuge, and you will be joining an administration that I guarantee you is going to go down in history as getting an F in stewardship.

The Arctic National Wildlife Refuge is too special and important; it is one of the crown jewels of the National Wildlife Refuge System. We should not destroy this pristine landscape and allow it to be turned into an oil field.

I want to remind my colleagues of the words of the great environmental studies, and Olaus Murie. After decades of scientific exploration in Alaska, Olaus testified in the Senate in 1959 in support of creating the Arctic refuge. He said, “We long for something more, something that has a mental, a spiritual impact on us. This idealism, more than anything else, will set us apart as a nation striving for something worthwhile in the universe.”

He said, “We long for something more, something that has a mental, a spiritual impact on us. This idealism, more than anything else, will set us apart as a nation striving for something worthwhile in the universe.”

It is setting what we are doing today, colleagues, is just the opposite. We are striving for short-term gains. In a hundred years, when the economic effects of this tax bill are long forgotten, we will still bear the blame for letting go of “something worthwhile in the universe.”

We didn’t create the Arctic coastal plain, and we cannot recreate, but we can surely destroy it.

I urge my colleagues to oppose sacrificing the Arctic National Wildlife Refuge, and to support removing this provision from the bill.

I yield the floor.

Mr. SANDERS. Mr. President, I would like to enter into the Congressional Record the scores produced by the Congressional Budget Office for section 20001 as it appears in Senate amendment 1618; and the score of section 20001 as it appears in Senate amendment 1855.

In Senate amendment 1618, CBO estimates that opening the coastal plain for oil and gas leasing and managing it in accordance with requirements of the Naval Petroleum Reserves Production Act (including regulations) will result in net Federal receipts of $1092 million from 2018 through 2027.

In Senate amendment 1855, CBO estimates that significant lease sales “in a manner similar to the administration of leases under the Naval Petroleum Reserves Production Act of 1976 (including regulations)” will result in net...
Federal receipts of $910 million from 2018 through 2027, a decrease of $182 million compared to the language in Senate amendment 1618. I ask unanimous consent that the following CBO tables be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Congressional Budget Office, U.S. Congress, Washington, DC.

Dear Madam Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for a Legislative Proposal Related to the Arctic National Wildlife Refuge.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of 2017 and that the funds necessary to implement the legislation would be available.

Description of the Legislation

The legislation would direct the Secretary of the Interior to implement an oil and gas leasing program for lands located within the coastal plain of the Arctic National Wildlife Refuge (ANWR). Based on information provided by the Department of the Interior (DOI), the Energy Information Administration (EIA), and individuals working in the oil and gas industry, CBO estimates that implementing the legislation would increase net offsetting receipts, and alternative investment opportunities. In particular, oil companies have other domestic and overseas investment options that they would evaluate and compare with potential investments in ANWR. The potential profitability for a wide range of such global investment opportunities would probably be a significant factor in prospective bidders’ ultimate choices of how much to bid for ANWR leases. The number of factors that affect companies’ investment decisions result in a wide range of estimates for bonus bids. CBO’s estimate reflects our best estimate of the midpoint of that range.

Other Receipts. In addition to receipts from bonus bids, CBO estimates that the federal government would collect net receipts from rental payments totaling about $2 million over the 2018–2027 period. (Lease holders make an annual rental payment until production begins.) CBO also estimates that the federal government would receive royalty payments on oil produced from ANWR leases; however, based on information from EIA regarding the typical amount of time necessary to drill exploratory wells, complete production plans, and build the necessary infrastructure to produce and transport any oil produced in ANWR, CBO expects that no significant royalty payments would be made until after 2027.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.
The PRESIDING OFFICER. The Senator from Alabama.

Ms. MURkowski. Mr. President, I strongly oppose this motion to strike. This is our opportunity to provide jobs, to create revenues and resources, and to protect an environment that as Alaskans we know how to protect. We are seeking with this energy title to develop 2,000 acres out of 19.3 million acres, ten thousandths of all of ANWR, and we are seeking to do it with a smaller, limited footprint, using the technologies that have become available over the decades that we have been seeking to advance these opportunities—opportunities for Alaska, opportunities for the Nation.

I would implore colleagues. For 40 years now we have been looking for the opportunity to best protect our long-term energy and national security. This is our chance.

The pending amendment No. 1717 would cause the underlying legislation to exceed the Energy and Natural Resources Committee’s section 302(a) allocation of new budget authority or outlays. Therefore, I raise a point of order against this measure pursuant to section 302(f) of the Congressional Budget Act of 1974.

Ms. CANTWELL. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974 and the waiver provisions of applicable budget resolutions, I move to waive all applicable sections of that act and applicable budget resolutions for purposes of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 48, nays 52, as follows:

[Bollacil Vote No. 301 Leg.]

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The PRESIDING OFFICER. On this vote, the yeas are 48, the nays are 52.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

The PRESIDING OFFICER. The Senator from Oregon.

AMENDMENT NO. 1856 TO AMENDMENT NO. 1618

Mr. MERKLEY. Mr. President, I call upon amendment No. 1856.

The PRESIDING OFFICER. The clerk will report.

The senior assistant legislative clerk read as follows:

The Senator from Oregon [Mr. MERKLEY] proposes an amendment numbered 1856 to amendment No. 1618.

On page 289, strike lines 17 through 19.

Mr. MERKLEY. Mr. President, this amendment strikes a tax earmark that singles out one college in America from the university endowment tax set forth in the underlying bill.

To be sure, I don’t like the endowment tax in this bill. It diminishes the ability of colleges to provide scholarships to financially challenged students. But if the majority is intent on having an endowment tax, then no college should be exempted.

The argument for the exemption is that this college doesn’t take Federal funds. But remember why: They were sued in the 1980s for discriminatory practices, and they wanted to continue those practices. This school, Hillsdale College, does have powerful friends, including our Secretary of Education, but isn’t that just the type of insider deal for the wealthy and well connected that we should oppose?

A vote against this amendment is a vote for an earmark for a school with powerful friends and for subsidizing discrimination. A vote for my amendment is a vote to strike down such an earmark, a vote for fair treatment of schools, and a vote against discrimination, and I urge you to vote aye.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. TOOMY. Mr. President, Hillsdale College has been unfairly maligned on the Senate floor. The fact is, Hillsdale College was the first college in America to prohibit in its charter any discrimination based on race, religion, or sex and was an early force in the abolition of slavery.

But it is not really about Hillsdale college, exclusively. This is a broader idea. The idea here, and it is in this amendment, is that for any college that chooses to forgo Federal funding for its students—chooses not to be a burden on the taxpayers that way—it is reasonable for us to respond by sparing that college a tax on the endowment funds that is a tax.

Now there are colleges, a number of colleges, including one in Pennsylvania, that choose this mode. They
would prefer to have the freedom to operate as they see fit rather than have to deal with Federal regulations, and I suspect that is a big part of what the real problem is on the other side of the aisle. But, folks, I think it is a perfectly reasonable proposition that if a college chooses to forgo the very substantial funds available to it from Federal taxpayers, it is OK to say that it will be exempt from this endowment. Federal taxpayers, it is OK to say that it will be exempt from this endowment.

What is happening tonight is the worst of the U.S. Senate. There is a trail of broken promises—broken promises to working families in the mad dash to pass this bill. The American people understand this is the first step of continuing attacks on Medicare, on Medicaid, and on Social Security. This vote will not be forgotten.

I yield the floor. The PRESIDING OFFICER. The majority leader. Mr. MCCONNELL. Mr. President, I yield back the time on this side.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. MCCONNELL. Mr. President, I ask for the yeas and nays.

The result was announced—yeas 51, nays 49, as follows:

Mr. MCCONNELL. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The clerk will call the roll.

The senior assistant legislative clerk called the roll.

The legislative clerk called the roll.

The amendment (No. 1565) was agreed to.

The PRESIDING OFFICER. The majority leader. Mr. MCCONNELL. Colleagues, we are moving now to final passage. I know of no further amendments to the bill.

The PRESIDING OFFICER. There will be 2 minutes of debate on amendment No. 1618, as amended.

Mr. MCCONNELL. Mr. President, I yield back our time.

The PRESIDING OFFICER. All time is yielded back for the majority. Mr. SCHUMER. Mr. President, I yield back. The PRESIDING OFFICER. All time is yielded back.
significant because we are one step closer to enacting that bill.

The chairman of the Finance Committee, Senator HATCH, has called this a once-in-a-generation opportunity. I agree.

As an accountant, one of my goals when I came to the Senate in 1996 was to serve on the Finance Committee. When I joined the committee in 2009, I said that positive, pro-growth changes to our tax policy could help us out of the economic downturn. I believe this bill makes those types of changes and will jump-start our economy.

This week, 137 economists agreed with that assessment. In a letter to Senators and Representatives, these economists wrote: ‘Economic growth will accelerate if the Tax Cuts and Jobs Act passes, leading to more jobs, higher wages, and a better standard of living for the American people.’

My colleagues on the other side of the aisle dispute that analysis. But after a decade of below-average growth and official projections showing real economic growth will average less than 2 percent annually over the next decade, isn’t it time that we tried something new?

Some of my colleagues have also suggested that this bill hasn’t gone through regular order. I have already reminded folks of the 70 tax hearings in the Senate Finance Committee held over the last 6 years, but that isn’t all we have done. Last Congress, Chairman HATCH organized five bipartisan groups to propose changes to the Tax Code. I was party to those groups, which made many recommendations that have informed this package. I would say that those working groups were also bipartisan.

While I don’t sit on the Energy Committee, I understand that Chairman MURKOWSKI led a similarly robust process. The issue of oil and gas exploration and development in the Arctic National Wildlife Refuge has been an issue since before I was a Senator. We have not filled the tree. We have not bypassed committees.

We have not bypassed committees. We have not filled the tree. We have not cut off debate by filing cloture, which was a common practice in recent years. I think this is as open and transparent a process as I have seen in many years, and I appreciate the leader. I appreciate Chairman HATCH, and I appreciate Chairman MURKOWSKI for their work to make that happen.

I also want to thank my Budget Committee staff for their work on this bill. In particular, I want to thank my staff director, Betsy McDonnell, who has done a remarkable job shepherding both the budget resolution and reconciliation bill through the committee and on the floor. She has been new to that position. She has been in a number of positions in the Senate that trained her well to be able to do that, and she did a marvelous job.

I also want to thank her team: Matt Giroux, Paul Vinovich, Becky Cole, Thomas Hinkle, Joe Brencleek, Jim Nell, Steve Robinson, Greg D’Angelo, Tom Borck, Rick Berger, Jeremy Dalrymple, David Ditch, Susan Eckerly, Alison McGuire, Will Morris, Steve Townsend, Kelsie Wendelberger, and Eric Ueland.

I would like to thank the personal office staff who worked hard on the tax provisions in this package and kept all of my other issues going at the same time. Particularly, I want to thank Bart Massey, who is a CPA and who has been my special person to work on these finance issues with me for more than 3 years.

I also want to thank Tara Shaw, my chief of staff, who had to put together this new staff because a lot of good people I had worked with left the administration and to the Budget Committee. She did a marvelous job on that.

Landon Stropko is the legislative director, and he has coordinated well. I thank Liz Schwartz, Natalia Riggio, Kiele Butler, Charlie Carroll, Shawna Newsome, Garnett Decosimo, Chris Lydon, Aron Wehr, Dylan Mitchell, Coy Knobel, Max D’Onofrio, Rachel Vliem, and the rest of my Wyoming team that worked out in Wyoming collecting information and doing casework and work out there while we got this work done.

I thank the Budget Committee’s bipartisan staff: Kim Proctor, Katie Smith, George Woodall, Grace Bruno, and Kevin Walsh, as well as Celina Inman, who has been on loan to us from the Government Publishing Office.

We have also been supported by the great work of our leadership, the floor, and the whips’ office. Specific thanks are owed to Sharon Soderstrom, Hazen Marshall, Jane Lee, Brandon Dunn in the leader’s office, Monica Popp, John Chapuis, Emily Kirlin, Sam Beaver, Jody Wright, and Noah McCullough in the whip’s office and especially Laura Dove, who coordinates all of this activity on the floor and who knows the rules backward and forward and is able to give good advice—sometimes but always helpful advice—and Robert Duncan, Chris Tuck, Megan Mercer, Tony Hanagan, Mike Smith, Katherine Kilroy, and Chloe Barz in the cloakroom.

I would really be remiss if we didn’t thank the Senate Parliamentarian, Elizabeth MacDonough, and her team: Leigh Hilderbrand, Michael Beaver, and Allison Markoski. Reconciliation bills are subject to special rules and procedures, and I know they have given up a lot of their nights and their weekends, and some odd ball time, to work in detail on this product. People wouldn’t even realize the file cabinets full of precedents that they have to search through as they listen to both sides make cases about what can and can’t be in a budget reconciliation bill.

There are also many other staffers who deserve to be thanked for their work on this product, including the entire Finance and Appropriations Committee staffs, but in the interest of time, I will just say that I appreciate them and look forward to working with all of them to help finish enacting this bill that will benefit hard-working America pumping life and energy into the middle class and providing a much-needed boost to our economy.

Today’s events have been years in the making. This has been my chief legislative focus for many years, and it has been a priority for many of my colleagues as well, including some that are no longer serving. I am talking, of course, about people like Dave Camp and Senator Max Baucus, who did a lot to move this effort forward. I feel grateful to have been here and to have been involved in this with my colleagues to get this far.

As efforts this year began earnest, we set out to give low- and middle-income Americans some much-needed relief and to give our country an opportunity to compete in the global economy.

This bill will do that. With passage of this bill, American families will have bigger paychecks and better wages. Our employers will have more favorable conditions to invest in expansion, grow their businesses, and create more jobs right here in the United States.

So many people both in and out of Congress have worked hard to get us to this point, and I want to express my appreciation for their efforts. Of course, I can’t thank everyone in a single floor speech, but I do want to thank some who may be within earshot at the moment.

First and foremost, I want to thank the members of the Senate Finance Committee, who put in countless days, weeks, and months in preparing this legislation and helping to get it passed. All of our majority members contributed greatly to this process, and I am most grateful.

I also want to thank the distinguished majority leader who also did so much to secure the details of the bill and shepherd it through the Senate.

I want to thank Chairman BRADY and Speaker RYAN over in the House of Representatives. They, too, have been our partners in this endeavor.

Of course, I need to thank Secretary Mnuchin and Director Cohn for their commitment to this effort and their help in getting it done.

I want to thank the staff of the Finance Committee, who have done so much of the heavy lifting here. I need to single out Mark Prater, my chief tax counsel, who has served the committee
for decades now and whose knowledge and expertise on these matters is recognized by everyone here and pretty much everyone everywhere else. Thank you, as well, to the rest of my committee tax staff: Jennifer Acuna, Tony Coughlan, Christopher Hanna, Alex Moncrieff, Andy Pineus, Preston Rutledge, and Nick Wyatt. I need to thank my staff director, Jay Khosla, who quarterbacked the staff through this whole ordeal and who has spent many years with me as we have had the ground work and started construction on this undertaking. I want to thank the other members of my senior team as well, including Matt Hoffman, Jeff Wrae, Julia Lawless, Jennifer Kuszkowski, Chris Armstrong, and Bryan Hickman. I need to thank the communications staff on the committee: Katie Niedere, Nicole Hager, and Joshua Blume.

I also need to thank a couple of former staff members, Chris Campbell, my former  deputy director, worked for years on this effort, and while, he is now at Treasury, I am sure he is celebrating on his own today. I would also like to give a thank you to Jim Lyons, my tax counsel who, unfortunately, passed away a little over a year ago. He contributed greatly to this effort for a number of years, and his steady presence has definitely been missed.

Beyond my own staff, I want to thank the tax legislative assistants from each of the committee members who helped to craft this bill, namely, Chris Allen, Sam Beaver, Joseph Boddicker, Chris Conlin, Shay Hawkins, Randy Herndon, Bart Massey, Monica McGuire, Mike Quickel, Zachary Rudisill, Andrew Siracuse, Robert Sneed, Derek Theurer, and Mark Warren, all of whom did an outstanding job in helping us to produce this bill.

I also want to thank the committee’s legislative directors: Charles Cooper, Ken Flanz, Chris Gillott, Brad Grantz, Amber Kirchhofer, Kurt Kovarik, Jessica McBride, Sarah Paul, Landon Stropko, Jay Sulzmann, Stephen Tausend, Pam Thiessen, and Christopher Toppings.

I also need to thank the staff from the leader’s office, including Brendan Dunn, Antonia Ferrier, Hazen Marshall, Erica Suares, Terry Van Doren, Don Stewart, and Jane Lee.

This process has been a joint effort with our friends on the Budget Committee, and I need to thank Senator Enzi, once again, for his leadership on that committee to give us the reconciliation instruction that made this possible. Additionally, I would like to thank the members of his staff, including: Joe Brenckle, Jim Neill, Betsy McDonnell, Matt Giroux, Paul Vinovich, Becky Cole, Eric Ueland, Thomas Fueller, and the rest of the Budget Committee team.

Others deserve our thanks as well. Tom Barthold and his team at the Joint Committee on Taxation made themselves available at all hours to help us get the bill written and ready to pass. As did the staff at the legislative counsel’s office, led by Mark McGunagle and Jim Fransen and their whole team and those who work with Elizabeth McGunagh in the Parliamentary’s office.

There are so many people to thank in a single floor speech, but, I am very grateful for the countless individuals who have in this endeavor over the years. We are not there yet, but we are getting closer.

I look forward to moving this effort through the next steps and to working with my colleagues on other challenges that lie ahead.

The PRESIDING OFFICER. The Senator from Wyoming.

EXECUTIVE CALENDAR

Mr. ENZI. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Executive Calendar Nos. 510 through 522 and all nominations placed on the Secretary’s desk: that the nominations be confirmed, the motions to reconsider be considered made and laid upon the table with no intervening action or debate; that no further motions be in order; that any statements related to the nominations be printed in the RECORD; that the President be immediately notified of the Senate’s action and the Senate then resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

IN THE ARMY

The following named officers for appointment in the United States Army under title 10, U.S.C., section 624: To be brigadier general

Col. Douglas F. Stitt

The following named officers for appointment in the United States Army under title 10, U.S.C., section 621: To be vice admiral

Rear Adm. Lisa M. Franchetti

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624: To be rear admiral (lower half)

Capt. Michael E. Boyle

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601: To be brigadier general


IN THE AIR FORCE

The following named officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203: To be major general


The following named officers for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203: To be brigadier general

Col. John M. Breazeale

Col. Damon S. Feltman

Col. Anne B. Gunter

Col. Scheid P. Hodges

Col. Richard L. Kemble

Col. Tanya R. Kubinec

Col. Eric C. Novak

Col. Jeffrey T. Pennington

Col. John N. Tree

Col. Aaron G. Vangelisti

Col. William W. Whittenberger, Jr.

Col. Christopher F. Yancey

The following named Air National Guard of the United States officers for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., sections 12203 and 1212: To be brigadier general

Col. Darlow G. Botha, Jr.

Col. Steven J. deMilliano

Col. Christopher E. Finerty

The following named Air National Guard of the United States officers for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., sections 12203 and 1212: To be brigadier general

Col. Michele K. LaMontagne

Col. Michael J. Regan, Jr.

The following named Air National Guard of the United States officers for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., sections 12203 and 1212: To be brigadier general

Col. Travis K. Acheson

Col. Barry A. Blanchard

Col. Michael A. Borkowski

Col. Michael T. Butler

Col. Michael A. Cooper

Col. Monique J. DeSpain

Col. Matthew D. Dimmore

Col. Teresa S. Edwards

Col. Emmanuel I. Haidopoulos

Col. Charles G. Jeffries

Col. Gregory W. Lair

Col. Jeffrey W. Magram

Col. James C. McEachen

Col. Maurice M. McKinney

Col. Suellen Overton

Col. Gregg A. Perez

Col. Mark D. Piper

Col. James P. Rowlett

Col. Michael D. Spreud

Col. Christian L. Stewart

Col. David W. Walter

Col. Terry L. Williams

Col. Shanna M. Woyak

Col. Frank Y. Yang

Col. Jeffrey D. Young

The following named Air National Guard of the United States officers for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., sections 12203 and 1212: To be major general

Brig. Gen. Ondra L. Berry

Brig. Gen. Samuel W. Black

Brig. Gen. William D. Bunch

Brig. Gen. Joseph S. Chisoi

Brig. Gen. Thomas B. Cucli

Brig. Gen. Gary L. Ferguson

Brig. Gen. Jerry L. Fenwick

Brig. Gen. Dawn M. Ferrel
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S7715

Brig. Gen. Thomas J. Kennett
Brig. Gen. Eric W. Mann
Brig. Gen. Edward A. Sauley, III
Brig. Gen. Dean A. Tremps

The following named Air National Guard of the United States officers for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., sections 12203 and 12212:

To be major general
Brig. Gen. Jeffrey M. Kennedy
Brig. Gen. Thomas A. Dasso

NOMINATIONS PRINTED ON THE SECRETARY’S DESK
IN THE AIR FORCE
PN951 AIR FORCE nominations (14) beginning DANE V. CAMPBELL, and ending RICHARD L. WOODRUFF, JR., which nominations were received by the Senate and appeared in the Congressional Record of September 5, 2017.
PN1234 AIR FORCE nominations (69) beginning with JENNY BERNIN AHLELS, and ending TRENTON M. WHITE, which nominations were received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1236 AIR FORCE nominations (14) beginning with JASON PARK, and ending with ERIKA R. WOODSON, which nominations were received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1237 AIR FORCE nomination of Michael S. Stroud, which was received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1238 AIR FORCE nominations (17) beginning with LANCE A. AIUMOPAS, and ending TARA L. VILLENA, which nominations were received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1239 AIR FORCE nominations (2) beginning with REBECCA J. COOPER, and ending with MATTHEW L. DANIELS, which nominations were received by the Senate and appeared in the Congressional Record of October 16, 2017.
PN1240 AIR FORCE nomination of Brantley J. Combs, which was received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1241 ARM N nominations (2) beginning with MARK E. QUERY, and ending with SAMUEL H. TAHK, which nominations were received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1242 ARM N nomination of Victor A. Pacheco Fowler, which was received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1243 ARM N nomination of James M. Brumit, which was received by the Senate and appeared in the Congressional Record of November 14, 2017.
PN1244 ARM N nomination of Melvin J. Nickell, which was received by the Senate and appeared in the Congressional Record of November 16, 2017.
PN1245 ARM N nomination of Erica L. Herzog, which was received by the Senate and appeared in the Congressional Record of November 16, 2017.
PN1246 ARM N nomination of Adam W. Vanek, which was received by the Senate and appeared in the Congressional Record of November 16, 2017.
PN1257 ARM N nomination of Jason Park, which was received by the Senate and appeared in the Congressional Record of November 16, 2017.
PN1258 ARM N nomination of John T. Hackabay, which was received by the Senate and appeared in the Congressional Record of November 16, 2017.

LEGISLATIVE SESSION
The PRESIDING OFFICER. The Senate will now resume legislative session.

MORNING BUSINESS
Mr. ENZI. Mr. President, I ask unanimous consent that the Senate be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.
The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO DEE BRADEN
Mr. DURBIN. Mr. President, today I wish to congratulate Ms. Dee Braden on her retirement from the Coles County Council on Aging, CCOA, after more than 41 years of service.
One of Illinois’ finest advocates for older residents, Dee started with CCOA in 1976, as the RSVP volunteer recruiter and was quickly promoted to be its first executive director in 1978. Under Dee’s leadership, CCOA flourished and received the 2008 Governor’s Award for Unique Achievement for its vision, innovation, and collaborative public and private partnerships in Illinois.
To understand Dee’s tireless commitment to Illinois’ older population, one need only look at her long service record. Dee developed and orchestrated the first statewide passage of a county-wide property tax referendum in Illinois to fund senior services and advocated for decades to enhance the quality of life of older adults in Coles County.

BUDGETARY REVISIONS
Mr. ENZI. Mr. President, section 3003 of H. Con. Res. 71, the concurrent resolution on the budget for fiscal year 2018, allows the chairman of the Senate Budget Committee to revise the allocations, aggregates, and levels in the budget resolution for consideration under the resolution’s reconciliation instruction. I find that S. Amdt. 1055 fulfills the conditions found in section 3003 of H. Con. Res. 71. Accordingly, I am revising the allocations to the Committee on Finance, the Committee on Energy and Natural Resources, and other enforceable budgetary levels to account for the budgetary effects of the amendment.

This amendment supersedes the adjustment I previously made for the processing of S. Amdt. 1618 on November 29, 2017. This adjustment applies while this amendment is under consideration. Should the amendment be withdrawn or fail, this adjustment will be null and void and the adjustment for S. Amdt. 1618 shall remain active.
I ask unanimous consent that the accompanying tables, which provide details about the adjustment, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:
PAY-AS-YOU-GO SCORECARD FOR THE SENATE (PURSUANT TO SECTION 4106 AND SECTION 3003 OF H. CON. RES. 71, THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2018) (in millions)

Adjustments:
- Fiscal Year 2018: 3,100
- Fiscal Year 2017: 921,095
- Fiscal Year 2017: 1,473,615
- Fiscal Year 2017: 3,100
- Fiscal Year 2017: 921,095
- Fiscal Year 2017: 1,473,615
- Fiscal Year 2017: 3,100
- Fiscal Year 2017: 921,095
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- Fiscal Year 2017: 1,473,615
- Fiscal Year 2017: 3,100
- Fiscal Year 2017: 921,095
- Fiscal Year 2017: 1,473,615
- Fiscal Year 2UNKNOWN BUDGETARY EFFECTS

Mr. ENZI. Mr. President, section 4105 of H. Con. Res. 71, the concurrent resolution on the budget for fiscal year 2018, makes out of order any amendment to a fiscal year 2018 reconciliation measure if the amendment has an unknown budgetary effect.

As chairman of the Budget Committee, I have reviewed S. Amdt. 1846 and determined that it has an unknown budgetary effect. Therefore, section 4105 applies to S. Amdt. 1846. This amendment is susceptible to a section 4105 point of order.

RECOGNIZING MAPLE ELEMENTARY SCHOOL

Mr. DONNELLY. Mr. President, today, I wish to recognize Maple Elementary School of Avon, IN, for being named a 2017 National Blue Ribbon School by the U.S. Department of Education.

Established in 1982, the National Blue Ribbon Schools Program recognizes schools that have demonstrated a vision of educational excellence for all students, regardless of their social or economic background. Since its inception, this program has allowed schools in every State to gain recognition for educational accomplishments, particularly in closing the achievement gaps among students.

Maple Elementary School opened in 1971 and currently serves about 265 students. Maple prides itself on educating the “whole child” and ensuring that students are safe, healthy, supported, engaged, and challenged. These principles reflect the school’s belief that, when students’ basic needs are met, they are able to thrive academically.

Maple Elementary’s staff, students, and families work together to teach and foster values that develop strong character including academic excellence and service to others. Teachers and staff mentor students and encourage them to take on leadership roles, including student council service. Student council members are selected by their peers and organize several service-oriented and school events each year. In addition, the school counselor trains a group of students to mediate disputes through Project Peace, a program that fosters leadership skills and promotes healthy conflict resolution.

Maple Elementary helps nurture strong relationships between students, their families, and the faculty. From the annual “Walk-a-Thon,” to Fall Fun Night, to Pastries with Parents, to Grandparents Day, Maple Elementary School is an example of how dedication, motivation, collaboration, and strong family engagement in education can benefit both the students and the local community.

With a diverse student body, Maple has created an atmosphere for students to learn about various backgrounds and cultures represented at the school. For the country facing the hallway representing the nationality of current students to the counselor-sponsored Diversity Club, students are able to experience and interact with different cultures.

I am proud to recognize Maple Elementary School Principal, Nicola Jo Harrison, the entire staff, the students, and their families. The effort, dedication, and value you put into these students’ education has led not only to this prestigious recognition, but will benefit you and the Avon community well into the future.

On behalf of the citizens of Indiana, I congratulate Maple Elementary School, and I wish the students and staff continued success in the future.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Pate, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The messages received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 10:04 a.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3905. An act to require congressional approval of any mineral withdrawal or monument designation involving the National Forest System lands in the State of Minnesota, to provide for the renewal of certain mineral leases in such lands, and for other purposes.

H.R. 3182. An act to amend title 5, United States Code, to modify probationary periods with respect to positions within the competitive service and the Senior Executive Service, and for other purposes.
The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3905. An act to require congressional approval of any mineral withdrawal or monument designation involving the National Petroleum System; in the State of Minnesota, to provide for the renewal of certain mineral leases in such lands, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4162. An act to amend title 5, United States Code, to modify probationary periods with respect to positions within the competitive service, to the Committee on Homeland Security and Governmental Affairs.

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–3588. A communication from the Acting Deputy Chief, Public Safety and Homeland Security Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled “Wireless Emergency Alerts; Amendments to Part 11 of the Commission’s Rules Regarding the Emergency Alert System” (FCC 17–143) (PS Docket No. 15–91) received in the Office of the President of the Senate on November 27, 2017; to the Committee on Commerce, Science, and Transportation.

EC–3589. A communication from the Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled “Magnuson-Stevens Fishery Conservation and Management Act Provisions; Fisheries of the Northeastern United States; Northeast Groundfish Fishery; Fishing Year 2017; The following reports of committees were submitted:

By Mr. JOHNSON, from the Committee on Homeland Security and Governmental Affairs, with an amendment in the nature of a substitute:

S. 944. A bill to amend chapter 31 of title 5, United States Code, to authorize agencies to make noncompetitive temporary and term appointments in the competitive service (Rept. No. 115–189). By Mr. GRASSLEY, from the Committee on Finance, with an amendment, S. 2070. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994, to reauthorize the Missing Alzheimer’s Disease Patient Alert Program, and to promote initiatives that will reduce the risk of injury and death relating to the wandering characteristics of some children with autism.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. MURKOWSKI:

S. 2182. A bill to provide for the resettlement and relocation of the people of Bikini; to the Committee on Energy and Natural Resources.

By Mr. HELLER:

S. 2085. A bill to amend title XXI of the Social Security Act to provide for a special rule during the first quarter of fiscal year 2018 for the redistribution of certain Children’s Health Insurance Program allocations for certain shortfalls; to the Committee on Finance.

By Mr. McCAIN (for himself and Mr. LANKFORD), a bill to amend title 38, United States Code, to improve veterans’ health care benefits, and for other purposes; to the Committee on Veterans’ Affairs.

At the request of Mr. LANKFORD, the name of the Senator from Florida (Mr. NELSON), the Senate Sergeant at Arms, and the Clerk of the Senate, pursuant to law, the report of a rule entitled “Wireless Emergency Alerts; Amendments to Part 11 of the Commission’s Rules Regarding the Emergency Alert System” (FCC 17–143) (PS Docket No. 15–91) received in the Office of the President of the Senate on November 27, 2017; to the Committee on Commerce, Science, and Transportation.

EC–3591. A communication from the Acting Deputy Administrator for Regulatory Programs, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled “Magnuson-Stevens Act Provisions; Fisheries Off West Coast States; Pacific Coast Groundfish Fishery; 2017–2018 Biennial Specifications and Management Measures; Amendment 27” (RIN0648–BG17) received in the Office of the President of the Senate on November 27, 2017; to the Committee on Commerce, Science, and Transportation.


PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–139. A resolution adopted by the Mayor and City Commission of the City of Miami Beach, Florida, urging the United States House of Representatives to pass the Federal Flood Insurance Program to eliminate disproportionate subsidies paid by the State of Florida to other parts of the nation and to increase the amount of subsidies, to an amount equal to at least 25% of flood insurance premiums paid in the State of Florida, for reinvestment in resilient infrastructure projects in Florida and to amend flood insurance policy renewals from annually to every four years; to the Committee on Banking, Housing, and Urban Affairs.

POM–140. A petition from a citizen of the State of Texas relative to an amendment to the United States Constitution; to the Committee on the Judiciary.

POM–141. A resolution adopted by the Lauderdale Lakes City Commission, Lauderdale Lakes, Florida recognizing and honoring all United States armed forces veterans; to the Committee on Veterans’ Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON, from the Committee on Homeland Security and Governmental Affairs, with an amendment in the nature of a substitute:

S. 1866. A bill to amend subchapter I of chapter 31 of title 5, United States Code, to authorize agencies to make noncompetitive temporary and term appointments in the competitive service (Rept. No. 115–189). By Mr. GRASSLEY, from the Committee on the Judiciary, with an amendment, S. 2070. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994, to reauthorize the Missing Alzheimer’s Disease Patient Alert Program, and to promote initiatives that will reduce the risk of injury and death relating to the wandering characteristics of some children with autism.

S. 264. At the request of Mr. LANKFORD, the name of the Senator from Florida (Mr. NELSON), the Senate Sergeant at Arms, and the Clerk of the Senate, pursuant to law, the report of a rule entitled “Wireless Emergency Alerts; Amendments to Part 11 of the Commission’s Rules Regarding the Emergency Alert System” (FCC 17–143) (PS Docket No. 15–91) received in the Office of the President of the Senate on November 27, 2017; to the Committee on Commerce, Science, and Transportation.

EC–3589. A communication from the Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled “Magnuson-Stevens Fishery Conservation and Management Act Provisions; Fisheries of the Northeastern United States; Northeast Groundfish Fishery; Fishing Year 2017;
At the request of Mr. Wicker, the name of the Senator from Massachusetts (Ms. Warren) was added as a cosponsor of S. 1425, a bill to reauthorize the Integrated Coastal and Ocean Observation System Act of 2009, and for other purposes.

At the request of Mr. Hatch, the name of the Senator from Nebraska (Mrs. Fischer) was added as a cosponsor of S. 1827, a bill to extend funding for the Children’s Health Insurance Program, and for other purposes.

At the request of Mr. Grassley, the name of the Senator from Nebraska (Mrs. Fischer) was added as a cosponsor of S. 1829, a bill to amend title V of the Social Security Act to extend the Maternal, Infant, and Early Childhood Home Visiting Program.

At the request of Ms. Warren, the name of the Senator from California (Ms. Harris) was added as a cosponsor of S. 1833, a bill to strengthen employee cost savings suggestions programs within the Federal Government.

At the request of Mr. Paul, the name of the Senator from Iowa (Mrs. Ernst) was added as a cosponsor of S. 1830, a bill to require covered harassment and covered discrimination awareness and prevention training for Members, officers, employees, interns, fellows, and detailees of Congress within 30 days of employment and annually thereafter, to require a biennial climate survey of Congress, to amend the enforcement process under the Office of Congressional Workplace Rights for covered harassment and covered discrimination complaints, and for other purposes.

AMENDMENT NO. 1622

At the request of Mr. Paul, the names of the Senator from Louisiana (Mr. Cassidy) and the Senator from Mississippi (Mr. Wicker) were added as cosponsors of amendment No. 1622 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1623

At the request of Mr. Paul, the name of the Senator from Texas (Mr. Cruz) was added as a cosponsor of amendment No. 1623 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1640

At the request of Mr. Gardner, the name of the Senator from Georgia (Mr. Isakson) was added as a cosponsor of amendment No. 1640 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1642

At the request of Mr. Rubio, the names of the Senator from Nebraska (Mr. Sasse) and the Senator from Louisiana (Mr. Kennedy) were added as cosponsors of amendment No. 1642 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1665

At the request of Ms. Cantwell, the names of the Senator from Minnesota (Ms. Klobuchar), the Senator from Illinois (Mr. Durbin) and the Senator from New Hampshire (Mrs. Shaheen) were added as cosponsors of amendment No. 1665 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1675

At the request of Mr. Whitehouse, the name of the Senator from Minnesota (Ms. Klobuchar) was added as a cosponsor of amendment No. 1675 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1711

At the request of Mr. Thune, the name of the Senator from South Dakota (Mr. Rounds) and the Senator from Colorado (Mr. Gardner) were added as cosponsors of amendment No. 1711 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1724

At the request of Mrs. Ernst, her name was added as a cosponsor of amendment No. 1724 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1735

At the request of Mr. Rounds, the names of the Senator from Missouri (Mr. Blunt) and the Senator from Louisiana (Mr. Kennedy) were added as cosponsors of amendment No. 1735 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1736

At the request of Mr. Inhofe, the name of the Senator from Oklahoma (Mr. Lankford) was added as a cosponsor of amendment No. 1736 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

AMENDMENT NO. 1738

At the request of Mr. Alexander, the name of the Senator from Texas (Mr.
Cruz) was added as a cosponsor of amendment No. 1738 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

At the request of Mr. Udall, the names of the Senator from California (Mrs. Feinstein) and the Senator from Minnesota (Ms. Klobuchar) were added as cosponsors of amendment No. 1739 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Amendment No. 1738

At the request of Mr. Cassidy, the name of the Senator from Idaho (Mr. Risch) was added as a cosponsor of amendment No. 1758 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Amendment No. 1739

At the request of Mr. Udall, the names of the Senator from Idaho (Mr. Risch) was added as a cosponsor of amendment No. 1758 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Amendment No. 1740

At the request of Mr. Inhofe, the name of the Senator from North Carolina (Mr. Burr) was added as a cosponsor of amendment No. 1765 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Amendment No. 1741

At the request of Mr. Udall, the names of the Senator from New Mexico (Mr. Heinrich) was added as a cosponsor of amendment No. 1774 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Amendment No. 1742

At the request of Mr. Menendez, the name of the Senator from Massachusetts (Ms. Warren) was added as a cosponsor of amendment No. 1790 intended to be proposed to H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Submitted Resolutions

Senate Resolution 346—Recognizing the Importance and Effectiveness of Trauma-Informed Care

Mr. Johnson (for himself, Ms. Heitkamp, Mr. Boozman, and Ms. Baldwin) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

Whereas traumatic experiences affect millions of individuals in the United States and can affect the mental, emotional, physical, spiritual, economic, and social well-being of an individual;

Whereas adverse childhood experiences (in this preamble referred to as "ACEs") can be traumatizing and, if not recognized, can affect health across the lifespan of an individual and, in some cases, result in a shortened lifespan;

Whereas ACEs are recognized as a proxy for toxic stress, which can affect brain development and can cause a lifetime of physical, mental, and social challenges, and childhood trauma;

Whereas ACEs and trauma are determinants of public health problems in the United States such as obesity, addiction, and serious mental illness;

Whereas trauma-informed care is an approach that can bring greater understanding and more effective ways to support and serve children, adults, families, and communities affected by trauma;

Whereas trauma-informed care is not a therapy or an intervention, but a principle-based, culture-change process aimed at recognizing strengths and resiliency as well as helping people who have experienced trauma to overcome those issues in order to lead healthy and positive lives;

Whereas adopting trauma-informed approaches in workplaces, communities, and government programs can aid in preventing many mental, emotional, and social issues for people impacted by toxic stress or trauma;

Whereas trauma-informed care has been promoted and established in communities across the United States, including many different uses of trauma-informed care being utilized by various types of entities, such as:

(1) the State of Wisconsin, which established Fostering Futures, a statewide initiative—

(A) under which the State partnered with Indian tribes, State agencies, county governments, and nonprofit organizations to make Wisconsin the first trauma-informed State; and

(B) the goal of which is to reduce toxic stress and improve life-long health and well-being for all Wisconsinites;

(2) the Menominee Tribe in Wisconsin, which improved educational and public health outcomes by increasing understanding of childhood trauma and adversity and by developing culturally relevant, trauma-informed practices;

(3) schools of medicine that provide critical trauma-informed care in Chicago, Illinois, including—

(A) the University of Illinois at Chicago Comprehensive Assessment and Response Training System, which improves the quality of psychiatric services provided to youth in foster care; and

(B) the University of Chicago Recovery and Empowerment After Community Trauma Program, which helps residents who are coping with community violence;

(4) service providers, clinicians, and local artists in Philadelphia, Pennsylvania, that use art to engage communities to educate and involve citizens in trauma-informed care activities;

(5) the Department of Public Health of San Francisco, California, which aligned its workforce to create a trauma-informed system;

(6) schools in Kansas City, Missouri, that—

(A) worked to become trauma-informed by encouraging teachers and children to create self-care plans to manage stress; and

(B) have implemented broad community-wide, trauma-informed culture changes;

(7) the city of Spring Hill, Florida, which crafted a community effort to gather city officials, professionals, and residents to coordinate multiple trauma-informed activities, including a community education day;

(8) community members in Worcester, Massachusetts, who worked with the Massachusetts Department of Mental Health to create a venue with peer-to-peer support to better engage individuals dealing with trauma and extreme emotional distress;

(9) the city of Walla Walla, Washington, which, together with community members, launched the Children’s Resilience Initiative to mobilize neighborhoods and Washington State agencies to tackle ACEs;

(10) the State of Oregon, which passed the first State law in the United States to promote—

(A) trauma-informed approaches in order to decrease rates of school absenteeism and increase understanding of ACEs and trauma; and

(B) best practices to leverage community resources to support youth;

(11) the state of Massachusetts, which passed a law to promote whole-school efforts to implement trauma-informed care approaches to support the social, emotional, and academic well-being of all students, including both preventive and intensive services and support depending on the needs of students; and

(12) the State of Washington, which implemented the ACEs Public-Private Initiative, a collaboration among private, public, and community organizations and informed policies to prevent childhood trauma and reduce the negative emotional, social, and health effects of childhood trauma;

Whereas the Substance Abuse and Mental Health Services Administration provides substantial resources to better engage individuals and communities across the United States to implement trauma-informed care;

Whereas numerous Federal agencies have integrated trauma-informed approaches into programs and grants that those agencies administer, and those agencies could benefit from closer collaboration; and

Whereas national recognition through a trauma-focused awareness month would help to deepen the understanding of the nature and impact of trauma, the importance of prevention, the impact that ACEs can have on brain development, and the benefits of trauma-informed care: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the importance, effectiveness, and need for trauma-informed care among existing programs and agencies at the Federal level;

(2) encourages the use and practice of trauma-informed care within Federal agencies to tackle ACEs; and

(3) supports the designation of May 2018 as "National Trauma Awareness Month" and May 22, 2018, as "National Trauma-Informed Awareness Day" in order to highlight community resilience through trauma-informed change.
Whereas, at Pearl Harbor, Hawaii, on December 7, 1941, during the attack on Belfows Field, Second Lieutenant George Allison Whitman reached his aircraft, but while attempting to mount his B-47 bomber, Lieutenant Whitman’s B-47 Warhawk was attacked by enemy fighters and crashed, fatally injuring Second Lieutenant Whitman;

Whereas 51B9451 a site where Whiteman Air Force Base (in this preamble referred to as “Whiteman AFB”) currently exists was established as Sedalia Glider Base, and Sedalia Airfield later established the site that was later used as a location for the Fourth Minuteman intercontinental ballistic missile wing and the home of the 331st Strategic Missile Wing;

Whereas Whitman AFB developed and matured alongside United States Air Force capabilities and necessities, transitioning from a bomber base to a location for the B-52 Stratofortress to a B-47 bomber to a B-2 Spirit bomber, and is able to deploy to Missouri to engage adversaries of the United States anywhere in the world;

Whereas the 2586th Bomb Wing is stationed at Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 2586th Bomb Wing has recently transitioned to using the HH-60 Blackhawk Helicopter, which allows for more effective joint force training: Now, therefore be it

Resolved, That the Senate commemorates the 62nd anniversary of the dedication of Whiteman Air Force Base.

Whereas the 1-135th Assault Helicopter Battalion has recently transitioned to using the MQ-9 Reaper for aerial reconnaissance and close air support; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;

Whereas, on December 3, 1955, Sedalia Air Force Base was dedicated as Whiteman AFB, in memory of Sedalia-native Second Lieutenant George Allison Whitman, one of the first airmen killed in World War II; and

Whereas, in 1942, the site where Whiteman AFB was dedicated as Whiteman AFB, is the only Air National Guard, supports humanitarian and disaster relief operations as well as transportation on drug interdiction missions; and

Whereas the 442nd Fighter Wing, an Air Force Reserve Command organization, carries on the traditions of the 10th Thunderbolt II aircraft (commonly known as the “Warthog”), which is the first all-jet bomber, and the KC-97, which is an aerial refueling tanker;
SA 1834. Mr. BENNETT submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1835. Mr. GRASSLEY (for himself, Mr. PORTNOY, Mr. RYAN, Mr. SinCERELLA, Mr. TRUNZ) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1836. Mr. HATCH submitted an amendment intended to be proposed to him by the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1837. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1816 proposed by Mr. MCConnelL (for Mr. HATCH (for him- self and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1838. Mr. SASSe submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1839. Mr. SASSe submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1840. Mr. INHOFE (for himself and Mr. LANKFORD) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1841. Mr. GARDNER submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1842. Mr. RUBIO (for himself and Mr. LEE) submitted an amendment intended to be proposed to him by the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1843. Mr. RUBIO (for himself and Mr. LEE) submitted an amendment intended to be proposed to him by the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1844. Mr. CORNYN (for Mr. Kaine (for himself, Mr. MANChIN, Mrs. MCCASKILL, and Mr. BENNET)) proposed an amendment to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1845. Mr. INHOFE (for himself and Mr. LANKFORD) submitted an amendment intended to be proposed to him by the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1846. Mr. CORNYN (for Mr. Kaine (for himself, Mr. MANChIN, Mrs. MCCASKILL, and Mr. BENNET)) proposed an amendment to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1847. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1848. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1849. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1850. Mr. MCCONNELL (for Mr. RUBIO (for himself, Mr. LEE, Mr. SASSe, and Mr. Kennedy)) proposed an amendment to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra.

SA 1851. Mr. RUBIO (for himself, Mr. LEE, Mr. SASSe, and Mr. Kennedy) submitted an amendment intended to be proposed to him by the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1852. Mr. CORNYN (for Mr. Cruz (for himself, Mr. Cotton, Mr. Kennedy, and Mr. SASSe)) proposed an amendment to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra.

SA 1853. Mr. INHOFE (for himself and Mr. LANKFORD) submitted an amendment intended to be proposed to him by the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1854. Mr. MCCONNELL (for Mr. Brown (for himself, Mr. BENNET, Mr. DURbin, Mr. CAShy, Mr. WydEN, Mrs. MURRAY, and Mr. Menendez)) proposed an amendment to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra.

SA 1855. Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra.

SA 1856. Mr. MERRKLEY proposed an amendment to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. Hatch (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra.

SA 1857. Mr. DAINES (for himself, Mrs. ERnST, Mr. LANKFORD, Mr. MORan, Mrs. Firschke, Mr. BLunt, Mr. LEE, Mr. Risch, and Mr. SASSe) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1858. Ms. BALDWIN submitted an amendment intended to be proposed by her to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1859. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1860. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1861. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1862. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1863. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1864. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1865. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1866. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1867. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1868. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1869. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1870. Mr. FRANKEN submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS
SA 1811. Mr. BLUNT submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCConnelL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolutions on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 381, line 1, strike ‘‘(c) REGULATIONS.—’’ and insert ‘‘(c) REGULATIONS.—(1) A QUALIFIED INVESTMENT CORPORATION shall treat aSpecified 10 PERCENT OWNED FOREIGN CORPORATION as a Specified 10 PERCENT OWNED FOREIGN CORPORATION for purposes of this section.’’
(A) in accordance with the method regularly employed by such domestic company, if such method clearly reflects income derived from, and the other items attributable to, the qualified business unit, and

(B) in all other cases, in accordance with regulations prescribed by the Secretary.

(7) EFFECT OF ELECTION AND TERMINATION—

(A) IN GENERAL.—For purposes of this title, each electing insurance, banking, and financing branch shall be treated as a foreign corporation organized in its home country (as defined in section 953(e)(6)(B)).

(B) TREATMENT OF ASSETS AND LIABILITIES.—Any domestic corporation making an election (as described in paragraph (5)) shall be treated as continuing its existence as a domestic corporation after the first taxable year following such election (as of the first day of the first taxable year to which such election applies) and the assets and liabilities separately accounted for under paragraph (6) (of the preceding clause) shall be treated as assets and liabilities of the foreign corporation in connection with an election to which section 351 applies, subject to section 367.

(C) EFFECT OF TERMINATION OF ELECTION.—If an election is made by a domestic corporation under paragraph (5) for any taxable year, and such election ceases to apply to the electing insurance, banking, and financing branch for any subsequent taxable year, then the electing insurance, banking, and financing branch treated as a foreign corporation shall be treated as if it was formed on the first day of the first taxable year following such cessation (as liquidating under section 332, subject to section 351, applied to section 338 as modified by section 338(a)(10)).

(8) TRANSACTIONS BETWEEN ELECTING INSURANCE, BANKING, AND FINANCING BRANCH AND DOMESTIC CORPORATION.—Any amount directly or indirectly transferred or credited from a domestic corporation to an electing branch account established pursuant to paragraph (6) to one or more other accounts of such domestic company shall be treated as a deemed distribution for purposes of regulations prescribed by the Secretary.

SEC. 1. EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) In General.—Section 119(d) of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking "January 1, 2017" each place it appears and inserting "January 1, 2023";

(2) by striking "first 11 taxable years" in paragraph (1) and inserting "first 17 taxable years"; and

(3) by striking "first 5 taxable years" in paragraph (2) and inserting "first 11 taxable years".

(b) Treatment of Certain References.—

Section 119(e) of division A of the Tax Relief and Health Care Act of 2006 is amended by adding at the end the following: "References in this section to section 139 of the Internal Revenue Code of 1986 shall be treated as references to such section as in effect before its repeal by the Tax Cuts and Jobs Act."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 1A. horses submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. 1B. EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) In General.—Section 119(d) of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking "January 1, 2017" each place it appears and inserting "January 1, 2023";

(2) by striking "first 11 taxable years" in paragraph (1) and inserting "first 17 taxable years"; and

(3) by striking "first 5 taxable years" in paragraph (2) and inserting "first 11 taxable years".

(b) Treatment of Certain References.—

Section 119(e) of division A of the Tax Relief and Health Care Act of 2006 is amended by adding at the end the following: "References in this section to section 139 of the Internal Revenue Code of 1986 shall be treated as references to such section as in effect before its repeal by the Tax Cuts and Jobs Act."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 1C. horses submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. 1D. EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) In General.—Section 119(d) of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking "January 1, 2017" each place it appears and inserting "January 1, 2023";

(2) by striking "first 11 taxable years" in paragraph (1) and inserting "first 17 taxable years"; and

(3) by striking "first 5 taxable years" in paragraph (2) and inserting "first 11 taxable years".

(b) Treatment of Certain References.—

Section 119(e) of division A of the Tax Relief and Health Care Act of 2006 is amended by adding at the end the following: "References in this section to section 139 of the Internal Revenue Code of 1986 shall be treated as references to such section as in effect before its repeal by the Tax Cuts and Jobs Act."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 1E. horses submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. 1F. EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) In General.—Section 119(d) of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking "January 1, 2017" each place it appears and inserting "January 1, 2023";

(2) by striking "first 11 taxable years" in paragraph (1) and inserting "first 17 taxable years"; and

(3) by striking "first 5 taxable years" in paragraph (2) and inserting "first 11 taxable years".

(b) Treatment of Certain References.—

Section 119(e) of division A of the Tax Relief and Health Care Act of 2006 is amended by adding at the end the following: "References in this section to section 139 of the Internal Revenue Code of 1986 shall be treated as references to such section as in effect before its repeal by the Tax Cuts and Jobs Act."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 1G. horses submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. 1H. EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) In General.—Section 119(d) of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking "January 1, 2017" each place it appears and inserting "January 1, 2023";

(2) by striking "first 11 taxable years" in paragraph (1) and inserting "first 17 taxable years"; and

(3) by striking "first 5 taxable years" in paragraph (2) and inserting "first 11 taxable years".

(b) Treatment of Certain References.—

Section 119(e) of division A of the Tax Relief and Health Care Act of 2006 is amended by adding at the end the following: "References in this section to section 139 of the Internal Revenue Code of 1986 shall be treated as references to such section as in effect before its repeal by the Tax Cuts and Jobs Act."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.
beginning on page 43, strike lines 16 and all that follows through page 45, line 20 and insert the following:

"(4) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

(A) IN GENERAL.—The credit determined under subsection (a) (after the application of paragraph (2) shall be increased by $500 for each child who is a qualifying child described in subsection (c)."

SA 1816. MR. TOOMEY submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. HATCH (for himself and Ms. MURkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

(a) by striking "and qualified cooperative dividends" in subsection (b)(1)(B) thereof, and

(b) by striking paragraph (4) of subsection (e) thereof.

(2) EFFECTIVE DATE.—The amendments made by this section shall apply as if included in the amendments made by section 1101 of this Act.

SA 1818. MR. ENZI submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. HATCH (for himself and Ms. MURkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart B of part VII of subtitle C of title I, add the following:

SEC. 1361. MODIFICATION OF RULES GOVERNING HARDSHIP DISTRIBUTIONS.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall modify Treasury Regulation section 1.401(k)(4)(x)(iii)(iv)(E) to—

(1) delete the 6-month prohibition on contributions imposed by paragraph (2) thereof, and

(2) make any other modifications necessary to carry out the purposes of section 401(k)(4)(x)(iv)(E) of the Internal Revenue Code of 1986.

(b) EFFECTIVE DATE.—The revised regulations under this section shall apply to plan years beginning after December 31, 2017.

SA 1819. MR. HATCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. HATCH (for himself and Ms. MURkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 446, strike lines 16 through 25, and insert the following:

"(c) TAX ON CERTAIN FARMERS’ COOPERATIVES.—

(A) IN GENERAL.—Section 199(b) is amended—

(b) by adding the following as a new paragraph (1) thereof:

"(1) IN GENERAL.—Section 1381(b) is amended—

(b) T AX ON CERTAIN FARMERS’ COOPERATIVES.—

"(c) thereof.

SA 1829. MR. HATCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. HATCH (for himself and Ms. MURkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart D of part VII of subtitle C of title I, add the following:
SEC. 13542. MODIFICATION OF TREATMENT OF S CORPORATION CONVERSIONS TO C CORPORATIONS.

(a) In General.—Section 1371 is amended by adding at the end the following new subsection:

"'(f) Cash Distributions Following Post-termination Transition Period.—

"'(1) In General.—In the case of a distribution of money by an eligible terminated S corporation after the post-termination transition period, the accumulated adjustments account shall be allocated to such distribution, and the distribution shall be chargeable to accumulated earnings and profits, in the same ratio to the amount of such accumulated adjustments account bears to the amount of such accumulated earnings and profits.

"'(2) Eligible Terminated S Corporation.—

For purposes of this subsection, the term ‘eligible terminated S corporation’ means any C corporation—

"'(A) which—

"'"(i) was an S corporation on the day before the date of the enactment of the Tax Cuts and Jobs Act, and

"'"(ii) during the 2-year period beginning on the date of such enactment makes a revocation of its election under section 1362(a), and

"'"(B) the owners of the stock of which, determined on the date such revocation is made, are the same owners (and in identical proportions) as on the date of such enactment.

(b) Effective Date.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

SA 1821. Mr. GARDNER submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. Hatch (for himself and Ms. Murkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1. CONSOLIDATION OF EDUCATION SAVINGS RULES.

(a) No New Contributions to Coverdell Education Savings Accounts.—Section 530(b)(1)(A) is amended to read as follows:

"'(A) Except in the case of rollover contributions, no contribution will be accepted after December 31, 2017.

(b) Limited Distribution Allowed for Elementary and Secondary Tuition and Qualified Early Education Expenses.—

(1) In General.—Section 529(c) is amended by adding at the end the following new paragraph:

"'(l) a reference to expenses for tuition in connection with enrollment at an elementary or secondary school; and

"'(m) a reference to expenses for providing educational and other care to a child under age 5, as determined under the law of the State involved, provided pursuant to attendance at a school or facility licensed in the State for such purpose (referred to in this section as ‘qualified early education expenses’).

(2) Limitations.—Section 529(c)(3)(A) is amended by adding at the end the following:

"'The amount of cash distributions from all qualified tuition pro grams described in subsection (b)(1)(A)(ii) with respect to a beneficiary during any taxable year, shall, in the aggregate, include (as the case may be) not more than $10,000 in expenses for tuition incurred during such taxable year in connection with the enrollment or attendance of the beneficiary as an elementary or secondary school student at a public, private, or religious school, less than $10,000 in qualified early education expenses incurred during the taxable year.

(c) Rollovers From Coverdell Education Savings Accounts to Qualified Tuition Programs.—Section 530(d)(4)(A) is amended by inserting ‘‘; or into (by purchase or contribution) a qualified tuition program (as defined in section 530(c)) after “another Cover- dell education savings account”.

(d) Effective Dates.—

"'(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions made after December 31, 2017.

"'(2) Rollovers to Qualified Tuition Programs.—The amendments made by subsection (b) shall apply to distributions after December 31, 2017.

SA 1823. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. Hatch (for himself and Ms. Murkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 13332.

SA 1824. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. Hatch (for himself and Ms. Murkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 187, strike line 15 and insert the following: ‘‘(v) manufacturers making upgrades to comply with State or Federal environmental regulations.”

SA 1824. Mr. HOEVEN (for himself, Mr. GARDNER, Mr. BOOZMAN, Mrs. ERNST, Mr. BLUNT, Mr. RISCH, Mr. ROUNDS, Mr. MORAN, Mr. COTTON, and Mr. DAINES) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. Hatch (for himself and Ms. Murkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 30, strike line 10, insert “(except with respect to engineering and architecture)” after “1232(e)(3)(A)”.

SA 1826. Mr. SCOTT (for himself, Mr. BLUNT, Mr. PORTMAN, Mr. ISAKSON, Mr. GRASSLEY, Mr. CRAPO, Mr. ROBERTS, Mr. ROUNDS, Mr. STRANGE, Mr. SHELBY, Mr. GRASSLEY, Mr. GARDNER, Mr. COTTON, and Mr. ROBERTS) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. McCONNELL (for Mr. Hatch (for himself and Ms. Murkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:
On page 254, strike lines 10 through 25 and insert the following:

SEC. 13517. COMPUTATION OF LIFE INSURANCE TAX RESERVES.

(a) IN GENERAL.—(1) COMPUTATION OF RESERVES.—Section 807(c)(3)(B) is amended to read as follows:

"(B) by redesignating paragraphs (3), (4), (6), (7) as (2), (3), (4), and (5), respectively, and by striking paragraph (1) as so redesignated.

"(2) Section 807(d) is amended—

(A) by striking paragraphs (3), (4), (6), (7),

(B) by redesignating paragraph (6) as paragraph (3),

(C) by inserting before paragraph (3) the following new paragraph:

"(1) DETERMINATION OF RESERVE.—

"(A) IN GENERAL.—For purposes of this section, the amount of the life insurance reserves for a contract attributable to any other benefit is not available to fund such benefit.

"(B) QUALIFIED SUPPLEMENTAL BENEFITS.—For purposes of this paragraph, the supplemental benefits described in this subparagraph are any—

(i) guaranteed insurability,

(ii) accidental death or disability benefit,

(iii) convertibility,

(iv) disability waiver benefit,

(v) other benefit prescribed by regulations which is supplemental to a contract for purposes of subsection (a)(8).

"(2) REPORTING RULES.—The Secretary shall (at such time and in such manner as the Secretary shall prescribe) with respect to any contract and in effect as of the date of the reserve is determined.

"(3) TRANSITION RELIEF.—

(A) EFFECTIVE DATE.—This section shall apply to any contract issued on or after the date of the reserve is determined.

(B) METHOD.—The method provided in this subsection shall be used in computing reserves for that type of contract under the insurance laws of at least 26 States when the contract was issued.

If the prevailing commissioners' standard tables as of the beginning of any calendar year with respect to any contract issued after the change and before the close of the 3-year period beginning on the first day of the year of change.

"(2) TRANSITION RELIEF.—The prevailing State assumed interest rate means, with respect to any contract, the highest assumed interest rate permitted to be used in computing life insurance reserves for insurance contracts or annuity contracts (as the case may be) under the insurance laws of at least 26 States.

For purposes of this subsection, the effect of nonforfeiture laws of a State on interest rates for reserves shall not be taken into account.

"(3) TRANSITION RULE.—For the first taxable year beginning after December 31, 2017, the reserve with respect to any contract determined under section 807(d)(2) of the Internal Revenue Code of 1986 at the end of the preceding taxable year shall be determined as if the amendments made by this section had applied to such reserve in such preceding taxable year.

"(4) TRANSITION RELIEF.—

(A) IN GENERAL.—If—

(i) the reserve determined under section 807(d)(2) of the Internal Revenue Code of 1986 (determined without regard to the amendments made by this section) with respect to any contract as of the close of the year preceding the first taxable year beginning after December 31, 2017, differs from the reserve which has all been determined with respect to such contract as of the close of such taxable year under such section determined without regard to paragraph (B), then the difference between the amount of the reserve described in clause (i) and the amount of the reserve described in clause (ii) shall be taken into account under the method provided in subparagraph (B).

(B) METHOD.—The method provided in this subparagraph is as follows:

"(i) If the amount determined under subparagraph (A)(i) is less than the amount determined under subparagraph (A)(ii), 1/8 of such excess shall be taken into account, for each
of the 8 succeeding taxable years, as a deduction under section 805(a)(2) or 832(c)(4) of such Code, as applicable.

(ii) If the amount determined under subparagraph (A)(i) of such Code, as applicable.

At the end of part III of subtitle C of title 1, insert the following:

SEC. 11030. REFUNDABILITY OF CHILD AND DEPENDENT TAX CREDIT.

(a) IN GENERAL.—The Internal Revenue Code of 1986 is amended—

(1) by redesignating section 21 as section 36C, and

(2) by moving section 36C, as so redesignated, from subpart A of part IV of subchapter A of chapter 1 to the location immediately before section 26 in part IV of subchapter A of chapter 1.

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 23(b) is amended by striking "36B'' and inserting "36C''.

(2) Paragraph (2) of section 23(b) is amended by striking "section 36B'' and inserting "section 36C''.

(3) Paragraph (3) of section 23(b) is amended by striking "section 36B'' and inserting "section 36C''.

(4) Paragraph (4) of section 23(b) is amended by striking "section 36B'' and inserting "section 36C''.

(5) Paragraph (5) of section 23(b) is amended by striking "section 36B'' and inserting "section 36C''.

(6) Paragraph (6) of section 23(b) is amended by striking "section 36B'' and inserting "section 36C''.

(7) Paragraph (7) of section 23(b) is amended by striking "section 36B'' and inserting "section 36C''.

(8) Paragraph (8) of section 23(b) is amended by striking "section 36B'' and inserting "section 36C''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11510. CAPITALIZATION OF CERTAIN POLICY ACQUISITION EXPENSES.

(a) IN GENERAL.—(1) Section 844(a)(2) is amended by striking "120-month'' and inserting "180-month''.

(2) Section 844(c)(1) is amended by striking "1.75 percent'' and inserting "2.1 percent''.

(3) Section 844(c)(2) is amended by striking "2.05 percent'' and inserting "2.46 percent''.

(4) Section 844(c)(3) is amended by striking "7.7 percent'' and inserting "9.24 percent''.

(b) CONFORMING AMENDMENTS.—Section 481(b)(1) is amended by striking "120-month'' and inserting "180-month''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) TRANSITION RULE.—Specified policy acquisition expenses first required to be capitalized in a taxable year beginning before January 1, 2018, may be deferred as a deduction ratably over the 120-month period beginning with the first month in the second half of such taxable year.

SA 1827. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

At the end of the giving of the title "7-YEAR CLASS LIFE FOR MOTORSPORTS ENTERTAINMENT COMPLEX FACILITIES MADE PERMANENT.

SEC. 1311. 7-YEAR CLASS LIFE FOR MOTORSPORTS ENTERTAINMENT COMPLEX FACILITIES MADE PERMANENT.

(a) IN GENERAL.—Section 168(i)(15) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D).

(b) EFFECTIVE DATE.—The terms 'electing business development company' and 'qualified business development company' mean a business development company (as defined in section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a))) which has an election in effect under section 851 to be treated as a regulated investment company.

SA 1830. Mr. RISCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

On page 33, between lines 17 and 18, insert the following:

(5) SPECIAL RULE FOR BDC DIVIDENDS.—

"(A) IN GENERAL.—For purposes of this section, a qualified BDC dividend shall be treated in the same manner as a qualified REIT dividend.

(B) QUALIFIED BDC DIVIDEND.—For purposes of this section, the term 'qualified BDC dividend' means any dividend received from an electing business development company during the taxable year which is not—

(i) a capital gain dividend, as defined in section 852(b)(3), and

(ii) qualified dividend income, as defined in section 1(h)(11).

(C) ELECTING BUSINESS DEVELOPMENT COMPANY.—For purposes of this section, the term 'electing business development company' means a business development company (as defined in section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a))) which has an election in effect under section 851 to be treated as a regulated investment company.
If taxable income is:  

| Over $7,150 but not over $14,000 | $4,790, plus 25% of the excess over $7,150. |
| Over $14,000 but not over $20,000 | $9,260, plus 24% of the excess over $14,000. |
| Over $20,000 but not over $50,000 | $12,700 .......................... $1,839, plus 35% of the excess over $20,000. |
| Over $50,000 but not over $130,000 | $45,739.50, plus 35% of the excess over $50,000. |
| Over $130,000 but not over $200,000 | $9,348, plus 35% of the excess over $130,000. |
| Over $200,000 but not over $426,700 | $240,026 ......................... $45,739.50, plus 35% of the excess over $200,000. |
| Over $426,700 ................... $125,084.50, plus 39.6% of the excess over $426,700. |

**Over $9,150 but not over $2,550:** 10% of taxable income.

**Over $200,000 but not over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $70,000 but not over $160,000: $9,498, plus 24% of the excess over $70,000.
  - Over $160,000 but not over $200,000: $31,548, plus 32% of the excess over $160,000.
  - Over $200,000 but not over $426,700: $44,348, plus 35% of the excess over $200,000.

**Over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $453,350: $133,020.50, plus 39.6% of the excess over $426,700.
  - Over $77,400 but not over $160,000:
    - $51,800 .......................... $1,360, plus 12% of the excess over $77,400.
    - $160,000 .......................... $9,948, plus 24% of the excess over $160,000.
    - $400,000 .......................... $65,879, plus 32% of the excess over $400,000.

- (f) Inflation Adjustment.
  - Section 1(c)(2)(A), as amended by this Act, is amended by striking ‘‘1992’’ and inserting ‘‘2017’’.  

**RETURNS.—** The table contained in subsection (b) of section 1 is amended to read as follows:

- If taxable income is:
  - Over $7,150 but not over $14,000: $255, plus 24% of the excess over $2,500.
  - Over $9,150 but not over $12,700: $1,839, plus 35% of the excess over $9,150.
  - Over $12,700: $3,081.50, plus 39.6% of the excess over $12,700.

**Over $70,000 but not over $160,000:**

- If taxable income is:  
  - The tax is:
  - Over $70,000 but not over $130,000: $9,498, plus 24% of the excess over $70,000.
  - Over $130,000 but not over $200,000: $31,548, plus 32% of the excess over $130,000.
  - Over $200,000 but not over $426,700: $44,348, plus 35% of the excess over $200,000.

**Over $200,000 but not over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $200,000 but not over $426,700: $44,348, plus 35% of the excess over $200,000.

**Over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $453,350: $133,020.50, plus 39.6% of the excess over $426,700.

**Over $160,000 but not over $200,000:**

- If taxable income is:  
  - The tax is:
  - Over $160,000 but not over $200,000: $9,948, plus 24% of the excess over $160,000.

**Over $200,000 but not over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $200,000 but not over $426,700: $44,348, plus 35% of the excess over $200,000.

**Over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $453,350: $133,020.50, plus 39.6% of the excess over $426,700.

**Over $77,400 but not over $160,000:**

- If taxable income is:  
  - The tax is:
  - Over $77,400 but not over $160,000: $51,800 .......................... $1,360, plus 12% of the excess over $77,400.

**Over $160,000 but not over $200,000:**

- If taxable income is:  
  - The tax is:
  - Over $160,000 but not over $200,000: $9,948, plus 24% of the excess over $160,000.

**Over $200,000 but not over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $200,000 but not over $426,700: $44,348, plus 35% of the excess over $200,000.

**Over $426,700:**

- If taxable income is:  
  - The tax is:
  - Over $453,350: $133,020.50, plus 39.6% of the excess over $426,700.
and ending at the close of the 10th calendar year beginning on or after such date of designation.

SEC. 1400Z-2. SPECIAL RULES FOR CAPITAL GAINS INVESTED IN OPPORTUNITY ZONES.

(a) IN GENERAL.—In the case of gain from the sale or exchange, with, or an unrelated person of any property held by the taxpayer, at the election of the taxpayer—

(1) gross income for the taxable year shall not include with such of such gain as does not exceed the aggregate amount invested by the taxpayer in a qualified opportunity fund during the 180-day period beginning on the date of such sale or exchange.

(2) the amount of gain excluded by paragraph (1) shall be included in gross income as provided by subsection (b), and

(3) rules substantially identical to the rules for gain described in paragraph (b) shall apply. No election may be made under the preceding sentence with respect to a sale or exchange if an election previously made with respect to such sale or exchange is in effect.

(b) DEFERRAL OF GAIN INVESTED IN OPPORTUNITY ZONE PROPERTY.—

(1) YEAR OF INCLUSION.—Gain to which subsection (a)(2) applies shall be included in income in the taxable year which includes the date of—

(A) the date on which such investment is sold or exchanged, or

(B) December 31, 2026.

(2) AMOUNT INCLUDIBLE.—(A) IN GENERAL.—The amount of gain included in gross income under subsection (a)(1) shall be the excess of—

(i) the lesser of the amount of gain excluded under paragraph (1) or the fair market value of the property as determined as of the date described in paragraph (1), over

(ii) the taxpayer's basis in the investment.

(B) DETERMINATION OF BASIS.—

(i) IN GENERAL.—Except as otherwise provided in this clause or subsection (c), the taxpayer's basis in the investment shall be zero.

(ii) INCREASE FOR GAIN RECOGNIZED UNDER SUBSECTION (A)(2).—The basis in the investment shall be increased by the amount of gain recognized by reason of subsection (a)(2) with respect to such property.

(iii) INVESTMENTS HELD FOR 5 YEARS.—In the case of any investment held for 5 years, the basis of such investment shall be increased by an amount equal to 10 percent of the amount of gain deferred by reason of subsection (a)(1).

(iv) INVESTMENTS HELD FOR 7 YEARS.—In the case of any investment held by the taxpayer for at least 7 years, in addition to any adjustment made under clause (iii), the basis of such property shall be increased by an amount equal to 5 percent of the amount of gain deferred by reason of subsection (a)(1).

(v) INVESTMENTS HELD FOR AT LEAST 10 YEARS.—In the case of any investment held by the taxpayer for at least 10 years and with respect to which the taxpayer makes an election under this clause, the basis of such property shall be equal to the fair market value of such investment on the date that the investment is sold or exchanged.

(d) QUALIFIED OPPORTUNITY FUND.—For purposes of this section—

(1) QUALIFIED OPPORTUNITY FUND.—The term 'qualified opportunity fund' means any investment vehicle which is organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property (other than another qualified opportunity fund) that holds at least 90 percent of its assets in qualified opportunity zone property, and

(A) on the last day of the first 6-month period of the taxable year of the fund, and

(B) on the last day of the taxable year of the fund.

(2) QUALIFIED OPPORTUNITY ZONE PROPERTY.—

(A) IN GENERAL.—The term 'qualified opportunity zone property' means property which—

(i) qualified opportunity zone stock,

(ii) qualified opportunity zone partnership interest, or

(iii) qualified opportunity zone business property.

(B) QUALIFIED OPPORTUNITY ZONE STOCK.—

(i) IN GENERAL.—Except as provided in clause (ii), the term 'qualified opportunity zone stock' means any stock in a domestic corporation if—

(ii) at least 90 percent of the fair market value of such stock on the date described in paragraph (1), over

(iii) the date on which such stock is acquired by the taxpayer after December 31, 2017, at its original issue price (directly or through an underwriter) from the corporation solely in exchange for cash.

(3) QUALIFIED OPPORTUNITY ZONE PARTNERSHIP INTEREST.—The term 'qualified opportunity zone partnership interest' means any capital or profits interest in a domestic partnership if—

(i) such interest is acquired by the taxpayer after December 31, 2017, from the partnership solely in exchange for cash,

(ii) as of the date of acquisition, the partnership was a qualified opportunity zone business, and

(iii) during substantially all of the taxpayer's holding period for such stock, such partnership qualified as a qualified opportunity zone business.

(4) QUALIFIED OPPORTUNITY ZONE BUSINESS.—

(A) IN GENERAL.—The term 'qualified opportunity zone business' means tangible personal property which is—

(i) qualified opportunity zone property,

(ii) property held in the qualified opportunity zone business for at least 10 years (or, in the case of a partnership, any 10-year period beginning after the date of formation of such partnership), and

(iii) during substantially all of the taxpayer's holding period for such stock, such partnership qualified as a qualified opportunity zone business.

(B) SPECIAL RULE.—For purposes of subparagraph (A), tangible property that ceases to be a qualified opportunity zone business property shall continue to be treated as a qualified opportunity zone business property for the lesser of—

(i) 5 years after the date on which such tangible property ceases to be so qualified, or

(ii) the date on which such tangible property is no longer held by the qualified opportunity zone business.

(6) APPLICABLE RULES.—

(1) TREATMENT OF INVESTMENTS WITH MIXED FUNDS.—In the case of any investment in a qualified opportunity fund only a portion of which consists of investments of gain to which an election under subsection (a)(1) is in effect.

(A) such investment shall be treated as 2 separate investments, consisting of—

(i) one investment that only includes amounts to which the election under subsection (a)(1) applies, and

(ii) a separate investment consisting of other amounts, and

(B) subsections (a), (b), and (c) shall only apply to the investment described in subparagraph (A)(i).

(2) RELATED PERSONS.—For purposes of this section, persons are related to each other if such persons are described in section 52(b)(1) or 707(b)(1), determined by substituting '20 percent' for '50 percent' each place it occurs in such sections.

(3) DEDUCTIONS.—In the case of a decedent, amounts recognized under this section shall, if not properly includable in the gross income of the decedent, be includible in gross income as provided by section 691.

(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including

(A) rules for the certification of qualified opportunity funds for the purposes of this section, and

(B) rules to prevent abuse.

(5) FAILING OF QUALIFIED OPPORTUNITY FUND TO MAINTAIN INVESTMENT STANDARD.—

(A) IN GENERAL.—If a qualified opportunity fund fails to meet the 90-percent requirement of subsection (c)(1), the qualified opportunity fund shall pay a penalty for each month it fails to meet the requirement in an amount equal to the product of—

(i) the excess of—

(A) the amount equal to 90 percent of its aggregate assets, over

(B) the aggregate amount of qualified opportunity zone property held by the fund, multiplied by

(B) the underpayment rate established under section 6621(a)(2) for such month.

(B) SPECIAL RULE FOR PARTNERSHIPS.—In the case that the qualified opportunity fund is a partnership, the penalty imposed by paragraph (1) shall be taken into account proportionately as part of the distributive share of each partner of the partnership.

(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that such failure is due to reasonable cause.
investment credit for electric grid security and modernization property. (a) In general.—Section 48(a)(3)(A) is amended by striking "or" at the end of clause (vi), by inserting "or" at the end of clause (vii), and by adding at the end the following new clause: "(vii) is approved for purposes of this section by the Secretary in consultation with the Secretary of Energy.

(b) Rate of credit.—Section 48(a)(2)(A) is amended—

(1) by striking "and" at the end of clause (i)(IV);

(2) by redesignating clause (ii) as clause (iii); and

(3) by inserting after clause (i) the following new clause:

"(ii) increases that efficiency, security, and reliability of a transmission facility, but not the main transmission property, and

(iii) is approved for purposes of this section by the Secretary in consultation with the Secretary of Energy.

(c) Determination of unused amount.—The amount determined under this subparagraph shall be the excess (if any) of—

(1) the sum of the amounts determined under clause (ii) thereof for taxable years ending after the date of the enactment of this Act, but

(2) the amount determined under clause (ii) thereof for any taxable year which would have been determined by section 59A(b)(1)(B) had been applied by taking into account under clause (i) thereof the total credit allowed under section 38 for the taxable year rather than only the portion properly allocable to the research credit determined under section 41(a).

(d) Applicable taxpayer.—For purposes of this paragraph, the term "applicable taxpayer" has the meaning given such term by section 59A(e).

SEC. 8. INVESTMENT CREDIT FOR ELECTRIC GRID SECURITY AND MODERNIZATION PROPERTY.

SA 1834. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH for himself and Ms. MURkowski) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 5. INVESTMENT CREDIT FOR ELECTRIC GRID SECURITY AND MODERNIZATION PROPERTY.

(b) Basis adjustments.—Section 1016(a) is amended by striking "and" at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting "and", and by inserting after paragraph (37) the following:

"(b) the extent provided in subsections (b)(2) and (c) of section 1040-2."

(c) Amendment.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"SUBCHAPTER Z. OPPORTUNITY ZONES."

(d) Effective date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SA 1834. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH for himself and Ms. MURkowski) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 5. INVESTMENT CREDIT FOR ELECTRIC GRID SECURITY AND MODERNIZATION PROPERTY.

(b) Basis adjustments.—Section 1016(a) is amended by striking "and" at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting "and", and by inserting after paragraph (37) the following:

"(b) the extent provided in subsections (b)(2) and (c) of section 1040-2."

(c) Amendment.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"SUBCHAPTER Z. OPPORTUNITY ZONES."

(d) Effective date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SA 1834. Mr. HATCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH for himself and Ms. MURkowski) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

On page 481, strike lines 14 through 19, and insert the following:

(c) Rules relating to credits.—

(1) Disallowance of credits against base erosion tax.—Paragraph (2) of section 26(b) is amended by inserting after subparagraph (A) the following new subparagraph (B): "(B) section 59A (relating to base erosion and anti-abuse tax)."

(2) Allowance of unused business credits.—Section 39(a) is amended by adding at the end the following new paragraph: "(5) INCREASE IN CURRENT YEAR CREDIT FOR UNUSED CREDITS ARISING FROM BASE EROSION TAX. (A) IN GENERAL.—If a taxpayer—

"(i) is not an applicable taxpayer for the taxable year, but

(ii) was an applicable taxpayer during any of the 5 preceding taxable years, then the taxpayer’s current year business credit for the taxable year shall be increased by the unused base erosion credit amount for the taxable year.

(B) UNUSED BASE EROSION CREDIT AMOUNT.—For purposes of this paragraph, the term "unused base erosion credit amount" means, with respect to any taxable year, the excess (if any) of—

"(i) the sum of the amounts determined under paragraph (2) for the 5 preceding years in which the taxpayer was an applicable taxpayer, over

"(ii) any portion of the amount described in clause (i) taken into account under subparagraph (A) for any preceding taxable year.

(C) Determination of unused amount.—The amount determined in paragraph for any taxable year described in subparagraph (B)(i) shall be the excess (if any) of—

"(i) the taxpayer’s base erosion minimum tax amount for the taxable year without regard to this section, over

"(ii) the taxpayer’s base erosion minimum tax amount for any taxable year which would have been determined if section 59A(b)(1)(B) had been applied by taking into account under clause (i) thereof the total credit allowed under section 38 for the taxable year rather than only the portion properly allocable to the research credit determined under section 41(a).

(D) Applicable taxpayer.—For purposes of this paragraph, the term "applicable taxpayer" has the meaning given such term by section 59A(e)."

SA 1836. Mr. HATCH submitted an amendment intended to be proposed to amendment SA 1147 proposed by Mr. GRASSLEY for Mr. PORTMAN, Mr. HELLER, Mr. ROBERTS, and Mr. THUNE) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

On page 480, between lines 11 and 12, insert the following:

(b) Increased rate for certain banks and securities dealers.—

"(A) in general.—In the case of an applicable taxpayer described in subparagraph (B) for any taxable year—

"(i) paragraphs (1)(A) and (2)(A) shall each be applied by substituting "11 percent" for "10 percent", and

"(ii) paragraph (2)(A) shall be applied by substituting "13.5 percent" for "12.5 percent."

(B) Taxpayer described.—An applicable taxpayer described in this subparagraph is an applicable taxpayer, as defined in section 1564(a)(1)(A)."
"(i) a bank (as defined in section 581), or
"(ii) a registered securities dealer under section 15(a) of the Securities Exchange Act of 1934.
On page 489, strike lines 3 through 19, and insert:
"(g) EXCEPTION FOR CERTAIN PAYMENTS MADE IN THE ORDINARY COURSE OF TRADE OR BUSINESS OF THE APPROPRIATE ROLES OF THIS SECTION.
"(1) IN GENERAL.—Except as provided in paragraph (3), any qualified derivative pay-
"(i) to substitute payments not subject to this section and
"(ii) for the application of subsection (g), including rules to prevent the avoidance of the exceptions under subsection (g)(3).
SA 1837. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:
At the appropriate place, insert the following:
SEC. 3. ONE-TIME WITHDRAWAL OF PENSION SAVINGS AT A 10-PERCENT TAX RATE.
(a) IN GENERAL.—Section 72 is amended by redesignating subsection (x) as subsection (y) and by inserting after subsection (w) the following new subsection:
"(x) SPECIAL RATE FOR DISTRIBUTIONS FROM APPLICABLE PLANS DURING 2018.—
"(1) IN GENERAL.—If a taxpayer receives 1 or more qualified distributions from 1 or more applicable retirement plans during the taxpayer’s first taxable year beginning after December 31, 2017, then, notwithstanding any other provision of this title—
"(i) a tax computed at the rates and in the manner as if this subsection had not been enacted on taxable income reduced by the aggregate qualified distributions made by this section shall apply to taxable income, and
"(ii) a tax of 10 percent of such qualified distributions (or, if less, taxable income), and
"(B) no penalty or addition to tax shall be imposed with respect to such qualified distributions.
"(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—
"(A) IN GENERAL.—The term ‘qualified distribution’ includes any distribution received by a taxpayer from an applicable retirement plan, plus—
"(i) a tax computed at the rates and in the manner as if this subsection had not been enacted on taxable income reduced by the aggregate qualified distributions made by this section.
SEC. 4. MAXIMUM CONTRIBUTION LIMIT TO HEALTH SAVINGS ACCOUNT INCREASED TO 150 PERCENT OF THE AMOUNT OF DEDUCTIBLE AND OUT-OF-POCKET LIMITATION.
(a) SELF-ONLY COVERAGE.—Section 223(b)(2)(A) is amended by striking ‘‘$2,250’’ and inserting ‘‘150 percent of the amount in effect under subsection (c)(2)(A)(i)(I)’’. [A]
(b) FAMILY COVERAGE.—Section 223(b)(2)(B) is amended by striking ‘‘$4,500’’ and inserting ‘‘150 percent of the amount in effect under subsection (c)(2)(A)(i)(II)’’. [B]
(c) COST OF LIVING ADJUSTMENT.—Section 223(g)(1) is amended—
(1) by striking ‘‘subsections (b)(2) and’’ both places it appears and inserting ‘‘subsection’’; and
(2) in subparagraph (B), by striking ‘‘determined by’’ and all that follows through ‘‘calendar year 2003’’ and inserting ‘‘determined by substituting calendar year 2003 for calendar year 1992 in subparagraph (B) thereof’’. [C]
(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
SA 1839. Mr. SASSE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:
At the end of part III of subtitle A of title 1, insert the following:
SEC. 11609. EXTENSION OF CARRYOVER PERIOD FOR ADOPTION TAX CREDIT.
(a) IN GENERAL.—Section 23(c)(2) is amended—
(1) in subparagraph (A), by striking ‘‘fifth’’ and inserting ‘‘sixth’’; and
(2) by striking ‘‘10%’’ and inserting ‘‘26%’’.
(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.
SA 1840. Mr. INHOFE (for himself and Mr. LANKFORD) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr.
Mr. LEE] submitted an amendment in
paragraph (2)(B), by inserting the following:

``(i) in paragraph (1)(B), by striking clause
(ii) and inserting the following:

Politics.

The following table shall be applied in lieu of the table contained in subsection (a):

``(ii) the minimum taxable income for the

Over $9,150 but not over $320,000 ................ $100,109, plus 30% of the excess over $91,479, plus
35% of the excess over $65,879, plus 32% of the
excess over $9,150.

(M) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEIRS OF HOUSE-

-sary adjustments, elimination of marriage
penalty, etc.—

(A) NO ADJUSTMENT IN 2018.—The tables contained in paragraph (2) shall apply without

(B) SUBSEQUENT YEARS.—For taxable years beginning after December 31, 2018, the
Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph
(2) in the same manner as under paragraphs (1) and (2) of subsection (f), except that the
minimum taxable income in the next higher taxable income bracket with respect to such bracket in
such table shall be 200 percent of the maximum taxable income in the corresponding rate bracket in the table contained in paragraph (2)(C) (after any other adjustment
under paragraph (3)), and

``(II) the comparable taxable income amounts in the table contained in paragraph (2)(D) shall be 1/4 of the amounts determined under subparagraph (A); and

``(IV) special rules for certain children with

unearned income.—

(A) IN GENERAL.—In the case of a child to
whom this section applies for the taxable year,
the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).

(B) MODIFICATIONS TO APPLICABLE RATE
BRACKETS.—In determining the amount of
tax imposed by this section for the taxable
year, the rules of paragraphs (2) and (3), and
paragraph (4) of section 3402(q)(1) to the third
bracket with respect to each such bracket in
such table shall be 200 percent of the maximum taxable income in the corresponding rate bracket in the table contained in paragraph (2)(C) (after any other adjustment
under paragraph (3)), and

``(II) the comparable taxable income amounts in the table contained in paragraph (2)(D) shall be 1/4 of the amounts determined under subparagraph (A).

``(IV) special rules for certain children with

unearned income.—

(A) IN GENERAL.—In the case of a child to
whom this section applies for the taxable year,
the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).

(B) MODIFICATIONS TO APPLICABLE RATE
BRACKETS.—In determining the amount of
tax imposed by this section for the taxable
year, the rules of paragraphs (2) and (3), and
paragraph (4) of section 3402(q)(1) to the third
bracket with respect to each such bracket in
such table shall be 200 percent of the maximum taxable income in the corresponding rate bracket in the table contained in paragraph (2)(C) (after any other adjustment
under paragraph (3)), and

``(II) the comparable taxable income amounts in the table contained in paragraph (2)(D) shall be 1/4 of the amounts determined under subparagraph (A).

``(IV) special rules for certain children with

unearned income.—

(A) IN GENERAL.—In the case of a child to
whom this section applies for the taxable year,
the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).

(B) MODIFICATIONS TO APPLICABLE RATE
BRACKETS.—In determining the amount of
tax imposed by this section for the taxable
year, the rules of paragraphs (2) and (3), and
paragraph (4) of section 3402(q)(1) to the third
bracket with respect to each such bracket in
such table shall be 200 percent of the maximum taxable income in the corresponding rate bracket in the table contained in paragraph (2)(C) (after any other adjustment
under paragraph (3)), and

``(II) the comparable taxable income amounts in the table contained in paragraph (2)(D) shall be 1/4 of the amounts determined under subparagraph (A).
(C) COORDINATION WITH CAPITAL GAINS RATES.—For purposes of applying section 1(h) (after the modifications under paragraph (5)),

(i) the maximum zero rate amount shall not be more than the sum of—

(ii) the earned taxable income of such child, plus

(iii) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and

(ii) the maximum 15-percent rate amount shall not be more than the sum of—

(i) the earned taxable income of such child, plus

(ii) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year,

(D) EARNED TAXABLE INCOME.—For purposes of this paragraph, the term ‘earned taxable income’ means, with respect to any child who is a child of the taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child. 

(ii) the mean unearned income (as defined in paragraph (9)(4)) of such child, for the taxable year under clause (i), and

(iii) the zero rate amount for ‘which would (without regard to this paragraph) be taxed at a rate below 39.6 percent’ in subparagraph (C)(ii)(D).

(ii) the mean unearned income (as defined in paragraph (9)(4)) of such child, for the taxable year under clause (i), and

(iii) the zero rate amount for ‘which would (without regard to this paragraph) be taxed at a rate below 39.6 percent’ in subparagraph (C)(ii)(D).

(a) IN GENERAL.—Subsection (t) of section 1(1) shall be applied—

(i) by substituting ‘below the maximum zero rate amount’ for ‘which would (without regard to this paragraph) be taxed at a rate below 39.6 percent’ in subparagraph (B)(i), and

(ii) by substituting ‘below the maximum 15-percent rate amount’ for ‘which would (without regard to this paragraph) be taxed at a rate below 39.6 percent’ in subparagraph (C)(ii)(D).

(B) MAXIMUM AMOUNTS DEFINED.—For purposes of applying section 1(h) with the modifications described in subparagraph (A)—

(i) the maximum zero rate amount. —The maximum zero rate amount shall be—

(1) in the case of a joint return or surviving spouse, $51,700,

(2) in the case of an individual who is a head of a household (as defined in section 2(b)), $85,000, and

(3) in the case of any other individual (other than an estate or trust), an amount equal to 1/2 of the amount in effect for the taxable year under clause (1), and

(4) in the case of an estate or trust, $2,600.

(ii) the maximum 15-percent rate amount. —The maximum 15-percent rate amount shall be—

(1) in the case of a joint return or surviving spouse, $77,200 (1/2 such amount in the case of a married individual filing a separate return),

(2) in the case of an individual who is the head of a household (as defined in section 2(b)), $122,000, and

(3) in the case of any other individual (other than an estate or trust), $205,800.

(C) ENEILADATION.—In the case of any taxable year beginning after 2018, each of the dollar amounts in clauses (i) and (ii) of subparagraph (B) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

(iii) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

(D) DETERMINATION FOR CALENDAR YEAR.—The C-CPI-U for calendar year 2016 is the average of the C-CPI-U as of the close of the 12-month period ending on August 31 of such calendar year.

(E) APPLICATION TO PERMANENT TAX RULES.—Section 1(f)(2)(A) is amended by inserting ‘, determined by substituting ‘1992’ for ‘2016’ in subparagraph (3)(A)(i)(I), and

(F) APPLICATION TO OTHER INTERNAL REVENUE CODE OF 1986 PROVISIONS.—(1) The following sections are each amended by substituting ‘for calendar year 1992’ in subparagraph (B) and inserting ‘for calendar year 2016’ in subparagraph (A)(ii):—

(A) Section 23(b)(2).

(B) Paragraph (2)(A)(i)(I) and (2)(A)(ii) of section 23(a).

(C) Section 25(b)(3)(B).

(D) Subsection (b)(2)(B)(i)(II), and clauses (i) and (ii) of subsection (j)(1)(B), of section 32.

(E) Section 36B(1)(2)(B)(i)(II).

(F) Section 41(e)(5)(C)(i).

(G) Subsections (e)(3)(D)(ii) and (b)(3)(H)(i)(II) of section 42.

(H) Section 45R(d)(3)(B)(ii).

(I) Section 60(e)(2)(B).

(J) Section 129(1)(a)(ii).

(K) Section 135(b)(2)(B)(ii).

(L) Section 137(1)(c).

(M) Section 146(d)(2)(B).

(N) Section 147(c)(2)(H)(ii).

(O) Section 179(b)(6)(A)(ii).

(P) Subsections (b)(5)(C)(i)(II) and (g)(8)(B) of section 219.

(Q) Section 220(g)(2).

(R) Section 221(f)(1)(B).

(S) Section 223(c)(1)(B).

(T) Section 401(c)(3)(D)(ii).

(U) Section 47(a)(7)(D)(ii).

(V) Section 512(d)(2)(B).

(W) Section 513(b)(x)(C).

(X) Section 831(b)(2)(D)(ii).

(Y) Section 871(a)(7)(D)(ii).

(Z) Section 872(a)(3)(B).

(A) Section 875(a)(3)(D)(ii).

(B) Section 876(a)(3)(B).

(C) Section 147(c)(2)(H)(ii).

(D) Subsection (b)(5)(C)(i)(II) and (g)(8)(B) of section 219.

(E) Section 220(g)(2).

(F) Section 221(f)(1)(B).

(G) Section 223(c)(1)(B).

(H) Section 401(c)(3)(D)(ii).

(I) Section 47(a)(7)(D)(ii).

(J) Section 512(d)(2)(B).

(K) Section 513(b)(x)(C).

(L) Section 831(b)(2)(D)(ii).

(M) Section 871(a)(7)(D)(ii).

(N) Section 875(a)(3)(D)(ii).

(O) Section 876(a)(3)(B).

(P) Section 147(c)(2)(H)(ii).

(Q) Section 179(b)(6)(A)(ii).

(R) Subsections (b)(5)(C)(i)(II) and (g)(8)(B) of section 219.

(S) Section 220(g)(2).

(T) Section 221(f)(1)(B).

(U) Section 223(c)(1)(B).

(V) Section 401(c)(3)(D)(ii).

(W) Section 47(a)(7)(D)(ii).

(X) Section 512(d)(2)(B).

(Y) Section 513(b)(x)(C).

(Z) Section 831(b)(2)(D)(ii).

(A) Section 871(a)(7)(D)(ii).

(B) Section 875(a)(3)(D)(ii).

(C) Section 147(c)(2)(H)(ii).

(D) Subsection (b)(5)(C)(i)(II) and (g)(8)(B) of section 219.

(E) Section 220(g)(2).

(F) Section 221(f)(1)(B).

(G) Section 223(c)(1)(B).

(H) Section 401(c)(3)(D)(ii).

(I) Section 47(a)(7)(D)(ii).

(J) Section 512(d)(2)(B).

(K) Section 513(b)(x)(C).

(L) Section 831(b)(2)(D)(ii).

(M) Section 871(a)(7)(D)(ii).

(N) Section 875(a)(3)(D)(ii).

(O) Section 876(a)(3)(B).

(P) Section 147(c)(2)(H)(ii).

(Q) Section 179(b)(6)(A)(ii).

(R) Subsections (b)(5)(C)(i)(II) and (g)(8)(B) of section 219.

(S) Section 220(g)(2).

(T) Section 221(f)(1)(B).

(U) Section 223(c)(1)(B).

(V) Section 401(c)(3)(D)(ii).

(W) Section 47(a)(7)(D)(ii).

(X) Section 512(d)(2)(B).

(Y) Section 513(b)(x)(C).

(Z) Section 831(b)(2)(D)(ii).

(A) Section 871(a)(7)(D)(ii).

(B) Section 875(a)(3)(D)(ii).

(C) Section 147(c)(2)(H)(ii).

(D) Subsection (b)(5)(C)(i)(II) and (g)(8)(B) of section 219.
"(ii) MEDICAL CARE COST ADJUSTMENT.—For purposes of clause (i), the medical care cost adjustment for any calendar year is the percentage (if any) by which—

(A) any increase in the component of the CPI-U (as defined in section 1(f)(4)) for August of the preceding calendar year, exceeds

(B) such increase shall be increased to the near-

(c) such increase shall be increased to the near-

(d) such increase shall be increased to the near-

(2) an amount equal to 17.4 percent of the excess (if any) of—

(A) the taxable income of the taxpayer for the taxable year, over

(B) any capital gain (as defined in section 1(h)) of the taxpayer for the taxable year.

(3) COMBINED QUALIFIED BUSINESS INCOME AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The term ‘combined qualified business income amount’ means, with respect to any taxable year, an amount equal to—

(A) the amount of the determined under paragraph (2), plus

(B) the amount of the determined under paragraph (2).

(2) DETERMINATION OF DEDUCTIBLE AMOUNT FOR EACH TRADE OR BUSINESS.—The amount determined under this paragraph with respect to any qualified trade or business is the lesser of—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.

(3) MODIFICATION OF THE WAGE LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM WAGE LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) PHASE- IN OF LIMIT FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—If—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.

(2) MODIFICATION OF THE WAGE LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM WAGE LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) PHASE-IN OF LIMIT FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—If—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.

(3) MODIFICATION OF THE WAGE LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM WAGE LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) PHASE-IN OF LIMIT FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—If—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.

(3) MODIFICATION OF THE WAGE LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM WAGE LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) PHASE- IN OF LIMIT FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—If—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.

(3) MODIFICATION OF THE WAGE LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM WAGE LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) PHASE-IN OF LIMIT FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—If—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.

(3) MODIFICATION OF THE WAGE LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM WAGE LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) PHASE-IN OF LIMIT FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—If—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.
rendered with respect to the trade or business, and

“(C) to the extent provided in regulations, any payment described in section 707(a) to a partnership or a trust and with respect to the trade or business.

“(d) QUALIFIED TRADE OR BUSINESS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified trade or business’ means any trade or business other than a specified service trade or business.

“(2) SPECIFIED SERVICE TRADE OR BUSINESS.—

“(A) IN GENERAL.—The term ‘specified service trade or business’ means—

“(i) any trade or business involving the performance of services described in section 1220(e)(3)(A), including investing and investment management, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

“(2) EXCEPTION FOR SPECIFIED SERVICE BUSINESSES BASED ON TAXPAYER’S INCOME.—

“(A) IN GENERAL.—If, for any taxable year, the taxable income of any taxpayer is less than the threshold amount plus $50,000 ($100,000 in the case of a joint return), then—

“(i) the exception under paragraph (1) shall not apply to specified service trades or businesses of the taxpayer for the taxable year, but

“(ii) only the applicable percentage of qualified items of income, gain, deduction, or loss, and the W-2 wages, of the taxpayer allocable to such specified service trades or businesses shall be taken into account in computing the qualified business income and W-2 wages of the taxpayer for the taxable year for purposes of applying this section.

“(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2018, the dollar amount in paragraph (1) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year following the taxable year in which the taxable year begins.

“(3) QUALIFIED REAL DIVIDEND.—The term ‘qualified real dividend’ means any dividend from a real estate investment trust described in section 386(c)(3), and

“(A) is not a capital gain dividend, as defined in section 386(c)(3), and

“(B) is not qualified dividend income, as defined in section 1(h)(11).

“(4) QUALIFIED COOPERATIVE DIVIDEND.—The term ‘qualified cooperative dividend’ means any patronage dividend (as defined in section 1388(f)), and any qualified written notice of allocation (as defined in section 1388(c)), or any similar amount received from an organization described in subparagraph (B)(ii), which—

“(A) is includible in gross income, and

“(B) is returnable to the shareholders.

“(i) an organization or corporation described in section 501(c)(12) or 1381(a), or

“(ii) an organization which is governed by state law, which is described in subparagraph (B)(ii), and

“(A) is not a capital gain dividend, as defined in section 1(h)(11), and

“(B) is returnable to the shareholders.

“(C) SPECIAL RULE FOR TAXPAYERS CLAIMING SECTION 199A DEDUCTION.—In the case of any taxpayer who claims the deduction allowed under section 199A for the taxable year, subparagraph (A) shall be applied by substituting ‘5 percent’ for ‘10 percent’.

“(5) DETERMINATION OF APPLICABLE PERCENTAGE.—

“(A) IN GENERAL.—Section 170(b)(2)(D) is amended by striking “, and” and at the end of clause (iv), by redesignating clause (v) as clause (vi), and by inserting after clause (iv) the following new clause:

“(v) section 199A, and.

“(B) Section 172(d) is amended by adding at the end the following new paragraph:

“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

“SEC. 11012. LIMITATION ON LOSSES FOR TAXPAYERS OTHER THAN CORPORATIONS.

“(a) IN GENERAL.—Section 461 is amended by adding at the end the following new subparagraph:

“(i) LIMITATION ON EXCESS BUSINESS LOSSES OF NONCORPORATE TAXPAYERS.—

“(A) LIMITATION.—In the case of any taxable year of a taxpayer other than a corporation beginning after December 31, 2017, and before January 1, 2026—

“(1) any excess business loss of the taxpayer for the taxable year which is attributable to trades or businesses of such taxpayer (determined without regard to whether or not such deductions are disallowed for such taxable year under paragraph (1)), or

“(ii) the sum of—

“(I) the aggregate gross income or gain of such taxpayer for such taxable year which is attributable to such trades or businesses, plus

“(II) $250,000 (200 percent of such amount in the case of a joint return).

“(B) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2018, the $250,000 amount in subparagraph (A)(i)(II) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year which begins with the taxable year.

“(C) if any amount as increased under the preceding sentence is not a multiple of $1,000,
such amount shall be rounded to the nearest multiple of $1,000.

(4) Definition of qualified child.—Paragraph (1) of subsection (c) shall be applied by substituting ‘18’ for ‘17’.

(5) Partial credit allowed for certain other dependents.—(A) In general.—The credit determined under subsection (a) (after the application of paragraph (2)) shall be increased by $500 for each dependent (as defined in section 152) other than a qualifying child described in subsection (c) (after the application of paragraph (4)).

(b) Effective date.—The amendments made by this section shall apply to returns of tax for taxable years ending after December 31, 2017.

PART III—TAX BENEFITS FOR FAMILIES AND INDIVIDUALS

SEC. 11021. INCREASE IN STANDARD DEDUCTION.

(a) In general.—Subsection (e) of section 63 is amended by adding at the end the following new paragraph:

“(7) Special rules for taxable years 2018 through 2025.—(I) In general.—(i) In the case of a taxable year beginning after December 31, 2017, $19,000 shall be applied by substituting ‘$2,000’ for ‘$1,000’ in subparagraphs (B) and (C).

(ii) paragraph (1)(C) shall each be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the highest adjusted gross income determined under section 62(f) for the calendar year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(v).

(iii) the credit determined under section 26(a) or

(ii) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitation imposed by section 26(a) were increased by an amount equal to the sum of—

(1) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitations imposed by section 26(a) were increased by an amount equal to the sum of—

(2) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitations imposed by section 26(a) were increased by an amount equal to the sum of—

(3) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitations imposed by section 26(a) were increased by an amount equal to the sum of—

(4) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitations imposed by section 26(a) were increased by an amount equal to the sum of—

(5) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitations imposed by section 26(a) were increased by an amount equal to the sum of—

(6) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitations imposed by section 26(a) were increased by an amount equal to the sum of—

(7) the amount by which the aggregate amounts of credits allowed by this subsection (after the application of paragraph (5)(A)) would increase if the limitations imposed by section 26(a) were increased by an amount equal to the sum of—

(b) Effective date.—The amendments made by this section shall apply to taxable years ending after December 31, 2017.

SEC. 11022. INCREASE IN AND MODIFICATION OF PENSION CONTRIBUTIONS.

(a) In general.—The term ‘pension’ for purposes of section 501(c)(18) for the taxable year beginning after December 31, 2017, shall be increased by substituting ‘$2,000’ for ‘$1,000’.

(b) Effective date.—The amendments made by this section shall apply to taxable years ending after December 31, 2017.

SEC. 11023. INCREASED LIMITATION FOR CER- TAIN CHARITABLE CONTRIBUTIONS.

(a) In general.—Section 262(c)(2)(B) is amended by redesignating subparagraph (G) as subparagraph (H) and by inserting after subparagraph (F) the following new subparagraph:

“(G) Increased limitation for cash contributions.—(i) In general.—In the case of any contribution of cash to an organization described in subparagraph (A), the total amount of such contributions which may be taken into account under subsection (a) for any taxable year beginning after December 31, 2017, and before January 1, 2026, shall not exceed 60 percent of the taxpayer’s contribution base for such year.

(ii) Coordination.—If the aggregate amount of contributions described in clause (i) exceeds the applicable limitation under clause (i) (for any taxable year described in such clause) such excess amount (in a manner consistent with the rules of subsection (d)(1) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order) shall be treated as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order.

(iii) Coordination with subparagraphs (A) and (B).—(I) In general.—Contributions taken into account under this subparagraph shall not be taken into account under subparagraph (A).

(II) Limitation reduction.—Subparagraph (A) and (B) shall be applied for each taxable year described in clause (i) and each taxable year to which any contribution under this subparagraph is carried over under clause (ii), by reducing (but not below zero) the aggregate contribution limitation allowed for the taxable year under which such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year.

(b) Effective date.—The amendments made by this section shall apply to contributions in taxable years beginning after December 31, 2017.

SEC. 11024. INCREASED CONTRIBUTIONS TO ABLE ACCOUNTS.

(a) In general.—Section 529A(b)(2)(B) is amended to read as follows:

“(B) except in the case of contributions under subsection (c)(1)(C), if such contribution to an ABLE account would result in aggregate contributions from all contributors to the ABLE account for the taxable year exceeding the sum of—

(i) the amount in effect under section 2503(b) for the calendar year in which the taxable year begins, plus

(ii) $1,000 amount equal to the poverty line for a one-person household, as determined for the calendar year preceding the calendar year in which the taxable year begins.”

(b) Effective date.—Section 529A(b)(2)(B) is amended by adding at the end the following:

“(1) Compensation (as defined by section 219(f)(1)) includible in the designated beneficiary’s gross income for the preceding taxable year, or

“(2) The amount equal to the poverty line for a one-person household, as determined for the calendar year preceding the calendar year in which the taxable year begins.”
‘(7) Special rules related to contribution limit.—For purposes of paragraph (2)(B)(i)–(ii),
(A) Designated beneficiary.—A designated beneficiary described in this paragraph is a
employee (including an employee within the meaning of section 401(c)) with respect to whom—
(i) no contribution is made for the taxable year to a defined contribution plan (within
the meaning of section 414(i)) with respect to which the requirements of section 401(a) or
403(a) of the Code are not satisfied;
(ii) no contribution is made for the taxable year to an annuity contract described in
section 403(b), and
(iii) no contribution is made for the taxable year to an eligible deferred compensation
plan described in section 457(b).
(B) Poverty line.—The term ‘poverty line’ has the meaning given such term by
section 673 of the Community Services Block Grant Act (42 U.S.C. 9902).

(b) Allowance of saver’s credit for ABLE contributions by account holder.—
Section 25B(b)(1) is amended by striking “and” at the end of subparagraph (B)(i), by striking
the period at the end of subparagraph (C) and inserting “; and”, and by inserting at
the end the following:
“(2) no contribution is made to the ABLE account (within the meaning of
section 529A) of which such individual is the designated beneficiary.”.
(c) Effective date.—The amendments made by this section shall apply to taxable years
beginning after the date of the enactment of this Act.

SEC. 11025. FOLLOWERS TO ABLE PROGRAMS FROM 529 PROGRAMS.
(a) In general.—Clause (i) of section 529(c)(3) is amended by striking “or” at the end of
subparagraph (i), by striking the period at the end of subparagraph (ii) and inserting “; or”, and by adding at the end the following:
“(III) before January 1, 2026, to an ABLE account (as defined in section 529A(a)(6)) of
the designated beneficiary or a member of the family of the designated beneficiary.
Subclause (III) shall not apply to so much of a distribution which, when added to all other
contributions made to the ABLE account for the taxable year, exceeds the limitation
under section 529A(b)(2)(B)”.
(b) Effective date.—The amendments made by this section shall apply to distributions
after the date of the enactment of this Act.

SEC. 11026. TREATMENT OF CERTAIN INDIVIDUALS PERFORMING SERVICES IN THE SINAI PENINSULA OF EGYPT.
(a) In general.—For purposes of the following provisions of the Internal Revenue Code of
1986, with respect to the applicable period, a qualified hazardous duty area shall be
treated in the same manner as if it were a combat zone (as determined under section
2201) of which such individual is the designated beneficiary.
(1) Section 2(a)(3) (relating to special rule where deceased spouse was in missing status).
(2) Section 112 (relating to the exclusion of certain combat pay of members of the Armed Forces).
(3) Section 692 (relating to income taxes of members of Armed Forces on death).
(4) Section 2201 (relating to members of the Armed Forces dying in combat zone or by
reason of combat-zone-incurred wounds, etc.).
(5) Section 3401(a)(1) (defining wages relating to combat pay for members of the Armed Forces).
(6) Section 4253(d) (relating to the taxation of phone service originating from a combat zone from members of the Armed Forces).
(7) Section 6013(f)(1) (relating to joint return where individual is in missing status).
(8) Section 7508 (relating to time for performing certain acts postponed by reason of service in combat zone).
(b) Qualified hazardous duty area.—For purposes of this section, the term “qualified hazardous duty area” means the Sinai Peninsula of Egypt, if as of the date of the enactment of this section any member of the Armed Forces of the United States is entitled to special pay under section 310 of title 37, United States Code (relating to special pay; duty subject to hostile fire or imminent danger), for services performed in such location. Such term includes such location only during the period such entitlement is in effect.
(c) Applicable period.—
(1) In general.—Except as provided in paragraph (2), the applicable period is—
(A) the portion of the first taxable year ending after June 9, 2015, which begins on such date,
(B) any subsequent taxable year beginning before January 1, 2026.
(2) Withholding.—In the case of subsection (a)(5), the portion of the first taxable year
ending after the date of the enactment of this Act which begins on such date, and
(B) any subsequent taxable year beginning before January 1, 2026.
(d) Effective date.—
(1) In general.—Except as provided in paragraph (2), the applicable period is—
(A) the portion of the first taxable year ending after June 9, 2015,
(B) any subsequent taxable year beginning before January 1, 2026.

SEC. 11027. EXTENSION OF WAIVER OF LIMITATIONS ON CONTRIBUTIONS RECEIVED BY WRONGFULLY INCARCERATED INDIVIDUALS.
(a) In general.—Section 529(e) of the Protecting Americans from Tax Hikes Act of 2015 (26 U.S.C. 139F note) is amended by striking “1-year” and inserting “2-year”.
(b) Effective date.—The amendments made by this section shall take effect on June 9, 2015.

SEC. 11028. UNBORN CHILDREN ALLOWED AS 529 PROGRAM BENEFICIARIES.
(a) In general.—Section 529(e)(3)(B) of the Internal Revenue Code of 1986 is amended by
inserting before the period at the end of such paragraph—
“(C) UNBORN CHILD.—For purposes of this subsection—
(i) TREATMENT OF UNBORN CHILDREN.—
(A) In general.—The term ‘unborn child’ means a child in utero.
(ii) Child in utero.—The term ‘child in utero’ means a member of the species homo sapiens, at any stage of development, who is carried in the womb.”
(b) Effective date.—The amendment made by this section shall apply to contributions made after December 31, 2017.

SEC. 11029. RELIEF FOR MISSISSIPPI RIVER DELTA FLOOD DISASTER AREA.
(a) In general.—For purposes of this section, the term “Mississippi River Delta flood disaster area” means—
(1) with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act before September 3, 2016, by reason of severe storms and flooding occurring in Louisiana and Mississippi during August of 2016, or
(2) with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act before March 31, 2016, by reason of severe storms and flooding occurring in Louisiana, Texas, and Mississippi during March of 2016.
(b) Tax-favored withdrawals from retirement plans.—
(A) In general.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to contributions received by an individual which may be treated as qualified Mississippi River Delta flood damage distribution and the aggregate amount of such distribution shall not be treated as a defined benefit plan in which an employee is covered for purposes of section 415(l) of the Internal Revenue Code of 1986.
(B) Aggregate dollar limitation.—
(i) In general.—For purposes of this subsection, the aggregate amount of contributions received by an individual which may be treated as qualified Mississippi River Delta flood damage distributions for any taxable year shall not exceed the excess (if any) of—
(I) $100,000, over
(II) the aggregate amounts treated as qualified Mississippi River Delta flooding distribution for any taxable year which is treated as a defined benefit plan.

(ii) Treatment of plan distributions.—If a distribution to an individual would (without regard to clause (i)) be a qualified Mississippi River Delta flood damage distribution, a plan shall not be treated as violating any requirement of this title if the plan treats such distribution as a qualified Mississippi River Delta flood damage distribution, unless the aggregate amount of such distribution from all plans maintained by the employer and any member of any controlled group which includes the employer to such individual exceeds $100,000.

(iii) Controlled group.—For purposes of clause (ii), the term “controlled group” means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986.

(c) Amount distributed may be repaid.—
(1) In general.—Any individual who receives a qualified Mississippi River Delta flood damage distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan.
(2) Amount and conditions.—Any individual who receives a qualified Mississippi River Delta flood damage distribution shall treat such distribution as a rollover contribution to an eligible retirement plan (other than an individual retirement plan other than an eligible retirement plan other than an individual retirement plan). The rollover contribution shall not be treated as violating any requirement of this title if the contribution is made pursuant to clause (1) with respect to a qualified Mississippi River Delta flood damage distribution from an eligible retirement plan. For purposes of this title, if a contribution is made pursuant to clause (1) with respect to a qualified Mississippi River Delta flood damage distribution from an eligible retirement plan, the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified Mississippi River Delta flood damage distribution in an eligible rollover distribution (as defined in section 402(c)(4) of the Internal Revenue Code of 1986) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(ii) Treatment of repayments of distributions from eligible retirement plans other than IRAs.—For purposes of this title, if a contribution is made pursuant to clause (1) with respect to a qualified Mississippi River Delta flood damage distribution from an eligible retirement plan, the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified Mississippi River Delta flood damage distribution in an eligible rollover distribution (as defined in section 402(c)(4) of the Internal Revenue Code of 1986) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.
In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), subsection (II) shall be applied by substituting the date which is 2 years after the date otherwise applied under subsection (I).

(ii) CONDITIONS.—This paragraph shall not apply to any amendment unless—

(1) the plan or contract is operated as if such net disaster loss, and

(2) such net disaster loss is less than 10 percent of the adjusted gross income for such taxable year.

(II) pension plan made on or after August 11, 2016, and before January 1, 2018, to an individual whose principal place of abode on August 11, 2016, was located in the portion of the Mississippi River Delta disaster area described in subsection (a)(2) and who has sustained an economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in subsection (a)(1) and (ii) any distribution from an eligible retirement plan made on or after March 1, 2016, and before January 1, 2018, to an individual whose principal place of abode on March 1, 2016, was located in the portion of the Mississippi River Delta disaster area described in subsection (a)(2) and who has sustained an economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in subsection (a)(1).

(ii) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' shall have the meaning determined by section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(i) E XEMPTION OF DISTRIBUTIONS FROM TAXATION REQUIREMENTS.—For purposes of clause (i), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(ii) SPECIAL RULE.—(A) IN GENERAL.—In the case of any qualified Mississippi River Delta flooding distribution treated as meeting the requirements of this paragraph, the taxpayer shall not be taxed on the amount included in such distribution.

(B) LOANS DESCRIBED.—A loan is described in this subparagraph if such loan is—

(3) Q UALIFIED DISASTER-RELATED PERSONAL CASUALTY LOSSES RELATED TO LOAN LIABILITY.

(III) otherwise discharged on account of the death or total and permanent disability of the individual.

(2) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11011. TREATMENT OF STUDENT LOANS DISCHARGED ON ACCOUNT OF DEBT OR DISABILITY.

(a) IN GENERAL.—Section 108(f) is amended by adding at the end the following new paragraph:

(3) Discharges on account of debt or disability beginning after December 31, 2017, and before January 1, 2026, are treated as eligible rollover distributions.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

II.

PART V—DEDUCTIONS AND EXCLUSIONS

SEC. 11041. SUSPENSION OF DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subsection (d) of section 151 is amended by inserting ''$250 ($500 in the case of taxable years beginning after December 31, 2017, and before January 1, 2026).'' in paragraph (1), after ''(c)(2)(B),'' and, in paragraph (2), after ''(i)'', and before ''(ii).''

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective in taxable years beginning after December 31, 2017.
(c) Exception for Wage Withholding Amounts.—Section 3402(a) is amended by adding at the end the following new paragraph:

"(3) Years When Personal Exemption Amount is Increased.—

"(A) In General.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) shall not apply and the amount determined under section 151(b) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by—

"(I) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting "2017" for "2016" in subparagraph (A)(ii) thereof.

"(B) Inflation Adjustment.—In the case of any taxable year beginning after 2018, the $4,150 amount in subparagraph (A) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by—

"(I) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting "2017" for "2016" in subparagraph (A)(ii) thereof.

"(ii) the amount determined under section 1(f)(3) for the calendar year beginning after 2018, the amount of one personal exemption pecord in section 1(f)(5) who has income (other than earned income) in excess of the amount in effect under section 1(f)(5)(A).

"(C) Inflation Adjustment.—In the case of any taxable year beginning after 2018, the $4,150 amount in subparagraph (A) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by—

"(I) the sum of the amount determined under subparagraph (B) and the standard deduction, divided by—

"(ii) 2.

"(B) Amount Determined.—For purposes of subparagraph (A), the amount determined under this subparagraph is $4,150 multiplied by the amount of the taxpayer's dependents for the taxable year in which the levy occurs.

"(C) Inflation Adjustment.—In the case of any taxable year beginning after 2018, the $4,150 amount in subparagraph (B) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by—

"(I) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting "2017" for "2016" in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

"(D) Verified Statement.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return.

"(e) Persons Required to Make Returns of Income.—Section 6012 is amended by adding at the end the following new subsection:

"(2) an individual entitled to make a joint return if—

"(A) the gross income of such individual, when combined with the gross income of such individual's spouse, for the taxable year, does not exceed the standard deduction which would be applicable to the taxpayer for such taxable year under section 63 if such individual and such individual's spouse made a joint return.

"(B) such individual and such individual's spouse have the same household as their home at the close of the taxable year.

"(C) such individual's spouse does not make a separate return, and

"(D) neither such individual nor such individual's spouse has any State or local taxes.

"(2) Exception for Binding Contracts.—Paragraph (1) shall not apply to any sale or exchange with respect to which there was a written binding contract in effect before January 1, 2018, and at all times thereafter before the sale or exchange.

"(B) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11042. SUSPENSION OF DEDUCTION FOR STATE AND LOCAL, ETC. TAXES.

(a) In General.—Section 164(b) of section 164 is amended by adding at the end the following new paragraph:

"(D) neither such individual nor such individual's spouse made a separate return, and

"(E) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

"(A) In General.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) shall not apply and the amount determined under section 151(b) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by—

"(I) the sum of the amount determined under subparagraph (B) and the standard deduction, divided by—

"(ii) 2.

"(B) Amount Determined.—For purposes of subparagraph (A), the amount determined under this subparagraph is $4,150 multiplied by the amount of the taxpayer's dependents for the taxable year in which the levy occurs.

"(C) Inflation Adjustment.—In the case of any taxable year beginning after 2018, the $4,150 amount in subparagraph (B) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by—

"(I) the sum of the amount determined under subparagraph (B) and the standard deduction, divided by—

"(ii) 2.

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting "2017" for "2016" in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

"(D) Verified Statement.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return.

"(e) Persons Required to Make Returns of Income.—Section 6012 is amended by adding at the end the following new subsection:

"(2) an individual entitled to make a joint return if—

"(A) the gross income of such individual, when combined with the gross income of such individual's spouse, for the taxable year, does not exceed the standard deduction which would be applicable to the taxpayer for such taxable year under section 63 if such individual and such individual's spouse made a joint return.

"(B) such individual and such individual's spouse have the same household as their home at the close of the taxable year.

"(C) such individual's spouse does not make a separate return, and

"(D) neither such individual nor such individual's spouse has any State or local taxes.

"(2) Exception for Binding Contracts.—Paragraph (1) shall not apply to any sale or exchange with respect to which there was a written binding contract in effect before January 1, 2018, and at all times thereafter before the sale or exchange.

"(B) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11043. SUSPENSION OF DEDUCTION FOR HOME INTEREST.

(a) In General.—Section 163(h)(3)(A)(ii) is amended by inserting "in the case of taxable years beginning after December 31, 2017, and after December 31, 2025," before "home equity indebtedness".

"(B) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11044. MODIFICATION OF DEDUCTION FOR PERSONAL CASUALTY LOSSES.

(a) In General.—Subsection (b) of section 164 is amended by adding at the end the following new paragraph:

"(6) Suspension of Individual Deductions for Taxable Years 2018 Through 2025.—In the case of an individual and a taxable year beginning after December 31, 2017, and before January 1, 2026, subsection (a) shall not apply, and every individual who has gross income in excess of the amount in effect under section 164(c)(5) shall be applied by substituting "$4,150" for "$4,000" in paragraphs (1) and (2) of section 164.

"(B) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11045. SUSPENSION OF MISCELLANEOUS ITEMIZED DEDUCTIONS.

(a) In General.—Section 68 is amended by adding at the end the following new paragraph:

"(b) Special Rules for Sales or Exchanges in Taxable Years 2018 Through 2025.—

"(i) In General.—In applying this section with respect to sales or exchanges after December 31, 2017, and before January 1, 2026—

"(A) "5-year" shall be substituted for "5-year" each place it appears in subsections (a), (b)(5)(C)(ii)(I) and (c)(1)(B)(ii)(I) and paragraphs (7), (9), (10), and (12) of subsection (d) of this section, and "5 years" shall be substituted for "2 years" each place it appears in subsections (a), (b)(5)(C)(ii)(III), and (c)(1)(B)(ii)(I).

"(B) "5-year" shall be substituted for "2-year" in subsection (b)(3).

"(2) Exception for Binding Contracts.—Paragraph (1) shall not apply to any sale or exchange with respect to which there was a written binding contract in effect before January 1, 2018, and at all times thereafter before the sale or exchange.

"(B) Effective Date.—The amendment made by this section shall apply to sales and exchanges after December 31, 2017.

SEC. 11048. SUSPENSION OF EXCLUSION FOR QUALIFIED MOVING EXPENSE REIMBURSEMENT.

(a) In General.—Section 125(f) is amended by adding at the end the following new paragraph:

"(B) Suspension of Qualified Bicycle Commuting Reimbursement.—Paragraph (1)(D) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.

"(B) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11049. SUSPENSION OF EXCLUSION FOR QUALIFIED MOVING EXPENSE REIMBURSEMENT.

(a) In General.—Section 125(g) is amended—

"(1) by striking "For purposes of this section, the term" and inserting "For purposes of this section—

"(1) In General.—"The term"; and

"(2) by adding at the end the following new paragraph:

"(2) Suspension for Taxable Years 2018 Through 2025.—Except in the case of a member of the Armed Forces of the United States on active duty who moves pursuant to a military order and incident to a permanent change of station, subsection (a)(6) shall not
apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11050. SUSPENSION OF DEDUCTION FOR MOVING EXPENSES.

(a) IN GENERAL.—Section 217 is amended by adding at the end the following new subsection:

“(d) SUSPENSION OF DEDUCTION FOR TAXABLE YEARS 2018 THROUGH 2025.—Except in the case of an individual to whom subsection (g) applies, this section shall not apply to any taxable year after December 31, 2017, and before January 1, 2026.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11051. LIMITATION ON WAGERING LOSSES.

(a) IN GENERAL.—Section 164(d) is amended by adding at the end the following new subparagraph:

“(k) LIMITATION ON WAGERING LOSSES.—This section includes any deduction otherwise allowable under this chapter incurred in carrying on any wagering transactions.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

PART VI—INCREASE IN ESTATE AND GIFT TAX EXEMPTION

SEC. 11061. INCREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) IN GENERAL.—Section 2010(c)(3) is amended by adding at the end the following new subparagraph:

“(C) INCREASE IN BASIC EXCLUSION AMOUNT.—In the case of estates of decedents dying or gifts made after December 31, 2017, and before January 1, 2026, the term ‘losses from wagering transactions’ includes any deduction otherwise allowable under this chapter incurred in carrying on any wagering transaction.”.

(b) CONFORMING AMENDMENT.—Subsection (c) of section 2055 is amended to read as follows:

“(g) MODIFICATIONS TO TAX PAYABLE.—

“(i) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT INCREASE IN BASIC EXCLUSION AMOUNT.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent’s death shall include the rates of tax in effect at the close of the taxable year in which such property or amount of money is returned to the individual.

“(A) the interest paid under subsection (c) on such amount of money; and

“(B) the credit allowed against such tax under section 2505, including in computing—

“(i) the applicable credit amount under section 2505(a)(1), and

“(ii) the sum of the amounts allowed as a credit for preceding periods under section 2505(a)(2).

“(ii) MODIFICATIONS TO ESTATE TAX PAYABLE TO REFLECT DIFFERENT BASIC EXCLUSION AMOUNTS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this section with respect to any difference between—

“(A) the basic exclusion amount under section 2010(c)(3) applicable at the time of the decedent’s death, and

“(B) the basic exclusion amount under such section applicable with respect to any gifts made by the decedent.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

PART VII—TAXPAYER RIGHTS AND TAX ADMINISTRATION

SEC. 11071. EXTENSION OF TIME LIMIT FOR CONTESTING IRS LEVY.

(a) EXTENSION OF TIME FOR RETURN OF PROPERLY OBJECTION TO LEVY.—Subsection (b) of section 6343 is amended by striking “9 months” and inserting “2 years”.

(b) PERIOD OF LIMITATION ON SUITS.—Subsection (c) of such section is amended—

“(1) by striking “9 months” in paragraph (1) and inserting “2 years”, and

“(2) by striking “9 months” in paragraph (2) and inserting “2 years”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

“(1) levies made after the date of the enactment of this Act, and

“(2) levies made on or before such date if the 9-month period has not expired under section 6343(b) of the Internal Revenue Code of 1986 (without regard to this section) as of such date.

SEC. 11072. INDIVIDUALS HELD HARMLESS ON IMPROPER LEVY ON RETIREMENT PLANS.

(a) IN GENERAL.—Section 2001 is amended to read as follows:

“(g) MODIFICATIONS TO TAX PAYABLE.—

“(i) INDIVIDUALS HELD HARMLESS ON WHOPFUL LEVY, ETC. ON RETIREMENT PLAN.—

“(1) IN GENERAL.—If the Secretary determines that an individual’s account or benefit under an eligible retirement plan (as defined in section 402(c)(8)(B)) has been levied upon in a case to which subsection (b) or (d)(2)(A) applies and property or an amount of money is returned to the individual—

“(A) the individual may contribute such property or an amount equal to the sum of—

“(i) the amount of money so returned by the Secretary, and

“(ii) interest paid under subsection (c) on such amount of money;

“(B) the Secretary makes a determination described in paragraph (1) with respect to such contribution; or

“(C) the Secretary makes a determination described in paragraph (1) with respect to such contribution under paragraph (2), any tax imposed by chapter 1 on such portion shall not be assessed, and if assessed shall be abated, and if collected shall be credited or refunded as an overpayment made on the due date for filing the return of tax for such taxable year.

“(2) SUSPENSION OF DEDUCTION FOR TAX-LEVY, ETC. ON RETIREMENT PLANS.—Except in the case of an individual to whom subsection (d) applies, this section shall not apply to a rollover contribution under this subsection which is made from an eligible retirement plan which is not a Roth IRA or a designated Roth account in the meaning of section 402A to a Roth IRA or a designated Roth account under an eligible retirement plan.

“(3) INTEREST.—Notwithstanding subsection (d), interest shall be allowed under subsection (c) in a case in which the Secretary makes a determination described in paragraph (1) (d)(2)(A) applies to a levy upon an individual retirement plan.

“(4) TREATMENT OF INHERITED ACCOUNTS.—For purposes of paragraph (1)(A), section 408(d)(3)(C) shall be disregarded in determining whether an individual retirement plan is a plan to which a rollover contribution of a distribution from the plan levied upon is permitted.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid under subsections (b), (c), and (d)(2)(A) of section 6343 of the Internal Revenue Code of 1986 in taxable years beginning after December 31, 2017.

SEC. 11073. MODIFICATION OF USER FEE REQUIREMENT FOR INSTALLMENT AGREEMENTS.

(a) IN GENERAL.—Section 6159 is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

“(f) INSTALLMENT AGREEMENT FEES.—

“(1) LIMITATION ON FEE AMOUNT.—The amount of any fee imposed on an installment agreement under this section may not exceed the amount of such fee as in effect on the date of the enactment of this Act.

“(2) WAIVER OR REDUCTION OF FEE.—In the case of any taxpayer with an adjusted gross income, as determined for the most recent year for which such information is available, which does not exceed 250 percent of the applicable poverty level (as determined by the Secretary).

“(A) If the taxpayer has agreed to make payments under the installment agreement by electronic payment through a debit instrument, no fee shall be imposed on an installment agreement under this section, and

“(B) if the taxpayer is unable to make payments under the installment agreement by electronic payment through a debit instrument, the Secretary shall, upon completion of the installment agreement, permit the taxpayer an amount equal to any such fees imposed.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into on or after the date which is 60 days after the date of the enactment of this Act.

SEC. 11074. FORM 1040SR FOR SENIORS.

(a) IN GENERAL.—The Secretary of the Treasury (or the Secretary’s delegate) shall make available a form, to be known as “Form 1040SR”, for use by individuals to file the return of tax imposed by chapter 1 of the Internal Revenue Code of 1986. Such form shall be as similar as practicable to Form 1040EZ, except that—

“(1) the form shall be available only to individuals who have attained age 65 as of the close of the taxable year,

“(2) the form may be used even if income for the taxable year includes—

“(A) social security benefits (as defined in section 86(d) of the Internal Revenue Code of 1986), and

“(B) distributions from qualified retirement plans (as defined in section 497(c) of such
(C) Priority.—In awarding grants under this section, the Secretary shall give priority to applications—

(i) demonstrating assistance to low-income and elderly taxpayers, or services for such taxpayers,

(ii) demonstrating taxpayer outreach and educational activities relating to eligibility for Low-Income Tax Assistance Program grants under this section, and

(iii) demonstrating specific outreach and focus on one or more underserved populations.

(D) Duration of Grants.—Upon application of a grantee for a grant under this section, the Secretary shall authorize a multi-year grant not to exceed 3 years.

(E) Aggregate Limitation.—Unless otherwise provided in this section, the Secretary shall not allocate more than $30,000,000 per fiscal year (exclusive of costs of administering the program) to carry out the purposes of this section.

(b) Use of Funds.—

(1) In General.—Qualified return preparation programs receiving a grant under this section may use the grant for—

(A) ordinary and necessary costs associated with program operation in accordance with Cost Principles Circulars as set forth by the Office of Management and Budget, including—

(i) for wages or salaries of persons coordinating the program, and

(ii) to develop training materials, conduct training, and perform quality reviews of the returns for which assistance has been provided under the program, and

(iii) for equipment purchases and vehicle-related expenses associated with remote or rural tax preparation services.

(B) outside professional activities described in subsection (a)(2)(C)(ii), and

(C) services related to financial education and capability, asset development, and the establishment of savings accounts in connection with tax return preparation.

(2) Use of Grants for Overhead Expenses Prohibited.—No grant made under this section may be used for overhead expenses that are not directly related to any qualified return preparation program.

(c) Promotion and Referrals.—

(1) Promotion.—The Secretary shall promote the benefits of, and encourage the use of, tax preparation through qualified return preparation programs through the use of public service communications, referrals, and other means.

(B) Internal Revenue Service Referrals.—The Secretary shall refer taxpayers to qualified return preparation programs receiving funding under this section.

(b) Alternative Eligible Organization.—

(1) in General.—Subject to clause (ii), the term eligible organization means—

(A) an institution of higher education which is described in section 101 (other than section (a)(1)(C) thereof) of the Higher Education Act of 1965 (25 U.S.C. 1088), as in effect on the date of the enactment of this section, and which has not been disqualified under section 501(c) of the Internal Revenue Code of 1986; and

(B) a State or local government agency, includ—

(1) a county or municipal government agency, or

(2) an Indian tribe, as defined in section 4(13) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(13)), including any tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), tribal subsidiary, subdivision, or other wholly owned tribal entity.

(3) Low-Income Taxpayers.—The term low-income taxpayer means a taxpayer who has income for the taxable year which does not exceed the amount equal to the completed phased-out amount under section 32(b) for adjusted gross income and joint return with three or more qualifying children, as determined in a revenue procedure or other published guidance.

(4) Underserved Population.—The term underserved population includes populations of persons with disabilities, persons with limited English proficiency, Native Americans, individuals living in rural areas, members of the Armed Forces and their spouses, and the elderly.

(b) Clerical Amendment.—The table of sections for chapter 77 is amended by inserting after the item relating to section 7526 the following new item:—

"7526A. Return preparation programs for low-income taxpayers."

SEC. 11077. FREE FILE PROGRAM.

(a) The Secretary of the Treasury, or the Secretary's delegate, shall continue to operate the IRS Free File Program as established by the Internal Revenue Service and published in the Federal Register on November 4, 2002 (67 Fed. Reg. 67247), including any subsequent amendments or regulations established pursuant thereto.

(b) The IRS Free File Program shall continue to provide free online individual income tax preparation and electronic filing services to the lowest 70 percent
of taxpayers by income. The number of taxpayers eligible to receive such services each year shall be calculated by the Internal Revenue Service annually based on prior year aggregate taxpayer adjusted gross income data.

(c) In addition to the services described in subsection (b), and in the same manner, the IRS shall continue to make available to all taxpayers (without regard to income) a basic, online electronic fillable forms utility.

(d) The IRS Free File Program shall continue to work cooperatively with the private sector to provide the free individual income tax preparation and the electronic filing service described in subsections (a) and (b).

(e) The IRS Free File Program shall work cooperatively with State government agencies to enhance and expand the use of the program to provide needed benefits to the taxpayer while reducing the cost of processing returns.

(f) Nothing in this section is intended to impact the services provided under Taxpayer Assistance Centers, Tax Counseling for the Elderly, and Volunteer Income Tax Assistance programs.

SEC. 11078. ATTORNEYS' FEES RELATING TO AWARDS TO WHISTLEBLOWERS.

(a) In General.—Paragraph (21) of section 565(a) is amended to read as follows:

"(21) ATTORNEYS' FEES RELATING TO AWARDS TO WHISTLEBLOWERS.

"(A) IN GENERAL.—Any deduction allowable under this chapter for attorney fees and court costs paid by, or on behalf of, the taxpayer while reducing the cost of processing returns.

"(B) Effectiveness of Award.—The amendment made by this section shall be applied to awards not made before such date of enactment.

PART V—INDIVIDUAL MANDATE

SEC. 11081. ELIMINATION OF SHARED RESPONSIBILITY PAYMENT FOR INDIVIDUALS FAILING TO MAINTAIN MINIMUM ESSENTIAL COVERAGE.

(a) In General.—Section 5000A(c) is amended—

(1) in paragraph (2)(B)(iii), by striking "2.5 percent" and inserting "Zero percent"; and

(2) in paragraph (3)—

(A) by striking "Sec. 6060" in subparagraph (A) and inserting "Sec. 5060"; and

(B) by striking subparagraph (D).

(b) Effective Date.—The amendment made by this section shall apply to returns for taxable years beginning after December 31, 2017.

Subtitle B—Alternative Minimum Tax

SEC. 12001. REPEAL OF TAX FOR CORPORATIONS.

(a) In General.—Section 55(1) is amended by striking "there" and inserting "the case of a taxpayer otherwise than a corporation, there".

(b) Conforming Amendments.—

(1) Section 55(c)(6) is amended by adding at the end the following new subparagraph:

"(E) CORPORATIONS.—In the case of a corporation, this subsection shall be applied by treating the corporation as having a tentative minimum tax of zero."

(2) Section 55(b)(1) is amended to read as follows:

"(1) AMOUNT OF TENTATIVE TAX.—

"(A) IN GENERAL.—The tentative minimum tax for the taxable year is the sum of—

"(i) 26 percent of so much of the taxable excess income for the taxable year as exceeds the exemption amount.

"(ii) 28 percent of so much of the taxable excess income as does not exceed $175,000, plus

\[ 0.28 \times (I - 175,000) \]

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

"(B) TAXABLE EXCESS.—For purposes of this subsection, the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

"(C) MARRIED INDIVIDUAL FILING SEPARATE RETURN.—In the case of a married individual filing a separate return, subparagraph (A) shall be applied by substituting 50 percent of the dollar amount otherwise applicable under clause (i) and clause (ii) thereof. For purposes of applying this sentence, marital status shall be determined under section 7703.

"(B) Section 55(b)(3) is amended by adding at the end the following new subparagraph:

"(D) The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

"(2) as paragraph (3) and redesignating paragraph (4) as paragraph (3) and redesignating paragraph (3) and redesignating paragraph (4) as paragraph (3).

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11079. CLARIFICATION OF WHISTLEBLOWER AWARDS.

(a) In General.—Section 565(a) is amended by striking "section 55(b)(1)(A)(ii)" and inserting "section 55(b)(1)(B)(ii)".

(b) Effectiveness of Award.—The amendment made by this section shall be applied to awards not made before such date of enactment.

SEC. 11091.攻擊 REMOVAL OF TAX FOR CORPORATIONS.

(a) In General.—Paragraph (21) of section 565(a) is amended by striking "there" and inserting "the case of a taxpayer otherwise than a corporation, there".

(b) Conforming Amendments.—

(1) Section 55(c)(6) is amended by adding at the end the following new subparagraph:

"(E) CORPORATIONS.—In the case of a corporation, this subsection shall be applied by treating the corporation as having a tentative minimum tax of zero."

(2) Section 55(b)(1) is amended to read as follows:

"(1) AMOUNT OF TENTATIVE TAX.—

"(A) IN GENERAL.—The tentative minimum tax for the taxable year is the sum of—

"(i) 26 percent of so much of the taxable excess income for the taxable year as exceeds the exemption amount.

"(ii) 28 percent of so much of the taxable excess income as does not exceed $175,000, plus

\[ 0.28 \times (I - 175,000) \]

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

"(B) TAXABLE EXCESS.—For purposes of this subsection, the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

"(C) MARRIED INDIVIDUAL FILING SEPARATE RETURN.—In the case of a married individual filing a separate return, subparagraph (A) shall be applied by substituting 50 percent of the dollar amount otherwise applicable under clause (i) and clause (ii) thereof. For purposes of applying this sentence, marital status shall be determined under section 7703.

"(B) Section 55(b)(3) is amended by adding at the end the following new subparagraph:

"(D) The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

"(2) as paragraph (3) and redesignating paragraph (4) as paragraph (3) and redesignating paragraph (3) and redesignating paragraph (4) as paragraph (3).

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 12002. SUSPENSION OF TAX ON INDIVIDUALS.

(a) In General.—Section 55(a) is amended by adding at the end the following new flush sentence:

"No tax shall be imposed by this section for any taxable year beginning after December 31, 2017, and before January 1, 2028, at the ten percent minimum tax rate for any such taxable year shall be zero for purposes of this title."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.
SEC. 12003. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.

(a) CREDITS TREATED AS REFUNDABLE.—Section 53(d) of the Code is amended by striking the following paragraph:—

(b) CREDIT REFUNDABLE.—For purposes of this title (other than this section), the credit allowed by reason of this subsection shall be treated as a credit allowed under subpart C (and not this subpart).

(4) SHORT TAXABLE YEARS.—In the case of any taxable year of less than 365 days, the AMT refundable credit amount determined under paragraph (2) with respect to such taxable year shall be the amount which bears the same ratio to such amount determined without regard to this paragraph for the number of days in such taxable year bears to 365.

(b) Treatment of References.—Section 53(d) is amended by adding at the end the following new paragraph:

(3) AMT TERM REFERENCES.—In the case of a corporation, any references in this subsection to section 1(b) shall be treated as a reference to such section as in effect before the amendments made by Tax Cuts and Jobs Act.

(b) CONFORMING AMENDMENT.—Section 1374(b)(3)(B) is amended by striking the last sentence thereof.

(b) Effective Date.—

(1) In General.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) Treatment of References.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2021.

Subtitle C—Business-related Provisions

PART I—CORPORATE PROVISIONS

Subpart A—20.94-percent Tax Rate

SEC. 13001. 20.94-PERCENT CORPORATE TAX RATE.

(a) In General.—Subsection (b) of section 11 is amended to read as follows:

"(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) shall be 20.94 percent of taxable income.

(b) Tables of Sections for Part II of Subchapter B of Chapter 1 is amended by striking section 1201(b), (d), and (j) and inserting "section 1201(b), (d), and (j)".

(b) Subpart C is amended by striking paragraph (2) and, in the case of a prior year with respect to which the AMT refundable credit amount determined under paragraph (1) with respect to such taxable year shall be the amount which bears the same ratio to such amount determined without regard to this paragraph for the number of days in such taxable year bears to 365.

(b) Treatment of References.—Section 53(d) is amended by adding at the end the following new paragraph:

(3) AMT TERM REFERENCES.—In the case of a corporation, any references in this subsection to section 1(b) shall be treated as a reference to such section as in effect before the amendments made by Tax Cuts and Jobs Act.

(b) Conforming Amendment.—Section 1374(b)(3)(B) is amended by striking the last sentence thereof.

(b) Effective Date.—

(1) In General.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) Treatment of References.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2021.

Subtitle C—Business-related Provisions

PART I—CORPORATE PROVISIONS

Subpart A—20.94-percent Tax Rate

SEC. 13001. 20.94-PERCENT CORPORATE TAX RATE.

(a) In General.—Subsection (b) of section 11 is amended to read as follows:

"(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) shall be 20.94 percent of taxable income.

(b) Tables of Sections for Part II of Subchapter B of Chapter 1 is amended by striking section 1201(b), (d), and (j) and inserting "section 1201(b), (d), and (j)".

(b) Subpart C is amended by striking paragraph (2) and, in the case of a prior year with respect to which the AMT refundable credit amount determined under paragraph (1) with respect to such taxable year shall be the amount which bears the same ratio to such amount determined without regard to this paragraph for the number of days in such taxable year bears to 365.

(b) Treatment of References.—Section 53(d) is amended by adding at the end the following new paragraph:

(3) AMT TERM REFERENCES.—In the case of a corporation, any references in this subsection to section 1(b) shall be treated as a reference to such section as in effect before the amendments made by Tax Cuts and Jobs Act.

(b) Conforming Amendment.—Section 1374(b)(3)(B) is amended by striking the last sentence thereof.

(b) Effective Date.—

(1) In General.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
which reverse during such period.

For the property to the aggregate timing differ-
est to be made to a section or other provi-
ded in paragraphs (2) through (7).

(2) RATE TABLES.——

(A) MARRIED INDIVIDUALS FILING JOINT RE-

TURNS AND SURVIVING SPOUSES.—The fol-
lowing table shall be applied in lieu of the table contained in subsection (a):

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $9,525 ..........</td>
<td>10% of taxable income.</td>
</tr>
<tr>
<td>Over $9,525 but not over $20,050</td>
<td>$952.50, plus 12% of the excess over $9,525.</td>
</tr>
<tr>
<td>Over $20,050 but not over $29,000</td>
<td>$3,852, plus 22% of the excess over $20,050.</td>
</tr>
<tr>
<td>Over $29,000 but not over $50,000</td>
<td>$9,180, plus 28% of the excess over $29,000.</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$30,170, plus 32% of the excess over $50,000.</td>
</tr>
<tr>
<td>Over $100,000 but not over $150,000</td>
<td>$60,320, plus 38% of the excess over $100,000.</td>
</tr>
<tr>
<td>Over $150,000 but not over $200,000</td>
<td>$90,500, plus 40% of the excess over $150,000.</td>
</tr>
<tr>
<td>Over $200,000 but not over $500,000</td>
<td>$150,680, plus 45% of the excess over $200,000.</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$455,760, plus 40% of the excess over $500,000.</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$455,760, plus 40% of the excess over $500,000.</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$1,171,120, plus 45% of the excess over $1,000,000.</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$1,171,120, plus 45% of the excess over $1,000,000.</td>
</tr>
<tr>
<td>Over $9,150 but not over $12,500</td>
<td>$3,150, plus 24% of the excess over $9,150.</td>
</tr>
<tr>
<td>Over $12,500 but not over $20,000</td>
<td>$7,725, plus 28% of the excess over $12,500.</td>
</tr>
<tr>
<td>Over $20,000 but not over $30,000</td>
<td>$17,850, plus 32% of the excess over $20,000.</td>
</tr>
<tr>
<td>Over $30,000 but not over $50,000</td>
<td>$47,625, plus 38% of the excess over $30,000.</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$113,250, plus 40% of the excess over $50,000.</td>
</tr>
<tr>
<td>Over $100,000 but not over $200,000</td>
<td>$226,500, plus 42% of the excess over $100,000.</td>
</tr>
<tr>
<td>Over $200,000 but not over $500,000</td>
<td>$453,000, plus 45% of the excess over $200,000.</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$906,000, plus 45% of the excess over $500,000.</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$906,000, plus 45% of the excess over $500,000.</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$1,812,000, plus 45% of the excess over $1,000,000.</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$1,812,000, plus 45% of the excess over $1,000,000.</td>
</tr>
<tr>
<td>Over $952,500 but not over $1,013,690</td>
<td>$71,140, plus 32% of the excess over $952,500.</td>
</tr>
<tr>
<td>Over $1,013,690 but not over $1,065,879</td>
<td>$28,970, plus 38% of the excess over $1,013,690.</td>
</tr>
<tr>
<td>Over $1,065,879 but not over $1,403,923</td>
<td>$115,290, plus 40% of the excess over $1,065,879.</td>
</tr>
<tr>
<td>Over $1,403,923 but not over $4,000,000</td>
<td>$400,000, plus 45% of the excess over $1,403,923.</td>
</tr>
<tr>
<td>Over $4,000,000</td>
<td>$1,000,000, plus 45% of the excess over $4,000,000.</td>
</tr>
<tr>
<td>Over $4,000,000</td>
<td>$1,000,000, plus 45% of the excess over $4,000,000.</td>
</tr>
<tr>
<td>Over $12,500,000</td>
<td>$7,500,000, plus 45% of the excess over $12,500,000.</td>
</tr>
</tbody>
</table>

(3) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES OF HOUSE-

HOLDS.—The following table shall be applied in lieu of the table contained in subsection (c):

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $9,925 ..........</td>
<td>10% of taxable income.</td>
</tr>
<tr>
<td>Over $9,925 but not over $20,000</td>
<td>$992.50, plus 12% of the excess over $9,925.</td>
</tr>
<tr>
<td>Over $20,000 but not over $30,000</td>
<td>$4,953, plus 22% of the excess over $20,000.</td>
</tr>
<tr>
<td>Over $30,000 but not over $50,000</td>
<td>$14,910, plus 32% of the excess over $30,000.</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$49,030, plus 38% of the excess over $50,000.</td>
</tr>
<tr>
<td>Over $100,000</td>
<td>$108,650, plus 40% of the excess over $100,000.</td>
</tr>
<tr>
<td>Over $200,000 but not over $500,000</td>
<td>$217,300, plus 42% of the excess over $200,000.</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$534,650, plus 45% of the excess over $500,000.</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$534,650, plus 45% of the excess over $500,000.</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$1,070,000, plus 45% of the excess over $1,000,000.</td>
</tr>
</tbody>
</table>

(4) SPECIAL RULES FOR CERTAIN CHILDREN WITH UNEARNED INCOME.—

(A) IN GENERAL.—In the case of a child to whom subsection (g) applies for the taxable year, the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).

(B) MODIFICATIONS TO APPLICABLE RATE BRACKETS.—In determining the amount of tax imposed by this section for the taxable year beginning after December 31, 2018, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (2) in the same manner as under paragraph (3).
year on a child described in subparagraph (A), the income tax table otherwise applicable under this subsection to the child shall be applied with the following modifications: ''(i) the maximum rate amount for the taxable year shall be decreased by an amount equal to—  

``(I) the earned taxable income of such child, plus  

``(II) the minimum taxable income for the 35-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year, and  

``(III) the maximum taxable income which is taxed at a rate below 35 percent shall not be more than the sum of—  

``(I) the earned taxable income of such child, plus  

``(II) the minimum taxable income for the 35-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year, and  

``(C) COORDINATION WITH CAPITAL GAINS RATES.—Subsection of applying section 1(h) with the modifications described in subparagraph (5)—  

``(i) the maximum zero rate amount shall not be more than the sum of—  

``(I) the earned taxable income of such child, plus  

``(II) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and  

``(III) the maximum 15-percent rate amount shall not be more than the sum of—  

``(I) the earned taxable income of such child, plus  

``(II) the amount in effect under paragraph (5)(B)(ii)(IV) for the taxable year.  

``(D) EARNED TAXABLE INCOME.—For purposes of this paragraph, the term ‘earned taxable income’ means, with respect to any child for any taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child.  

``(5) APPLICATION OF CURRENT INCOME TAX BRACKETS TO CAPITAL GAINS BRACKETS.—  

``(A) IN GENERAL.—Section 1(b)(1) shall be applied—  

``(i) by substituting ‘below the maximum zero rate amount for which would (without regard to this paragraph) be taxed at a rate below 25 percent’ in subparagraph (B)(i), and  

``(ii) by substituting ‘below the maximum 15-percent rate amount for which would (without regard to this paragraph) be taxed at a rate below 39.6 percent’ in subparagraph (C)(i)(I).  

``(B) MAXIMUM AMOUNTS DEFINED.—For purposes of applying section 1(b)(1) with the modifications described in subparagraph (A)  

``(I) MAXIMUM ZERO RATE AMOUNT.—The maximum zero rate amount shall be—  

``(i) in the case of a joint return or surviving spouse, $77,200 (1/2 such amount in the case of a married individual filing a separate return),  

``(ii) in the case of an individual who is the head of a household (as defined in section 2(b)), $45,800, and  

``(III) in the case of any other individual (other than an estate or trust), $24,900.  

``(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2018, each of the dollar amounts in clauses (i) and (ii) of subparagraph (B) shall be increased by an amount equal to—  

``(I) such dollar amount, multiplied by  

``(II) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(1) of section 1(f)(3).  

``(6) SECTION IS NOT TO APPLY.—Section 15 shall not apply to any change in a rate of tax by reason of this subsection.  

``(B) DUE DILIGENCE TAX PREPARER REQUIREMENT WITH RESPECT TO HEAD OF HOUSEHOLD FILING STATUS.—Subsection (g) of section 6905 is amended to read as follows:  

``(g) FAILURE TO BE DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer with respect to any return or claim for refund who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—  

``(I) eligibility to file as a head of household (as defined in section 2(b)) on the return, and  

``(II) eligibility for, or the amount of, the credit allowed by section 24, 25A(a)(1), or 32, shall pay a penalty of $500 for each such failure.  

``(C) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.  

SEC. 11002. INFLATION ADJUSTMENTS BASED ON CHAINED CPI.  

(a) IN GENERAL.—Subsection (f) of section 1 is amended by striking paragraph (3) and by inserting after paragraph (2) the following new paragraph:  

``(3) COST-OF-LIVING ADJUSTMENT.—For purposes of this subsection—  

``(A) IN GENERAL.—The cost-of-living adjustment for any calendar year is the percentage (rounded to the nearest whole percentage) which is equal to—  

``(i) the CPI-U for the preceding calendar year, plus  

``(ii) the CPI for calendar year 2016, multiplied by the amount determined under subparagraph (B).  

``(B) AMOUNT DETERMINED.—The amount determined under this clause is the amount obtained by dividing—  

``(I) the CPI-U for calendar year 2016, by  

``(II) the CPI for calendar year 2016.  

``(C) SPECIAL RULE FOR ADJUSTMENTS WITH RESPECT TO HEAD OF HOUSEHOLD FILING STATUS.—Subsection (g) of section 6905 is amended to read as follows:  

``(g) FAILURE TO BE DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer with respect to any return or claim for refund who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—  

``(I) eligibility to file as a head of household (as defined in section 2(b)) on the return, and  

``(II) eligibility for, or the amount of, the credit allowed by section 24, 25A(a)(1), or 32, shall pay a penalty of $500 for each such failure.  

``(C) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
more than 5 percent, the C-CPI-U for the base calendar year shall be increased such that such excess shall never be taken into account under clause (i). In the case of a base calendar year after 1986, the C-CPI-U for such year shall be determined by multiplying the CPI for such year by the amount determined under section 1(f)(3)(B).

(4) The amount, paragraph (2) shall be applied by striking ‘for calendar year 1992’ and inserting ‘for calendar year 2016’ in subparagraph (A)(ii) thereof.

(5) The amount determined under section 1(f)(3) is amended by striking ‘subparagraph (A)(ii) thereof shall be increased to the nearest multiple of $100 (or, if such increase is a multiple of $50, such increase shall be increased to the nearest multiple of $100).’

(6) So much of clause (ii) of section 1(f)(3)(B) as precedes the last sentence is amended read as follows:

‘‘(ii) MEDICAL CARE COST ADJUSTMENT.—For purposes of clause (i), the medical care cost adjustment for any calendar year is the percentage (if any) by which—

(A) such amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 1990’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.’

SEC. 11011. DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES

PART II—QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES

SEC. 11011. DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES

(a) In General.—In the case of a taxpayer other than a corporation, there shall be allowed as a deduction for any taxable year an amount equal to the lesser of—

(1) the combined qualified business income amount of the taxpayer, or

(2) an amount equal to 17.4 percent of the excess (if any) of—

(A) the combined qualified business income amount of the taxpayer for the taxable year, over

(B) any net capital gain (as defined in section 1(h)) of the taxpayer for the taxable year.

(b) COMBINED QUALIFIED BUSINESS INCOME AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The term ‘combined qualified business income amount’ means, with respect to any taxable year, an amount equal to—

(A) the sum of the amounts determined under paragraph (2) for each qualified trade or business carried on by the taxpayer, plus

(B) 17.4 percent of the aggregate amount of the qualified REIT dividends and qualified cooperative dividends of the taxpayer for the taxable year.

(2) DETERMINATION OF DEDUCTIBLE AMOUNT FOR EACH TRADE OR BUSINESS.—The amount determined under this paragraph with respect to any qualified trade or business is the lesser of—

(A) 17.4 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

(B) 50 percent of the W-2 wages with respect to the qualified trade or business.

(3) MODIFICATIONS TO THE WAGE LIMIT BASED ON TAXABLE INCOME.—

(A) EXCEPTION FROM WAGE LIMIT.—In the case of a taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

(B) USE-OF LIMIT FOR CERTAIN TAXPAYERS.—

(i) In General.—If—

(I) the taxable income of a taxpayer for any taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B), and

(ii) included or allowed in determining taxable income of the taxpayer for any taxable year the amount which bears the same ratio to the excess amount as—

(II) the amount by which the taxpayer’s taxable income for the taxable year exceeds the threshold amount, bears to—

(III) the threshold amount,

(ii) the amount determined under paragraph (2)(A) (determined without regard to the threshold amount), or

(ii) the amount determined under paragraph (2)(B) (determined without regard to this paragraph).

(c) QUALIFIED BUSINESS INCOME.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘qualified business income’ means, for any taxable year, the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer.

(B) Calculation.—For purposes of this subsection—

(i) the net amount of qualified income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer.

(ii) any item of short-term capital gain, short-term capital loss, long-term capital gain, or long-term capital loss.

(iii) any dividend, income equivalent to a dividend, or payment in lieu of dividends described in section 864(c)(1)(G).
"(iii) Any interest income other than interest income which is properly allocable to a trade or business.

("iv) Any item of gain or loss described in subparagraph (A) of section 554(c)(1) (applied by substituting 'qualified trade or business' for 'controlled foreign corporation').

"(B) Any item of income, gain, deduction, or loss taken into account under section 954(c)(1)(F) (determined without regard to clause (i) thereof and other than items attributable to certain financial contracts entered into in transactions qualifying under section 1221(a)(7)) in respect to the trade or business.

"(vi) Any item of deduction or loss properly allocable to the trade or business described in any of the preceding clauses.

"(4) TREATMENT OF REASONABLE COMPENSATION AND GUARANTEED PAYMENTS.—Qualified business income shall not include—

"(A) reasonable compensation paid to the taxpayer by any qualified trade or business of the taxpayer for services rendered with respect to the trade or business;

"(B) any guaranteed payment described in section 707(c) paid to a partner for services rendered with respect to the trade or business;

"(C) to the extent provided in regulations, any payment described in section 707(a) to a partner for services rendered with respect to the trade or business;

"(d) QUOTED TRADE OR BUSINESS.—For purposes of this section—

"(1) The term 'qualified trade or business' means any trade or business other than a specified service trade or business.

"(2) SPECIFIED SERVICE TRADE OR BUSINESS.—

"(A) IN GENERAL.—The term 'specified service trade or business' means—

"(i) any trade or business involving the performance of services described in section 1292(e)(3)(A), including investing and investment management, trading, or dealing in securities (as defined in section 475(e)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

"(2) Exception for Specified Service Businesses Notifying Subchapter S Taxpayers' Income.—

"(A) IN GENERAL.—If, for any taxable year, the taxable income of any taxpayer is less than the sum of the threshold amount plus $50,000 ($100,000 in the case of a joint return), then—

"(i) the exception under paragraph (1) shall not apply to specified service trades or businesses of the taxpayer for the taxable year,

"(ii) only the applicable percentage of qualified items of income, gain, deduction, or loss shall be taken into account in computing the qualified business income and W-2 wages of the taxpayer for the taxable year for purposes of applying this section.

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the term 'applicable percentage' means, with respect to any taxable year, 100 percent reduced (not below zero) by the percentage equal to the ratio of—

"(i) the taxable income of the taxpayer for the taxable year in excess of the threshold amount, bears to

"(ii) $50,000 ($100,000 in the case of a joint return)."

"(e) OTHER DEFINITIONS.—For purposes of this section—

"(i) QUALIFIED INCOME.—Taxable income shall be computed without regard to the deduction allowed under this section.

"(ii) 2 THRESHOLD AMOUNT.—

"(A) IN GENERAL.—The term 'threshold amount' means $250,000 (200 percent of such amount in the case of a joint return).

"(B) IN GENERAL.—In the case of any taxable year beginning after 2018, the dollar amount in paragraph (1) shall be increased by an amount equal to—

"(i) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, and

"(ii) the amount which, if the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

"(d) QUALIFIED REIT DIVIDEND.—The term 'qualified REIT dividend' means any dividend from a real estate investment trust received during the taxable year which—

"(A) is not a capital gain dividend, as defined in section 857(b)(3), and

"(B) is not qualified dividend income, as defined in section 1(h)(11).

"(e) QUALIFIED COOPERATIVE DIVIDEND.—The term 'qualified cooperative dividend' means any dividend from a qualified cooperative as defined in section 1386(f)(1) that is not a capital gain dividend, as defined in section 1386(f)(1), and any qualified written notice of allocation (as defined in section 1386(o)(1)), or any similar amount received by a shareholder described in subparagraph (B)(ii), which—

"(i) is not included in gross income, and

"(ii) is received from—

"(I) an organization that is described in section 1391(a)(1)(B) and is treated for purposes of section 1391(b) as a qualified cooperative;

"(II) an organization that is described in paragraph (1)(A) of this section; or

"(III) a qualified written notice of allocation (as defined in section 1386(o)(1)), or any similar amount received by a shareholder described in subparagraph (B)(ii), which—

"(III) is not a capital gain dividend, as defined in section 1386(f)(1), and

"(III) is received by a shareholder described in paragraph (1)(A) of this section.

"(f) SPECIAL RULES.—

"(1) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—

"(A) IN GENERAL.—In the case of a partnership or S corporation—

"(i) each partner or shareholder shall take into account such person's allocable share of each qualified item of income, gain, deduction, and loss, and

"(ii) each partner or shareholder shall be treated for purposes of this section as having W-2 wages for the taxable year in an amount equal to such person's allocable share of the W-2 wages of the partnership or S corporation for the taxable year (as determined under regulations prescribed by the Secretary).

"(B) APPLICATION TO TRUSTS AND ESTATOR'S.—This section shall not apply to any trust or estate.

"(C) TREATMENT OF TRADERS OR BUSINESS IN PUERTO RICO.—

"(1) IN GENERAL.—In the case of any taxpayer with qualified business income from sources within the commonwealth of Puerto Rico, if all such income is taxable under section 199A, then for purposes of determining the qualified business income of such taxpayer for such taxable year, the term 'United States' shall include the Commonwealth of Puerto Rico.

"(2) SPECIAL RULE FOR APPLYING WAGE LIMITATION.—In the case of any taxpayer described in clause (1), the determination of W-2 wages for purposes of determining the qualified business income of any qualified trade or business conducted in Puerto Rico shall be made without regard to any exclusion under section 340(a)(8) for remuneration paid for services in Puerto Rico.

"(g) LIMITATION WITH MINIMUM TAX.—For purposes of determining alternative minimum tax, qualified business income shall be determined without regard to any adjustments under sections 56 through 59.

"(h) DEDUCTION LIMITATION ON INCOME TAXES.—The deduction under subsection (a) shall only be allowed for purposes of this chapter.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the purposes of this section, including regulations—

"(A) for requiring or restricting the allocation of items and wages under this section and such reporting requirements as the Secretary determines appropriate, and

"(B) for the application of this section in the case of any entity other than a corporation.

"(j) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2022.

"(k) ACCURATELY REPORTED PENALTY ON DETERMINATION OF APPLICABLE PERCENTAGE.—Section 6662(d)(1) is amended by inserting at the end the following new subparagraph:

"(C) SPECIAL RULE FOR TAXPAYERS CLAIMING SECTION 199A DEDUCTION.—If the Secretaries of the Treasury and of the Commerce Department determines appropriate, and by inserting after clause (iv) the following new clause:

"(v) SECTION 199A, AS ADAPTED .

"(2) Section 172(d) is amended by adding at the end the following new paragraph:

"(B) QUALIFIED BUSINESS INCOME DEDUCTION.—The deduction under section 199A shall not be allowed.

"(3) Section 246(b)(1) is amended by inserting "after "199A."", before "248(a)(1)".

"(4) Section 613A(a) is amended by inserting "and without the deduction under section 199A" after "and without the deduction under section 199".

"(5) Section 613A(d)(1) is amended by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively, and by inserting after subparagraph (B), the following new subparagraph:

"(E) any deduction allowable under section 199A.,

"(6) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting "Sec. 199A. Qualified business income.

"(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

"SEC. 11012. LIMITATION ON LOSSES FOR TAXPAYERS OTHER THAN CORPORATIONS.

"(a) IN GENERAL.—Section 61 is amended by adding at the end the following new subsection:

"(i) LIMITATION ON EXCESS BUSINESS LOSSES OF NONCORPORATE TAXPAYERS.—

"(B) LIMITATION.—In the case of the taxable year of a taxable year other than a corporation beginning after December 31, 2017, and before January 1, 2026—

"(B) subsection (J) (relating to limitation on excess farm losses of certain taxpayers) shall not apply, and

"(B) any excess business loss of the taxpayer for the taxable year shall not be allowed.

"(2) DISALLOWED LOSS CARRYOVER.—Any loss which is disallowed under paragraph (1)
shall be treated as a net operating loss carryover to the following taxable year under section 172.

(3) EXCESS BUSINESS LOSS.—For purposes of this subsection, the term 'excess business loss' means the excess (if any) of—

(A) the aggregate deductions of the taxpayer for the taxable year which are attributable to trades or businesses of such taxpayer (determined without regard to whether or not such deductions are disallowed for such taxable year), over

(B) the aggregate gross income or gain of such taxpayer for the taxable year which is attributable to such trades or businesses, plus

(ii) $250,000 (200 percent of such amount in the case of a joint return).

(B) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2018, the $250,000 amount in subparagraph (A)(ii)(H) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins.

If any amount as increased under paragraph (C) is less than $1,000, such amount shall be rounded to the nearest multiple of $1,000.

(4) APPLICATION OF SUBSECTION IN CASE OF PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation—

(A) this subsection shall be applied at the partner or shareholder level, and

(B) each partner's or shareholder's allocable share of the items of income, gain, deduction, or loss of the partnership or S corporation for any taxable year from trades or businesses attributable to the partner or shareholder shall be taken into account in applying this subsection to the taxable year of such partner or shareholder with or within which the taxable year of the partnership or S corporation ends.

For purposes of this paragraph, in the case of an S corporation, an allocable share shall be the shareholder's pro rata share of an item.

(5) ADDITIONAL REPORTING.—The Secretary shall prescribe such additional reporting requirements as the Secretary determines appropriate to carry out the purposes of this subsection.

(6) COOPERATION WITH SECTION 496.—This subsection shall be applied after the application of section 496.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

PART III—TAX BENEFITS FOR FAMILIES AND INDIVIDUALS

SEC. 11022. INCREASE IN AND MODIFICATION OF CHILD TAX CREDIT.

(a) IN GENERAL.—Section 24 is amended by adding at the end the following new subsection:

(1) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—

(II) In general.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, this section shall be applied as provided in paragraphs (2) through (7).

(2) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting '$2,000' for '$1,000'.

(3) LIMITATION.—In lieu of the amount determined under subsection (b)(2), the threshold amount shall be—

(A) in the case of a joint return, $500,000, and

(B) in the case of an individual who is not married or a married individual filing a separate return, $250,000.

(4) DEFINITION OF QUALIFYING CHILD.—Paragraph (3) shall be applied by substituting '18' for '17'.

(5) PORTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

(A) IN GENERAL.—The credit determined under subsection (a) shall not apply with respect to any individual who would not be a dependent if subparagraph (A) of section 152(b) were applied without regard to all that follows 'resident of the United States'.

(B) LIMITATION REDUCTION.—Subsection (d)(1)(B) shall be applied by substituting '18' for '17'.

(6) PORTION OF CREDIT REFUNDABLE.—Subsection (d)(1)(B)(i) shall be applied by substituting—

(A) '15.3 percent', for '15 percent', and

(B) '13' for '5000'.

(7) SOCIAL SECURITY NUMBER REQUIRED.—No credit shall be allowed under subsection (a) with respect to—

(A) a qualified child unless the taxpayer has social security number issued to a citizen of the United States or is issued pursuant to clause (I) of that follows 'resident of the United States'.

(B) the aggregate amount described in clause (i) of that follows 'resident of the United States'.

(C) the term 'social security number' means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued to a citizen of the United States or is issued pursuant to clause (I) of that follows 'resident of the United States'.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 11023. INCREASED LIMITATION FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Section 170(b)(1) is amended by adding after subparagraph (G) of paragraph (1) the following new subparagraph:

(II) INCREASED LIMITATION FOR CASH CONTRIBUTIONS.—

(i) IN GENERAL.—In the case of the any contribution of cash to an organization described in section 170(c)(1) or (2) for the taxable year described in clause (i), the total amount of such contributions which may be taken into account under subsection (a) for any taxable year beginning after December 31, 2017, and before January 1, 2026, shall not exceed 60 percent of the taxpayer's contribution base for such year.

(II) LIMITATION.—If the aggregate amount of contributions described in clause (i) exceeds the applicable limitation under clause (i) for any taxable year described in such clause, such contributions (in a manner consistent with the rules of subsection (d)(1) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order of time).

(III) COORDINATION WITH SUBPARAGRAPHS (A) AND (B).—

(1) IN GENERAL.—Contributions taken into account under subparagraphs (A) and (B) shall not be taken into account under subparagraph (A).

(2) LIMITATION REDUCTION.—Subparagraphs (A) and (B) shall be applied for each taxable year described in clause (i), and each taxable year to which any contribution under this subparagraph is carried over under clause (ii), by reducing (but not below zero) the aggregate contribution limitation allowed for the taxable year under each such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2017.

SEC. 11024. INCREASED CONTRIBUTIONS TO ABLE ACCOUNTS.

(a) INCREASE IN LIMITATION FOR CONTRIBUTIONS FROM INDIVIDUALS WITH DISABILITIES.—

(1) IN GENERAL.—Section 529A(b)(2)(B) is amended to read as follows:

(B) a portion of qualified child to an ABLE account for the taxable year described in clause (i), and each taxable year described in clause (i), and each taxable year to which any contribution under this subparagraph is carried over under clause (ii), by reducing (but not below zero) the aggregate contribution limitation allowed for the taxable year under each such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year.

(2) LIMITATION REDUCTION.—Subparagraphs (A) and (B) shall be applied for each taxable year described in clause (i), and each taxable year to which any contribution under this subparagraph is carried over under clause (ii), by reducing (but not below zero) the aggregate contribution limitation allowed for the taxable year under each such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11025. INCREASED CONTRIBUTIONS TO ABLE ACCOUNTS.

(a) INCREASE IN LIMITATION FOR CONTRIBUTIONS FROM INDIVIDUALS WITH DISABILITIES.—

(1) IN GENERAL.—Section 529A(b)(2)(B) is amended to read as follows:

(B) a portion of qualified child to an ABLE account for the taxable year described in clause (i), and each taxable year described in clause (i), and each taxable year to which any contribution under this subparagraph is carried over under clause (ii), by reducing (but not below zero) the aggregate contribution limitation allowed for the taxable year under each such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year.

(2) LIMITATION REDUCTION.—Subparagraphs (A) and (B) shall be applied for each taxable year described in clause (i), and each taxable year to which any contribution under this subparagraph is carried over under clause (ii), by reducing (but not below zero) the aggregate contribution limitation allowed for the taxable year under each such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.
the taxable year, exceeds the limitation contributions made to the ABLE account for the family of the designated beneficiary.

(II) the period at the end of subclause (I), by striking the period described in paragraph (C) and inserting "or another period at the end of which the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution, to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c)(7)(B), 402(c)(7)(F), 402(c)(7)(G), 408(d)(3), or 457(e)(16) of the Internal Revenue Code of 1986, as the case may be.

(III) TREATMENT OF REFRACTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of this title, a contribution or distribution from an eligible retirement plan other than an individual retirement plan, the taxpayer shall, to the extent of the amount of such contribution, be treated as having received the qualified Mississippi River Delta flooding distribution in an eligible rollover distribution (as defined in section 402(c)(4) of the Internal Revenue Code of 1986) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(IV) OTHER THAN IRAS.—For purposes of this title, any reference to a qualified Mississippi River Delta flooding distribution shall be treated as a distribution described in section 402(c)(3) of such Code and as having been transferred to the eligible retirement plan described in section 402(c)(4) of the Internal Revenue Code of 1986.
2016, was located in the portion of Mississippi River Delta flood disaster area described in subsection (a)(2) and who has sustained an economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in subsection (a)(2).

(ii) Eligible Retirement Plan.—The term "eligible retirement plan" shall have the meaning before the term by section 402(c)(7)(B) of the Internal Revenue Code of 1986.

(iii) Economic Loss.—For purposes of this paragraph, the term "economic loss" means losses attributable to the severe storms and flooding giving rise to the Presidential declaration described in subsection (a)(2) and who has sustained an economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in subsection (a)(2).

IV. Education

A. Exception for Student Loans Charged on Account of Death or Disability

(i) General.—If an individual has a net disaster loss for any taxable year beginning after December 31, 2017, and before January 1, 2028—

(A) the amount determined under section 165(h)(2)(A)(ii) of the Internal Revenue Code of 1986 shall be equal to the sum of—

(i) such net disaster loss, and

(ii) so much of the excess referred to in the matter preceding clause (i) of section 165(h)(2)(A) of such Code (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual.

(B) section 165(h)(1) of such Code shall be applied by substituting "$500" for "$100 for taxable years beginning after December 31, 2009".

(C) the standard deduction determined under section 63(c) of such Code shall be increased by the net disaster loss, and

(D) section 56(e)(1)(E) of such Code shall not apply to so much of the standard deduction as is attributable to the increase under subparagraph (C) of this paragraph.

(ii) Special Rules.—For purposes of clause (i), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

B. Amendments to Which Subsection Applies

(i) General.—This paragraph shall apply to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subparagraph (B)(ii)(A).

(ii) Amendments to Which Subsection Applies

(A) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as an amendment described in subparagraph (B)(ii)(A) if—

(1) the date on which such an amendment was adopted is after January 1, 2018, or such later date as the Secretary prescribes, and

(2) such an amendment was in effect on or before January 1, 2028.

(B) Special Rules.—The term "special rules" includes the provisions of this paragraph and any subsequent similar provisions.

C. Exclusion of Other Distribution

(i) General.—In the case of any retirement plan (as described in clause (i) of section 401(a)(17) of the Internal Revenue Code of 1986), section 402(c)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of the Internal Revenue Code of 1986, qualified Mississippi River Delta flooding distributions shall not be treated as eligible rollover distributions.

(ii) Special Rule.—For purposes of this paragraph, the term "qualified disaster-related personal casualty losses" means losses described in section 165(h)(3)(A) of the Internal Revenue Code of 1986 which arise—

(A) in the portion of the Mississippi River Delta flood disaster area described in subsection (a)(2) (other than the portion in the lower 48 States described in such section),

(B) in the portion of the Mississippi River Delta flood disaster area described in subsection (a)(2), or

(C) after March 1, 2016, which are attributable to the severe storms and flooding giving rise to the Presidential declaration described in subsection (a)(2).

D. Provisions Relating to Plan Amendments

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect as of the date of such amendment, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

E. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

F. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

G. Amendment to Code of Federal Regulations

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

H. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

I. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

J. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

K. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

L. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

M. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

N. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

O. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

P. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

Q. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

R. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

S. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

T. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

U. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

V. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

W. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

X. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

Y. Limitation on Percentage

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.

Z. Coordination with Other Sections

(i) Amended.—In the case of any amendment to any annuity contract, such amendment shall be treated as being in effect for purposes of this paragraph, whether or not such amendment is effective for any taxable year.

(ii) Special Rule.—For purposes of this paragraph, the term "special rule" includes the provisions of this paragraph and any subsequent similar provisions.
amended by adding at the end the following new paragraph:

"(4) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

"(A) IN GENERAL.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) shall not apply and for purposes of paragraph (1) the term 'exempt amount' means an amount equal to—

"(i) the sum of the amount determined under subparagraph (B) and the standard deduction divided by

"(ii) 52.

"(B) AMOUNT DETERMINED.—For purposes of subparagraph (A)(i), the amount determined under this subparagraph is $14,510 multiplied by the number of the taxpayer's dependents for the taxable year in which the levy occurs.

"(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after December 31, 2018, the $14,510 amount in subparagraph (B) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '2017' for '2016' in subparagraph (A)(ii) thereof.

If any increase determined under the preceding paragraph is a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

"(D) VERIFIED STATEMENT.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (B) shall not be applied as if the taxpayer were a married individual filing a separate return with no dependents.

(e) IN GENERAL.—Taxpayers Required to Make Returns of Income.—Section 6012 is amended by adding at the end the following new subsection:

"(1) SPECIAL RULE FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, subsection (a)(1) shall not apply, and every individual who has gross income for the taxable year shall be required to make returns with respect to income taxes under subtitle A, except that a return shall be required in the case of—

"(i) an individual who is not married (as determined by applying section 7703) and who has gross income for the taxable year which does not exceed the standard deduction applicable to such individual for such taxable year under section 63, or

"(ii) an individual entitled to make a joint return.

"(A) the gross income of such individual, when combined with the gross income of such individual's spouse, for the taxable year does not exceed the standard deduction which would be applicable to the taxpayer for such taxable year under section 63 if such individual and such individual's spouse made a joint return,

"(B) such individual and such individual's spouse have the same household as their home at the close of the taxable year,

"(C) such individual's spouse does not make a separate return, and

"(D) neither such individual nor such individual's spouse is an individual described in section 63(c)(5)(A), the amount specified in paragraph (1) or (2)(A) shall be reduced by the amount of any additional standard deduction (within the meaning of section 63(c)(5)) in the case of an individual entitled to such deduction by reason of being an individual (relating to ages 65 or more), and by the amount of each additional standard deduction to which the individual or the individual's spouse is entitled by reason of section 63(c)(1)

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11042. SUSPENSION OF DEDUCTION FOR STATE AND LOCAL, ETC. TAXES.

(a) IN GENERAL.—Subsection (b) of section 164 is amended by adding at the end the following new paragraph:

"(B) SUSPENSION OF INDIVIDUAL DEDUCTIONS FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of an individual and a taxable year beginning after December 31, 2017, and before January 1, 2026—

"(A) paragraphs (1) and (2) of subsection (a) shall not apply to any real property or personal property taxes which are paid or accrued in carrying on a trade or business or an activity described in section 212, and

"(B) subsection (a)(3) shall not apply to any State or local taxes.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11043. SUSPENSION OF DEDUCTION FOR HOME EQUITY INTEREST.

(a) IN GENERAL.—Section 163(h)(3)(A)(ii) is amended by adding at the end the following new paragraph:

"(2) LIMITATION FOR TAXABLE YEARS 2018 THROUGH 2025.—In any case of any loss of an individual described in subsection (c)(3) which (but for this paragraph) would be deductible in a taxable year beginning after December 31, 2017, and before January 1, 2026 (without regard to any election under subsection (1), such loss shall be allowed only to the extent it is attributable to a Federally required change of station, subsection (a)(6) shall not apply to any such taxable year beginning before January 1, 2018.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2017.

SEC. 11044. MODIFICATION OF DEDUCTION FOR OFFICE ALLOWANCES.

(a) IN GENERAL.—Subsection (b) of section 165 is amended by adding at the end the following new paragraph:

"(B) SUSPENSION OF DEDUCTION FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of an individual and a taxable year beginning after December 31, 2017, and before January 1, 2026, the term" and inserting "For purposes of the preceding sentence, in the case of a taxable year beginning after December 31, 2025, the term".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11045. SUSPENSION OF MISCELLANEOUS ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 67 is amended by adding at the end the following new subsection:

"(g) SUSPENSION FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of an individual, no miscellaneous itemized deduction shall be allowed for any taxable year beginning after December 31, 2017, and before January 1, 2026.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11046. SUSPENSION OF OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 68 is amended by adding at the end the following new subsection:

"(f) SECTION NOT TO APPLY.—This section shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11047. MODIFICATION OF EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Section 121 is amended by adding at the end the following new subsection:

"(B) SPECIAL RULES FOR SALES OR EXCHANGES IN TAXABLE YEARS 2018 THROUGH 2025.—

"(1) IN GENERAL.—In applying this section with respect to sales or exchanges after December 31, 2017, and before January 1, 2026—

"(A) '8-year' shall be substituted for '5-year' each place it appears in subsections (a), (b)(5), (c)(1)(D), and (c)(5)(B)(ii) and paragraph (b)(6) of subsection (d),

"(B) '5 years' shall be substituted for '2 years' each place it appears in subsections (a), (b)(3), (b)(4), (b)(5)(C)(1)(D), and (c)(5)(B)(ii), and

"(C) '5-year' shall be substituted for '2-year' in subsection (b)(3).

"(2) EXCEPTION FOR BINDING CONTRACTS.—Paragraph (1) shall not apply to any sale or exchange with respect to which there was a written binding contract in effect before January 1, 2018, and at all times thereafter before the sale or exchange.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after December 31, 2017.

SEC. 11048. SUSPENSION OF EXCLUSION FOR QUALIFIED BICYCLE COMMUTING REIMBURSEMENT.

(a) IN GENERAL.—Section 132(f) is amended by adding at the end the following new paragraph:

"(B) SUSPENSION OF QUALIFIED BICYCLE COMMUTING REIMBURSEMENT.—Paragraph (1)(D) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11049. SUSPENSION OF EXCLUSION FOR QUALIFIED MOVING EXPENSE REIMBURSEMENT.

(a) IN GENERAL.—Section 132(g) is amended by adding at the end the following new paragraph:

"(1) SPECIAL RULE FOR TAXABLE YEARS 2018 THROUGH 2025.—Except in the case of a member of the Armed Forces of the United States on active duty who moves pursuant to a military order and incident to a permanent change of station, subsection (a)(6) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11050. SUSPENSION OF DEDUCTION FOR MOVING EXPENSES.

(a) IN GENERAL.—Section 217 is amended by adding at the end the following new subsection:

"(B) SUSPENSION OF DEDUCTION FOR TAXABLE YEARS 2018 THROUGH 2025.—Except in the case of an individual to whom subsection (a) applies, this section shall not apply to any taxable year beginning after December 31, 2026, and before January 1, 2027.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11051. LIMITATION ON WAGERING LOSSES.

(a) IN GENERAL.—Section 165(d)(5) is amended by adding at the end the following: 'For purposes of the preceding sentence, in the case of taxable years beginning after December 31, 2017, and before January 1, 2026, the term
‘losses from waging transactions’ includes any deduction otherwise allowable under this chapter incurred in carrying on any waging transaction.”

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

PART VI—INCREASE IN ESTATE AND GIFT TAX EXEMPTION

SEC. 11601. INCREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) In General.—Section 2010(c)(3) is amended by adding at the end the following new subparagraph:

“(C) INCREASE IN BASIC EXCLUSION AMOUNT.—In the case of estates of decedents dying or gifts made after December 31, 2017, and before January 1, 2026, subparagraph (A) shall be applied by substituting “$10,000,000” for “$5,000,000.”.”

(b) Conforming Amendment.—Subsection (g) of section 2001 is amended to read as follows:

“(g) Modifications to Tax Payable.—

“(1) Modifications to gift tax payable to reflect different tax rates.—For purposes of paragraph (2) of subsection (b)(3) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the dece- dent’s death shall, in lieu of the rates of tax in effect at the close of such gifts, be used both to compute—

“(A) the tax imposed by chapter 12 with respect to such gifts, and

“(B) the credit allowed against such tax under section 2505, including in computing—

“(i) the applicable credit amount under section 2505(a)(1), and

“(ii) the sum of all amounts allowed as a credit for all preceding periods under section 2505(a)(2).”

“(2) Modifications to estate tax payable to reflect different basic exclusion amounts.—The Secretary shall prescribe regulations as may be necessary or appropriate to carry out this section with respect to any amount between—

“(A) the basic exclusion amount under section 2010(c)(3) applicable at the time of the dece- dent’s death, and

“(B) the basic exclusion amount under section 2010(c)(3) applicable with respect to any gift made by the decedent.”

(c) Effective Date.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

PART VII—TAXPAYER RIGHTS AND TAX COMPLIANCE

SEC. 11701. EXTENSION OF TIME LIMIT FOR CON- TESTING IRS LEVY.

(a) Extension of Time for Return of Property Subject to Levy.—Subsection (b) of section 6332 is amended by striking “9 months” and inserting “2 years”.

(b) Period of Limitation on Suits.—Subsection (c) of section 6332 is amended—

(1) by striking “9 months” in paragraph (1) and inserting “2 years”, and

(2) by striking “9-month” in paragraph (2) and inserting “2-year”.

(c) Effective Date.—The amendments made by this section shall apply to levies made after the date of the enactment of this Act, and to suits commenced after such date.

SEC. 11702. INDIVIDUALS HELD HARMLESS ON IMPROPER LEVY ON RETIREMENT PLANS.

(a) In General.—Section 6343 is amended by adding at the end the following new subsection:

“(D) INDIVIDUALS HELD HARMLESS ON IMPROPER LEVY, ETC., ON RETIREMENT PLAN.—

“(1) In General.—If the Secretary deter- mines that the individual’s account or benefit under an eligible retirement plan (as defined in section 402(c)(8)(B)) has been levied upon in a case to which subsection (b) or (d)(2)(A) applies and payment of amount of money is returned to the individual—

“(A) the individual may contribute such property or an amount equal to the sum of—

“(i) the amount of money so returned by the Secretary, and

“(ii) interest paid under subsection (c) on such amount of money into such eligible retirement plan if such contribution is permitted by the plan, or into an individual retirement plan (other than an endowment contract) to which a rollover contribution from a distribution from such eligible retirement plan is permitted, but only if such contribution is made not later than the due date (not including exten- sions) for filing the return of tax for the taxable year in which such property or amount of money is returned, and

“(B) the Secretary shall, at the time such property or amount of money is returned, notify such individual that a contribution described in subparagraph (A) may be made.

“(2) Treatment as Rollover.—The dis- tribution on account of the levy and any contribution under paragraph (1) with re- spect to the return of such distribution shall be treated for purposes of this title as if such distribution and contribution were described in section 402(c), 402A(c)(3), 403(a)(4), 403(b)(8), 408(d)(3), 408A(d)(3), or 457(e)(16), whichever is applicable, except that—

“(A) the contribution described in paragraph (1) with respect to the return of such distribution shall be treated as having been made for the taxable year in which the distribution occurred, and the interest paid under subsection (c) shall be included in gross income, and

“(B) such contribution shall not be taken into account for purposes of section 408(d)(3)(B).

“(3) Refund, Etc., of Income Tax on Levy.—

“(A) In General.—If any amount is includi- ble in gross income for a taxable year by reason of a distribution on account of a levy referred to in paragraph (1) and any portion of such amount attributable to a rollover con- tribution under paragraph (2), any tax im- posed by chapter 1 on such portion shall not be assessed, and if assessed shall be abated, and if collected shall be credited or refunded as an overpayment made on the due date for filing the return of tax for such taxable year.

“(B) Exception.—Subparagraph (A) shall not apply to a rollover contribution under this subsection which is made from an eligi- ble retirement plan which is not a Roth IRA or a designated Roth account (within the meaning of section 402A) to a Roth IRA or a designated Roth account under an eligible retirement plan.

“(C) Interest.—Notwithstanding sub- section (d), interest shall be allowed under subsection (c) in a case in which the Sec- retary makes a determination described in subsection (d)(2)(A) with respect to a levy on an individual retirement plan.

“(D) Treatment of Inherited Accounts.—

For purposes of paragraphs (1)(A), section 408(d)(3)(C) shall be disregarded in deter- mining the treatment of a rollover contribu- tion plan to which a rollover contribu- tion of a distribution from the plan levied upon is permitted.”

(b) Effective Date.—The amendment made by this section shall apply to amounts paid under subsections (b), (c), and (d)(2)(A) of section 6343 of the Internal Revenue Code of 1986 in taxable years beginning after December 31, 2017.

SEC. 11673. MODIFICATION OF USER FEE RE- QUIREMENTS FOR INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159 is amended by redesignating subsection (f) as subsection (g) and by inserting after such subsection the following new subsection:

“(G) INSTALLMENT AGREEMENT FEES.—

“(1) LIMITATION ON FEE AMOUNT.—The amount of any fee imposed on an installment agreement under this section may not exceed the amount of such fee as in effect on the date of the enactment of this subsection.

“(2) WAIVER OR REIMBURSEMENT.—In the case of any taxpayer with an adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 250 percent of the applicable poverty level (as determined by the Secretary), the taxpayer has agreed to make payments under the installment agreement by electronic payment through a debit instru- ment, no fee shall be imposed on an in- stallment agreement entered into under this section, and

“(B) if the taxpayer is unable to make payments under the installment agreement by electronic payment through a debit instru- ment, the Secretary, upon completion of the installment agreement, pay the tax- payer an amount equal to any such fees im- posed.

(b) Effective Date.—The amendments made by this section shall apply to agree- ments entered into on or after the date which is 90 days after the date of the enact- ment of this Act.

SEC. 11074. FORM 1040SR FOR SENIORS.

(a) In General.—The Secretary of the Treasury (or the Secretary’s delegate) shall make available a form, to be known as “Form 1040SR”, for use by individuals to file the return of tax imposed by chapter 1 of the Internal Revenue Code of 1986. Such form shall be as similar as practicable to Form 1040EZ, except that—

“(1) the form shall be available only to indi- viduals who have attained age 65 as of the close of the taxable year,

“(2) the form may be used even if income for the taxable year includes—

“(A) social security benefits (as defined in section 86(d) of the Internal Revenue Code of 1986),

“(B) any distributions from qualified retirement plans (as defined in section 401(k) of such Code), annuities or other such deferred pay- ment arrangements,

“(C) interest and dividends, or

“(D) capital gains and losses taken into account in determining adjusted net capital gain (as defined in section 1(h)(3) of such Code); and

“(3) the form shall be available without re- gard to the amount of any item of taxable income or the total amount of taxable in- come for the taxable year.

(b) Effective Date.—The form required by subsection (a) shall be made available for taxable years beginning after the date of the enactment of this Act and ending before January 1, 2026.

SEC. 11075. SENSE OF THE SENATE ON IMPROV- ING CUSTOMER SERVICE AND PRO- TECTIONS FOR TAXPAYERS BY REIN- STATEMENT APPROPRIATE FUNDING LEVELS.

It is the sense of the Senate that politi- cally motivated budget cuts—

“(1) are counterproductive to deficit reduc- tion,

“(2) diminish the ability of the Internal Revenue Service to adequately serve tax- payers and protect taxpayer information, and

“(3) reduce the ability of the Internal Revenue Service to enforce the law.
SEC. 11076. RETURN PREPARATION PROGRAMS FOR LOW-INCOME TAXPAYERS. 

(a) In general.—Chapter 77 is amended by inserting after section 7528 the following new section: 

"SEC. 7528A. RETURN PREPARATION PROGRAMS FOR LOW-INCOME TAXPAYERS. 

"(a) Volunteer Income Tax Assistance (VITA) Program.—

"(1) Establishment of Program.—The Secretary, through the Internal Revenue Service, shall establish a Community Volunteer Income Tax Assistance Matching Grant Program (hereinafter in this section referred to as the 'VITA grant program'). Except as otherwise provided in this section, the VITA grant program shall be administered in a manner which is substantially similar to the Community Volunteer Income Tax Assistance matching grants demonstration program established under title II of division D of the Consolidated Appropriations Act, 2008.

"(2) Matching Grants.—

"(A) In general.—The Secretary shall, subject to the availability of appropriated funds, make available grants under the VITA grant program to provide matching funds for the development, expansion, or continuation of qualified return preparation programs assisting low-income taxpayers and members of underserved populations.

"(B) Application.—

"(i) In general.—Subject to clause (ii), in order to be eligible for a grant under this section, a qualified return preparation program shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary reasonably requires.

"(ii) Accuracy requirement.—In the case of any qualified return preparation program that was awarded a grant under this section and was subsequently subject to a field site visit by the Internal Revenue Service (including through the Office of Inspector General, the Office of the Assistant Commissioner—Audit, and the Office of the Assistant Commissioner—Examination) in which it was determined that the average accuracy rate for preparation of tax returns through such program was less than 90 percent, such program shall not be eligible for any additional grants under this section unless such program provides, as part of their application, the corrective measures established by such program to address the deficiencies identified following the field site visit.

"(C) Awards by granting grants under this section, the Secretary shall give priority to applications—

"(i) demonstrating assistance to low-income taxpayers with an emphasis on outreach to and services for such taxpayers,

"(ii) demonstrating taxpayer outreach and educational activities relating to eligibility and availability of income supports available through the Internal Revenue Code of 1986, such as the earned income tax credit, and

"(iii) demonstrating specific outreach and focus on one or more underserved populations.

"(D) Duration of grants.—Upon application of a qualified return preparation program, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

"(3) Aggregate limitation.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $30,000,000 per fiscal year (exclusive of costs of administering the program) to carry out the purposes of this section.

"(4) Use of grants.—

"(I) In general.—Qualified return preparation programs receiving a grant under this section may use the grant for—

"(aa) the costs of preparing returns, including—

"(AA) for wages or salaries of persons coordinating the activities of the program,

"(BB) for training and quality assurance activities, 

"(CC) for printing and distribution of materials, and

"(DD) for such other expenses as the Secretary reasonably requires.

"(bb) for the development of computer software, including—

"(B) for providing assistance to taxpayers with special needs, including—

"(aa) for the provision of computer software, and

"(BB) for the provision of training.

"(ii) Ineligible expenses.—The Secretary shall refer taxpayers to qualified return preparation programs receiving a grant under this section who are referred to and services for such taxpayers.

"(B) In general.—Subject to clause (ii), in order to be eligible for a grant under this section, a qualified return preparation program shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary reasonably requires.

"(ii) Accuracy requirement.—In the case of any qualified return preparation program that was awarded a grant under this section and was subsequently subject to a field site visit by the Internal Revenue Service (including through the Office of Inspector General, the Office of the Assistant Commissioner—Audit, and the Office of the Assistant Commissioner—Examination) in which it was determined that the average accuracy rate for preparation of tax returns through such program was less than 90 percent, such program shall not be eligible for any additional grants under this section unless such program provides, as part of their application, the corrective measures established by such program to address the deficiencies identified following the field site visit.

"(C) Awards by granting grants under this section, the Secretary shall give priority to applications—

"(i) demonstrating assistance to low-income taxpayers with an emphasis on outreach to and services for such taxpayers,

"(ii) demonstrating taxpayer outreach and educational activities relating to eligibility and availability of income supports available through the Internal Revenue Code of 1986, such as the earned income tax credit, and

"(iii) demonstrating specific outreach and focus on one or more underserved populations.

"(D) Duration of grants.—Upon application of a qualified return preparation program, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

"(3) Aggregate limitation.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $30,000,000 per fiscal year (exclusive of costs of administering the program) to carry out the purposes of this section.

"(4) Use of grants.—

"(I) In general.—Qualified return preparation programs receiving a grant under this section may use the grant for—

"(aa) the costs of preparing returns, including—

"(AA) for wages or salaries of persons coordinating the activities of the program,

"(BB) for training and quality assurance activities, 

"(CC) for printing and distribution of materials, and

"(DD) for such other expenses as the Secretary reasonably requires.

"(bb) for the development of computer software, including—

"(B) for providing assistance to taxpayers with special needs, including—

"(aa) for the provision of computer software, and

"(BB) for the provision of training.

"(ii) Ineligible expenses.—The Secretary shall refer taxpayers to qualified return preparation programs receiving a grant under this section who are referred to and services for such taxpayers.

"(B) In general.—Subject to clause (ii), in order to be eligible for a grant under this section, a qualified return preparation program shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary reasonably requires.

"(ii) Accuracy requirement.—In the case of any qualified return preparation program that was awarded a grant under this section and was subsequently subject to a field site visit by the Internal Revenue Service (including through the Office of Inspector General, the Office of the Assistant Commissioner—Audit, and the Office of the Assistant Commissioner—Examination) in which it was determined that the average accuracy rate for preparation of tax returns through such program was less than 90 percent, such program shall not be eligible for any additional grants under this section unless such program provides, as part of their application, the corrective measures established by such program to address the deficiencies identified following the field site visit.

"(C) Awards by granting grants under this section, the Secretary shall give priority to applications—

"(i) demonstrating assistance to low-income taxpayers with an emphasis on outreach to and services for such taxpayers,

"(ii) demonstrating taxpayer outreach and educational activities relating to eligibility and availability of income supports available through the Internal Revenue Code of 1986, such as the earned income tax credit, and

"(iii) demonstrating specific outreach and focus on one or more underserved populations.

"(D) Duration of grants.—Upon application of a qualified return preparation program, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

"(3) Aggregate limitation.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $30,000,000 per fiscal year (exclusive of costs of administering the program) to carry out the purposes of this section.

"(4) Use of grants.—

"(I) In general.—Qualified return preparation programs receiving a grant under this section may use the grant for—

"(aa) the costs of preparing returns, including—

"(AA) for wages or salaries of persons coordinating the activities of the program,

"(BB) for training and quality assurance activities, 

"(CC) for printing and distribution of materials, and

"(DD) for such other expenses as the Secretary reasonably requires.

"(bb) for the development of computer software, including—

"(B) for providing assistance to taxpayers with special needs, including—

"(aa) for the provision of computer software, and

"(BB) for the provision of training.

"(ii) Ineligible expenses.—The Secretary shall refer taxpayers to qualified return preparation programs receiving a grant under this section who are referred to and services for such taxpayers.

"(B) In general.—Subject to clause (ii), in order to be eligible for a grant under this section, a qualified return preparation program shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary reasonably requires.

"(ii) Accuracy requirement.—In the case of any qualified return preparation program that was awarded a grant under this section and was subsequently subject to a field site visit by the Internal Revenue Service (including through the Office of Inspector General, the Office of the Assistant Commissioner—Audit, and the Office of the Assistant Commissioner—Examination) in which it was determined that the average accuracy rate for preparation of tax returns through such program was less than 90 percent, such program shall not be eligible for any additional grants under this section unless such program provides, as part of their application, the corrective measures established by such program to address the deficiencies identified following the field site visit.

"(C) Awards by granting grants under this section, the Secretary shall give priority to applications—

"(i) demonstrating assistance to low-income taxpayers with an emphasis on outreach to and services for such taxpayers,

"(ii) demonstrating taxpayer outreach and educational activities relating to eligibility and availability of income supports available through the Internal Revenue Code of 1986, such as the earned income tax credit, and

"(iii) demonstrating specific outreach and focus on one or more underserved populations.

"(D) Duration of grants.—Upon application of a qualified return preparation program, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

"(3) Aggregate limitation.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $30,000,000 per fiscal year (exclusive of costs of administering the program) to carry out the purposes of this section.

"(4) Use of grants.—

"(I) In general.—Qualified return preparation programs receiving a grant under this section may use the grant for—

"(aa) the costs of preparing returns, including—

"(AA) for wages or salaries of persons coordinating the activities of the program,

"(BB) for training and quality assurance activities, 

"(CC) for printing and distribution of materials, and

"(DD) for such other expenses as the Secretary reasonably requires.

"(bb) for the development of computer software, including—

"(B) for providing assistance to taxpayers with special needs, including—

"(aa) for the provision of computer software, and

"(BB) for the provision of training.

"(ii) Ineligible expenses.—The Secretary shall refer taxpayers to qualified return preparation programs receiving a grant under this section who are referred to and services for such taxpayers.

"(B) In general.—Subject to clause (ii), the term 'eligible organization' means—

"(1) an institution of higher education which is described in section 102 (other than subsection (a)(1)(B) thereof) of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), and

"(2) any remedial education service described in section 102 (other than subsection (a)(1)(B) thereof) of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), unless in the case of such service such service is provided to individuals described in section 107 (other than subsection (a)(1)(C) thereof) of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).
SEC. 11078. ATTORNEYS’ FEES RELATING TO AWARDS TO WHISTLEBLOWERS.

(a) IN GENERAL.—Paragraph (21) of section 62(a) is amended to read as follows: ‘‘(21) IN GENERAL.—The amendments made by this section shall apply to months beginning after December 31, 2018.‘’

SEC. 12001. REPEAL OF TAX FOR CORPORATIONS.

(a) IN GENERAL.—Section 5000A is amended by striking ‘‘There’’ and inserting ‘‘The amount determined under section 55 shall be applied by substituting 50 percent of the highest rate of tax specified in paragraph (2) thereof in place of the highest rate of tax specified in paragraph (2) thereof, or, if the highest rate of tax specified in paragraph (2) thereof is not applicable, over’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 12002. SENSUOUS OF TAX ON INDIVIDUALS.

(a) IN GENERAL.—Section 55(a) is amended by adding at the end the following new paragraph:

‘‘(c) AMOUNT OF TENTATIVE TAX.—The tentative tax imposed for the taxable year as excess of so much of the taxable income as exceeds $175,000, plus $28 percent of so much of the taxable income as exceeds $175,000.’’

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 12003. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.

(a) CREDITS TREATED AS REFUNDABLE.—Section 53 is amended by adding at the end the following new subsection:

‘‘(e) PORTION OF CREDIT TREATED AS REFUNDABLE.— ‘‘(1) IN GENERAL.—In the case of any taxable year beginning after December 31, 2017, and before January 1, 2026, the minimum tax credit allowed under section 55 for any such taxable year shall be zero for purposes of this title.’’

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.
treated as a credit allowed under subpart C (and not this subpart).

"(4) SHORT TAXABLE YEARS.—In the case of any taxable year of less than 365 days, the AMT taxable credit amount determined under paragraph (2) with respect to such taxable year shall be the amount which bears the same ratio to such amount determined without regard to this paragraph as the number of days in such taxable year bears to 365.".

(b) TREATMENT OF REFERENCES.—Section 53 and 54(b)(1) shall be amended at the end the following new paragraph:

"(3) AMT TERM REFERENCES.—In the case of a corporation, any references in this subsection to such section as in effect before the amendments made by Tax Cuts and Jobs Act as a reference to such section shall apply to taxable years beginning after December 31, 2017.

(2) AMENDMENT.—The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2021.

Subtitle C—Business-related Provisions

PART I—CORPORATE PROVISIONS

Subpart A—20.94-percent Tax Rate

SEC. 13001. 20.94-PERCENT CORPORATE TAX RATE.

(a) IN GENERAL.—Subsection (b) of section 11 is amended to read as follows:

"(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) shall be 20.94 percent of taxable income.

(b) CONFORMING AMENDMENTS.—

(1) The following sections are each amended by striking "section 11(b)(1)" and inserting "section 11(b)(2)":

(A) Section 280C(c)(3)(B)(ii)(III).

(B) Paragraphs (2) and (6)(A)(1) of section 860(e).

(C) Section 7874(e)(1)(B).

(2) A Part I of subchapter P of chapter 1 is amended by striking section 1201 and by striking the item relating to such section in the table of sections for such part.

(3) A Part I of subchapter P is amended by striking paragraphs (4) and (6), and by redesignating paragraph (5) as paragraph (4).

(C) Section 453A(c)(3) is amended by striking "section 11(b)(1)" and inserting "section 11(b)(2)").

(D) Section 527(b) is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes "is hereby imposed" and inserting:

"(b) TAX IMPOSED.—A tax.

(E) Sections 598(a) is amended by striking "tax imposed under section 11(b)(1)" and inserting "tax imposed under section 11(b)(2)".

(F) Section 691(c)(4) is amended by striking "1201,

(G) Section 801(a) is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes "is hereby imposed" and inserting:

"(a) TAX IMPOSED.—A tax.

(H) Section 831 is amended by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(i) Sections 832(c)(5) and 834(b)(1)(D) are each amended by striking "sec. 1201 and following.

(2) Section 852(b)(3)(A) is amended by striking "section 1201(a)" and inserting "section 1201(b)".

(K) Section 853(b)(3) is amended—

(i) by striking paragraphs (A) and redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively,

(ii) in subparagraph (C), as so redesignated—

(I) by striking "paragraph (A)(ii) in clauses (i) and (iv) thereof and inserting "the tax imposed by paragraph (1) on undistributed capital gain";

(ii) in subparagraph (D), as so redesignated, by striking "paragraph (B) or (D)" and inserting "paragraph (A) or (C)", and

(iii) by striking at the end of the following new subparagraph:

"(F) UNDISTRIBUTED CAPITAL GAIN.—For purposes of this paragraph (1), the term "undistributed capital gain" means the excess of net capital gain over the deduction for dividends paid (as defined in section 561) determined with reference to capital gain dividends only.

(L) Section 882(a)(1), as amended by section 1201, is amended by striking "or 1201(a)".

(M) Section 904(b) is amended—

(1) by striking "or 1201(a)" in paragraph (2)(C),

(ii) by striking paragraph (3)(D) and inserting the following:

"(D) CAPITAL GAIN RATE DIFFERENTIAL.—There is a rate differential portion of foreign source net capital gain, net capital gain, or net capital gain determined with respect to a tax year as determined by paragraph (4) and determined with respect to such tax year as determined by paragraph (5), and

(iii) by striking paragraph (3)(E) and inserting the following:

"(E) RATE DIFFERENTIAL PORTION.—The rate differential portion of foreign source net capital gain, net capital gain, or net capital gain determined with respect to a tax year as determined by paragraph (4) and determined with respect to such tax year as determined by paragraph (5) shall be applied to such tax year as if such tax year were the taxable year of a corporation.

(B) The table of sections for part II of subchapter B of chapter 1 is amended by striking the item relating to section 1561 and inserting the following new item:

"Sec. 1561. Limitation on accumulated earnings credit in the case of certain controlled corporations.

(7) Section 7518(g)(6)(A) is amended—

(A) by striking "With respect to the portion" and inserting "In the case of a taxpayer other than a corporation, with respect to the portion"; and

(B) by striking "(34 percent in the case of a corporation)".

(c) EFFECTIVE DATE.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2018.

(7) Section 1561 shall apply to taxable years beginning after December 31, 2018.

(2) WITHHOLDING.—The amendments made by subsection (b)(6) shall apply to distributions made after December 31, 2018.

(3) CERTAIN TRANSFERS.—The amendments made by subsection (b)(6) shall apply to transfers made after December 31, 2018.

(d) NORMALIZATION REQUIREMENTS.—

(1) IN GENERAL.—A normalization method of accounting treated as being used with respect to any public utility property for purposes of sections 167 or 168 of the Internal Revenue Code of 1986 if the taxpayer, in computing income, expense, or rate-making purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly than the current tax reserve would be reduced under the average rate assumption method.

(2) ALTERNATIVE METHOD FOR CERTAIN TAXPAYERS.—If, as of the last day of the taxable year that includes the date of enactment of this Act—

(A) the taxpayer was required by a regulation prescribed by the Secretary to compute a deduction for public utility property on the basis of an average life or composite rate method, and
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(4) PROFESSIONAL STADIUM BOND.—Any professional stadium bond.

(b) PROFESSIONAL STADIUM BOND DEFINED.—Subsection (c) of section 103 is amended by adding at the end the following new paragraph:

"(4) PROFESSIONAL STADIUM BOND.—Any professional stadium bond.

(c) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The table contained in subsection (c) of section 1 is amended to read as follows:

If taxable income is: The tax is:

Not over $9,525 ............... 10% of taxable income.
Over $9,525 but not over $200,000 ............... $38,700, plus 32% of the excess over $9,525.
Over $200,000 but not over $480,050 ............... $91,479, plus 35% of the excess over $200,000.
Over $480,050 ............... $139,869.50, plus 39.6% of the excess over $480,050.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The table contained in subsection (d) of section 1 is amended to read as follows:

If taxable income is: The tax is:

Over $38,700 but not over $70,000 ............... $4,453.50, plus 22% of the excess over $38,700.
Over $70,000 but not over $100,000 ............... $11,393.50, plus 24% of the excess over $70,000.
Over $100,000 but not over $160,000 ............... $23,981.50, plus 25% of the excess over $100,000.
Over $160,000 but not over $240,700 ............... $45,739.50, plus 30% of the excess over $160,000.
Over $240,700 ............... $100,533.50, plus 32% of the excess over $240,700.

(e) ESTATES AND TRUSTS.—The table contained in subsection (e) of section 1 is amended to read as follows:

If taxable income is: The tax is:

Not over $9,525 ............... 10% of taxable income.
Over $9,525 but not over $38,700 ............... $38,700, plus 12% of the excess over $9,525.
Over $38,700 but not over $70,000 ............... $4,453.50, plus 22% of the excess over $38,700.
Over $70,000 but not over $100,000 ............... $11,393.50, plus 24% of the excess over $70,000.
Over $100,000 but not over $160,000 ............... $23,981.50, plus 25% of the excess over $100,000.
Over $160,000 but not over $240,700 ............... $45,739.50, plus 30% of the excess over $160,000.
Over $240,700 ............... $100,533.50, plus 32% of the excess over $240,700.

(f) INFLATION ADJUSTMENT.—Section 1(f)(2)(A), as amended by this Act, is amended by striking "1992" and inserting "2017".

SEC. 12002. CORPORATE TAX RATE

(a) IN GENERAL.—Section 1(b), as amended by this Act, is amended by striking "20 percent" and inserting "25 percent".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.
and Ms. Murkowski)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

Strike title II and insert the following:

SEC. 20001. STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE.

(a) DRAWDOWN AND SALE.—

(I) IN GENERAL.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), except as provided in subsection (b), the Secretary of Energy shall draw down and sell from the Strategic Petroleum Reserve facilities, in whole or in part, crude oil under subsection (a) in a quantity necessary to:

(1) increase national security; and

(2) to increase the affordability of the United States to respond to disasters.

(ii) the amount by which the aggregate amount of crude oil authorized by that subsection.

(b) LIMITATION.—The Secretary of Energy shall not drawdown or conduct sales of crude oil under subsection (a) after the date on which the Secretary deposits in the general fund of the Treasury from sales authorized under that subsection.

SEC. 20002. STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE.

(a) DRAWDOWN AND SALE.—

(I) IN GENERAL.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), except as provided in subsection (b), the Secretary of Energy shall draw down and sell from the Strategic Petroleum Reserve facilities, in whole or in part, crude oil during the period of fiscal years 2026 through 2027.

(b) DISPOSITION OF AMOUNTS RECEIVED FROM SALE.—The Secretary of the Treasury shall, in the year in which the sale occurs, deposit the amounts received from a sale under paragraphs (1) and (2) in the general fund of the Treasury.

(c) LIMITATION.—The Secretary of Energy shall not drawdown or conduct sales of crude oil under subsection (a) after the date on which the Secretary deposits in the general fund of the Treasury from sales authorized under that subsection.

SA 1849. Mr. Bennet submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was ordered to lie on the table; as follows:

Strike title II and insert the following:

TITLE II

SEC. 20001. LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL SHELF REVENUES.

Section 105(g)(1) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1381 note; Public Law 109–432) is amended by striking "section 6413(c)" and inserting the following:

"'(7) SOCIAL SECURITY NUMBER REQUIRED.—Any amounts paid pursuant to an agreement under section 321(b) relating to agreements entered into by United States employers, U.S. employers (as defined in section 321(b)(2)(B) and U.S. employers (as defined in section 321(b)(2)(B)) which are equivalent to the amounts received from a sale under subsection (a), after the application of paragraphs (2) through (7)."

"'(d) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—

"'(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, this section shall be applied as provided in paragraphs (2) through (7).

"'(2) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting "$2,000" for "$1,000."

"'(3) LIMITATION.—In lieu of the amount determined in subsection (b)(2), the threshold amount shall be—

"'(A) in the case of a joint return, $500,000, and

"'(B) in the case of any individual who is not married or a married individual filing a separate return, $250,000.

"'(4) DEFINITION OF QUALIFYING CHILD.—Paragraph (1) of subsection (c) shall be applied by substituting '18' for '17'.

"'(5) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

"'(A) IN GENERAL.—The credit determined under subsection (a) (after the application of paragraph (4)) shall be increased by the lesser of—

"'(i) the credit which would be allowed under this section without regard to this paragraph; and

"'(ii) the amount of the aggregate credits allowed to a taxpayer under subsection (c) that are allocable to—

"'(A) in the case of a joint return, $500,000, and

"'(B) in the case of any individual who is not married or a married individual filing a separate return, $250,000.

"'(B) EXCLUSION FOR CERTAIN NONCITIZENS.—

"'Subparagraph (A) shall not apply with respect to any individual who would not be a dependent under subparagraph (A) if—

"'(i) the date on which section 152(b)(3) was applied without regard to all that follows 'resident of the United States'.

"'(2) PORTION OF CREDIT REFUNDABLE.—In lieu of subsection (d), the following provisions shall apply for purposes of the credit allowable under this section:

"'(A) IN GENERAL.—The aggregate credits allowed to a taxpayer under subsection (c) shall be increased by the lesser of—

"'(i) the credit which would be allowed under this section without regard to this paragraph; and

"'(ii) the amount of the aggregate credits allowed by this subpart (as determined by substituting this paragraph for section 32(c) of the Internal Revenue Code)."

"'(B) EXCLUSION FOR CERTAIN NONCITIZENS.—

"'Subparagraph (A) shall not apply with respect to any individual who would not be a dependent under subparagraph (A) if—

"'(i) the date on which section 152(b)(3) was applied without regard to all that follows 'resident of the United States'.

"'(2) PORTION OF CREDIT REFUNDABLE.—In lieu of subsection (d), the following provisions shall apply for purposes of the credit allowable under this section:

"'(A) IN GENERAL.—The aggregate credits allowed to a taxpayer under subsection (c) shall be increased by the lesser of—

"'(i) the credit which would be allowed under this section without regard to this paragraph; and

"'(ii) the amount of the aggregate credits allowed by this subpart (as determined by substituting this paragraph for section 32(c) of the Internal Revenue Code).""
"(2) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting "$2,000' for '1,000'.

"(3) LIMITATION.—In lieu of the amount determined under subsection (b)(2), the threshold amount shall be—

"(A) in the case of a joint return, $500,000, and

"(B) in the case of an individual who is not married or a married individual filing a separate return, $250,000.

"(4) DEFINITION OF QUALIFYING CHILD.—Paragraph (1) of subsection (c) shall be applied by substituting '16' for '17'.

"(5) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

"(A) GENERAL.—The credit determined under subsection (a) after the application of paragraph (2) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (c) after the application of paragraph (4).

"(B) EXCEPTION FOR CERTAIN NONCITIZENS.—Subparagraph (A) shall not apply with respect to any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows a reference to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year. For purposes of this subsection, the term 'social security number' means—

"(1) the social security number of the United States or is issued pursuant to—

"(2) by increasing in Corporate Rate.—Subsection (b) of section 11, as amended by section 13001 of this Act, is amended by striking "20 percent'' and inserting "20.94 percent'.''.

"(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contributions made after December 31, 2017.

"(C) OFFSET.—

"(1) MODIFICATION OF RULES RELATING TO HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.—Section 401(k) is amended by adding at the end the following:

"(2) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contributions made after December 31, 2017.

"(D) LIMITATION.—

"(1) IN GENERAL.—The amount of the credit allowable under subsection (a) (including any increase pursuant to subsection (b)) shall be reduced (but not below zero) by any amount equal to 5 percent of the taxpayer's adjusted gross income which is in excess of the threshold amount.

"(2) THRESHOLD AMOUNT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'threshold amount' means—

"(1) $2,500,000 in the case of a joint return, and

"(2) $2,000,000 in the case of an individual who is not married, and

"(B) LIMITATION.—

"(1) IN GENERAL.—For purposes of paragraph (1), the term 'threshold amount' means—

"(A) $125,000 in the case of a married individual filing a separate return.

"(B) MARITAL STATUS.—For purposes of this paragraph, marital status shall be determined under section 7703.''.

"(C) INCLUSION.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.

"(D) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied by substituting '16' for '17'.

"(E) ADDITIONAL CREDIT FOR CERTAIN OTHER DEPENDENTS.—

"(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, the credit determined under subsection (a) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (a) (including any increase pursuant to subsection (b)) that is not a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows a reference to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year.

"(2) INCLUSION.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.

"(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied by substituting '16' for '17'.

"(A) CREDIT.—Section 24 is amended—

"(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(I) with respect to each qualifying child of the taxpayer who has attained 6 years of age before the close of such taxable year and for which the taxpayer is allowed a deduction under section 151, an amount equal to $2,000, and

"(II) with respect to each qualifying child of the taxpayer who has not attained 6 years of age before the close of such taxable year and for which the taxpayer is allowed a deduction under section 151, an amount equal to $2,500.

"(B) LIMITATION.—

"(1) IN GENERAL.—The amount of the credit allowable under subsection (a) (including any increase pursuant to subsection (b)) shall be reduced (but not below zero) by any amount equal to 5 percent of the taxpayer's adjusted gross income which is in excess of the threshold amount.

"(2) THRESHOLD AMOUNT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'threshold amount' means—

"(1) $2,500,000 in the case of a joint return, and

"(2) $2,000,000 in the case of an individual who is not married, and

"(B) LIMITATION.—

"(1) IN GENERAL.—For purposes of paragraph (1), the term 'threshold amount' means—

"(A) $125,000 in the case of a married individual filing a separate return.

"(B) MARITAL STATUS.—For purposes of this paragraph, marital status shall be determined under section 7703.''.

"(C) INCLUSION.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.

"(D) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied by substituting '16' for '17'.

"(E) ADDITIONAL CREDIT FOR CERTAIN OTHER DEPENDENTS.—

"(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, the credit determined under subsection (a) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (a) (including any increase pursuant to subsection (b)) that is not a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows a reference to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year.

"(2) INCLUSION.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.

"(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied by substituting '16' for '17'.

"(A) CREDIT.—Section 151 is amended—

"(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(I) with respect to each qualifying child of the taxpayer who has attained 6 years of age before the close of such taxable year and for which the taxpayer is allowed a deduction under section 151, an amount equal to $2,000, and

"(II) with respect to each qualifying child of the taxpayer who has not attained 6 years of age before the close of such taxable year and for which the taxpayer is allowed a deduction under section 151, an amount equal to $2,500.

"(B) LIMITATION.—

"(1) IN GENERAL.—The amount of the credit allowable under subsection (a) (including any increase pursuant to subsection (b)) shall be reduced (but not below zero) by any amount equal to 5 percent of the taxpayer's adjusted gross income which is in excess of the threshold amount.

"(2) THRESHOLD AMOUNT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'threshold amount' means—

"(1) $2,500,000 in the case of a joint return, and

"(2) $2,000,000 in the case of an individual who is not married, and

"(B) LIMITATION.—

"(1) IN GENERAL.—For purposes of paragraph (1), the term 'threshold amount' means—

"(A) $125,000 in the case of a married individual filing a separate return.

"(B) MARITAL STATUS.—For purposes of this paragraph, marital status shall be determined under section 7703.''.

"(C) INCLUSION.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.

"(D) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied by substituting '16' for '17'.

"(E) ADDITIONAL CREDIT FOR CERTAIN OTHER DEPENDENTS.—

"(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, the credit determined under subsection (a) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (a) (including any increase pursuant to subsection (b)) that is not a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows a reference to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year.

"(2) INCLUSION.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.

"(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied by substituting '16' for '17'.

"(A) CREDIT.—Section 152 is amended—

"(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2019, the predecessor sentence shall not apply to any trust.''.

"(B) MARITAL STATUS.—For purposes of this paragraph, marital status shall be determined under section 7703.''.

"(C) INCLUSION.—The amendments made by this subsection shall apply to plan years beginning after December 31, 2017.
(c) OFFSETS.—

(1) ADJUSTMENT AND TERMINATION OF CORPORATE RATE.—Section 11, as amended by section 13001 of this Act, is amended—

(A) in subsection (b), by striking "20 percent" and inserting "25 percent".

(B) by adding at the end the following:

"(e) TERMINATION OF 25 PERCENT RATE.—In the case of any taxable year beginning after December 31, 2027—

"(1) the tax computed under subsection (a) shall be computed in the same manner as such tax was computed under subsection (b) (as in effect on the day before the date of the enactment of the Tax Cuts and Jobs Act), and

"(2) this title shall be applied and administered as if the amendments made by section 13002 of such Act had not been enacted.".

(2) ADJUSTMENT OF HIGHEST RATE Bracket.—

(A) JOINT RETURNS.—The last row of the table contained in section 1(j)(2)(A), as added by section 11001(a), is amended to read as follows:

"Over $1,000,000 .......... $301,479, plus 39.6% of the excess over $1,000,000."

(B) HEADS OF HOUSEHOLDS.—The last row of the table contained in section 1(j)(2)(B), as added by section 11001(a), is amended to read as follows:

"Over $500,000 .......... $149,348, plus 39.6% of the excess over $500,000."

(C) UNMARRIED INDIVIDUALS.—The last row of the table contained in section 1(j)(2)(C), as added by section 11001(a), is amended to read as follows:

"Over $500,000 .......... $150,739.50, plus 39.6% of the excess over $500,000."

(2) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The last row of the table contained in section 1(j)(2)(D), as added by section 11001(a), is amended to read as follows:

"Over $500,000 .......... $150,739.50, plus 39.6% of the excess over $500,000."

(E) EFFECTIVE DATE.—The amendments made by this paragraph shall be applied in lieu of the table contained in section 1(j)(2). The table contained in subsection (a) of section 1(j)(2)(A) shall be treated as if the amendments made by section 13002(b) of such Act had not been enacted.

Subtitle A—Individual Tax Reform

PART I—TAX RATE REFORM

SEC. 11001. MODIFICATION OF RATES. (a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

"(1) MODIFICATIONS FOR TAXABLE YEARS 2018 THROUGH 2025.—

"(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026—

"(A) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The following table shall be applied in lieu of the table contained in subsection (a):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $14,000</td>
<td>10%</td>
</tr>
<tr>
<td>$14,001 to $35,500</td>
<td>12%</td>
</tr>
<tr>
<td>$35,501 to $48,800</td>
<td>22%</td>
</tr>
<tr>
<td>$48,801 to $95,400</td>
<td>25%</td>
</tr>
<tr>
<td>$95,401 to $140,900</td>
<td>33%</td>
</tr>
<tr>
<td>$140,901 to $200,000</td>
<td>35%</td>
</tr>
<tr>
<td>$200,001 to $500,000</td>
<td>38%</td>
</tr>
</tbody>
</table>

(b) EFFECTIVE DATE.—The amendment made by this subsection shall be applied in lieu of the table contained in subsection (a).

"(2) RATE TABLES.—

"(A) MARRIED INDIVIDUALS FILING SEPARATE RETURNS AND SURVIVING SPOUSES.—The following table shall be applied in lieu of the table contained in subsection (a):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $9,525</td>
<td>10%</td>
</tr>
<tr>
<td>$9,526 to $38,700</td>
<td>12%</td>
</tr>
<tr>
<td>$38,701 to $110,000</td>
<td>22%</td>
</tr>
<tr>
<td>$110,001 to $200,000</td>
<td>24%</td>
</tr>
<tr>
<td>$200,001 to $500,000</td>
<td>25%</td>
</tr>
<tr>
<td>$500,001 to $150,000</td>
<td>28%</td>
</tr>
</tbody>
</table>

(c) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The following table shall be applied in lieu of the table contained in subsection (a):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $8,905</td>
<td>10%</td>
</tr>
<tr>
<td>$8,906 to $42,550</td>
<td>12%</td>
</tr>
<tr>
<td>$42,551 to $77,400</td>
<td>22%</td>
</tr>
<tr>
<td>$77,401 to $140,000</td>
<td>24%</td>
</tr>
<tr>
<td>$140,001 to $200,000</td>
<td>25%</td>
</tr>
<tr>
<td>$200,001 to $500,000</td>
<td>28%</td>
</tr>
<tr>
<td>$500,001 to $100,000</td>
<td>33%</td>
</tr>
</tbody>
</table>

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The following table shall be applied in lieu of the table contained in subsection (d):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $9,525</td>
<td>10%</td>
</tr>
<tr>
<td>$9,526 to $38,700</td>
<td>12%</td>
</tr>
<tr>
<td>$38,701 to $110,000</td>
<td>22%</td>
</tr>
<tr>
<td>$110,001 to $200,000</td>
<td>24%</td>
</tr>
<tr>
<td>$200,001 to $500,000</td>
<td>25%</td>
</tr>
<tr>
<td>$500,001 to $150,000</td>
<td>28%</td>
</tr>
</tbody>
</table>

(e) ESTATES AND TRUSTS.—The following table shall be applied in lieu of the table contained in subsection (e):

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $2,550</td>
<td>10%</td>
</tr>
<tr>
<td>$2,551 to $5,100</td>
<td>15%</td>
</tr>
<tr>
<td>$5,101 to $8,550</td>
<td>25%</td>
</tr>
<tr>
<td>$8,551 to $2,000,000</td>
<td>35%</td>
</tr>
<tr>
<td>$2,000,001 to $10,000,000</td>
<td>37%</td>
</tr>
</tbody>
</table>

(f) REFERENCES TO RATE TABLES.—Any reference in this title to a rate of tax under subsection (c) shall be treated as a reference to the corresponding rate bracket under subparagraph (C) of this paragraph, except that the reference in section 3402(q)(1) to the third lowest rate of tax applicable under subsection (c) shall be treated as a reference to the fourth lowest rate of tax under subparagraph (C).

(2) ADJUSTMENTS.—

"(A) NO ADJUSTMENT IN 2018.—The tables contained in paragraph (2) shall apply without adjustment for taxable years beginning after December 31, 2017, and before January 1, 2019.

"(B) SUBSEQUENT YEARS.—For taxable years beginning after December 31, 2018, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (2) in the same manner as under paragraphs (1) and (2) of subsection (f), except that in prescribing such tables—

"(i) subsection (f)(3) shall be applied by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof,

"(ii) subsection (f)(7)(B) shall apply to any unmarried individual other than a surviving spouse or head of household, and

"(iii) subsection (f)(7) shall not apply.

"(4) SPECIAL RULES FOR CERTAIN CHILDREN WITH UNEARNED INCOME.—

"(A) IN GENERAL.—In the case of a child to whom subsection (g) applies for the taxable year, the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).
“(B) MODIFICATIONS TO APPLICABLE RATE BRACKETS.—In determining the amount of tax imposed by this section for the taxable year on a child described in subparagraph (A), the table otherwise applicable under this subsection to the child shall be applied with the following modifications:

(i) 24-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 24 percent shall not be more than the earned taxable income of such child.

(ii) 25-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 25 percent shall not be more than the earned taxable income of such child.

(iii) 35-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 35 percent shall not be more than the earned taxable income of such child, plus

(i) the minimum taxable income for the 35-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

(ii) the earned taxable income of such child, plus

(iii) 38.5-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 38.5 percent shall not be more than the sum of—

(i) the earned taxable income of such child, plus

(ii) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and

(iii) the maximum 15-percent rate amount shall not be more than the sum of—

(i) the earned taxable income of such child, plus

(ii) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year.

(D) EARNED TAXABLE INCOME.—For purposes of this paragraph, the term ‘earned taxable income’ means, with respect to any child for any taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child.

(E) CURRICULUM TAX BRACKETS TO CAPITAL GAINS RATES.—For purposes of applying section 1(h) with the modifications described in subparagraph (A)—

(i) the maximum zero rate amount shall not be more than the sum of—

(i) the earned taxable income of such child, plus

(ii) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and

(ii) the maximum 15-percent rate amount shall not be more than the sum of—

(i) the earned taxable income of such child, plus

(ii) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year.

(F) EARNED TAXABLE INCOME.—For purposes of this paragraph, the term ‘earned taxable income’ means, with respect to any child for any taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child.

(G) CURRICULUM TAX BRACKETS TO CAPITAL GAINS RATES.—For purposes of applying section 1(h) with the modifications described in subparagraph (A)—

(i) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and

(ii) the maximum 15-percent rate amount shall not be more than the sum of—

(i) the earned taxable income of such child, plus

(ii) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year.

(H) DETERMINATION OF Fѣ WEL DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

(i) eligibility to file as a head of household (as defined in section 2(b)(2)) on the return, or

(ii) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.

(I) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11002. INFLATION ADJUSTMENTS BASED ON CHAINED CPI.

(A) IN GENERAL.—Subsection (i) of section 1 is amended by striking paragraph (3) and by inserting after paragraph (2) the following new paragraph:

(3) COST-OF-LIVING ADJUSTMENT.—For purposes of this subsection—

(A) IN GENERAL.—The cost-of-living adjustment for any calendar year is the percentage (if any) by which—

(i) the CPI-U for the preceding calendar year, exceeds

(ii) the CPI for calendar year 2016, multiplied by the amount determined under subparagraph (B).

(B) AMOUNT DETERMINED.—The amount determined under this clause is the amount obtained by dividing—

(i) the CPI-U for calendar year 2016, by

(ii) the CPI for calendar year 2016.

(C) SPECIAL RULE FOR ADJUSTMENTS WITH RESPECT TO HEAD OF HOUSEHOLD FILING STATUS.—Subsection (g) of section 6695 is amended to read as follows:

(g) FAILURE TO BE DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

(i) eligibility to file as a head of household (as defined in section 2(b)(2)) on the return, or

(ii) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.

(H) DETERMINATION OF Fѣ WEL DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

(i) eligibility to file as a head of household (as defined in section 2(b)(2)) on the return, or

(ii) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.

(I) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11003. INFLATION ADJUSTMENTS BASED ON CHAINED CPI.

(A) IN GENERAL.—Subsection (i) of section 1 is amended by striking paragraph (3) and by inserting after paragraph (2) the following new paragraph:

(3) COST-OF-LIVING ADJUSTMENT.—For purposes of this subsection—

(A) IN GENERAL.—The cost-of-living adjustment for any calendar year is the percentage (if any) by which—

(i) the CPI-U for the preceding calendar year, exceeds

(ii) the CPI for calendar year 2016, multiplied by the amount determined under subparagraph (B).

(B) AMOUNT DETERMINED.—The amount determined under this clause is the amount obtained by dividing—

(i) the CPI-U for calendar year 2016, by

(ii) the CPI for calendar year 2016.

(C) SPECIAL RULE FOR ADJUSTMENTS WITH RESPECT TO HEAD OF HOUSEHOLD FILING STATUS.—Subsection (g) of section 6695 is amended to read as follows:

(g) FAILURE TO BE DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

(i) eligibility to file as a head of household (as defined in section 2(b)(2)) on the return, or

(ii) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.

(H) DETERMINATION OF Fѣ WEL DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

(i) eligibility to file as a head of household (as defined in section 2(b)(2)) on the return, or

(ii) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.

(I) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11004. INFLATION ADJUSTMENTS BASED ON CHAINED CPI.

(A) IN GENERAL.—Subsection (i) of section 1 is amended by striking paragraph (3) and by inserting after paragraph (2) the following new paragraph:

(3) COST-OF-LIVING ADJUSTMENT.—For purposes of this subsection—

(A) IN GENERAL.—The cost-of-living adjustment for any calendar year is the percentage (if any) by which—

(i) the CPI-U for the preceding calendar year, exceeds

(ii) the CPI for calendar year 2016, multiplied by the amount determined under subparagraph (B).

(B) AMOUNT DETERMINED.—The amount determined under this clause is the amount obtained by dividing—

(i) the CPI-U for calendar year 2016, by

(ii) the CPI for calendar year 2016.

(C) SPECIAL RULE FOR ADJUSTMENTS WITH RESPECT TO HEAD OF HOUSEHOLD FILING STATUS.—Subsection (g) of section 6695 is amended to read as follows:

(g) FAILURE TO BE DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

(i) eligibility to file as a head of household (as defined in section 2(b)(2)) on the return, or

(ii) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.

(H) DETERMINATION OF Fѣ WEL DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

(i) eligibility to file as a head of household (as defined in section 2(b)(2)) on the return, or

(ii) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.

(I) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
(B) by striking “if the CPI for any calendar year” and all that follows in clause (ii) and inserting “if the C-CPI-U for any calendar year as defined in section 1(f)(6)) exceeds the C-CPI-U for the preceding calendar year by more than 5 percent, the C-CPI-U for the base calendar year shall be increased such that such excess shall never be taken into account. In the case of a base calendar year before 2017, the C-CPI-U for such year shall be determined by multiplying the CPI for such year by the amount determined under section 1(f)(3)(B).”.

(4) Section 50(i)(2)(B) is amended by striking “for ‘1992’ in subparagraph (B)” and inserting “for ‘2016’ in subparagraph (A)(ii) thereof.”.


(6) Section 162(3)(B) is amended by striking “adjusted for changes in the Consumer Price Index (as defined in section 1(f)(5)) since calendar year 1987, multiplied by the amount determined under section 1(f)(3)(B).’’.

(7) So much of clause (ii) of section 213(d)(10)(B) as precedes the last sentence is amended to read as follows: “(ii) MEDICAL CARE COST ADJUSTMENT.—For purposes of clause (i), the medical care cost adjustment for any calendar year is the percentage (if any) by which—

‘‘(A) such amount, multiplied by

‘‘(B) the cost-of-living adjustment determined under section 1(f)(2) for the calendar year beginning in which the taxable year begins, by substituting ‘calendar year 1998’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

Any increase under the preceding sentence shall be rounded to the nearest multiple of $100 (or, if such increase is a multiple of $10, such increase shall be increased to the nearest multiple of $100).’’.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

PART II—DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES

SEC. 1901. DEDUCTION FOR QUALIFIED BUSINESS INCOME.

(a) IN GENERAL.—Part VI of Chapter B of this title is amended by adding at the end the following new section:

"SEC. 1901A. QUALIFIED BUSINESS INCOME.

"(a) IN GENERAL.—In the case of a taxpayer other than a corporation, there shall be allowed as a deduction for any taxable year an amount equal to the lesser of—

"(1) the combined qualified business income amount of the taxpayer, or

"(2) an amount equal to 23 percent of the excess (if any) of—

"(A) the taxable income of the taxpayer for the taxable year, over

"(B) any net capital gain (as defined in section 1(h)(1)) of the taxpayer for the taxable year.

"(b) COMBINED QUALIFIED BUSINESS INCOME AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The term ‘combined qualified business income amount’ means, with respect to any taxable year, an amount equal to—

"(A) the sum of the amounts determined under paragraph (2) for each qualified trade or business carried on by the taxpayer, plus

"(B) the aggregate amount of qualified real estate dividends and qualified cooperative dividends of the taxpayer for the taxable year.

"(2) DETERMINATION OF DEDUCTIBLE AMOUNT FOR EACH TRADE OR BUSINESS.—The amount determined under this paragraph with respect to any qualified trade or business is the lesser of—

"(A) 23 percent of the taxpayer’s qualified business income with respect to the qualified trade or business, or

"(B) 25 percent of the W-2 wages with respect to the qualified trade or business.

"(3) MODIFICATIONS TO THE WAGE LIMIT BASED ON TAXABLE YEAR.—The W-2 wages for any taxable year shall be treated as the lesser of—

"(A) 50 percent of the W-2 wages for the taxable year, over

"(B) the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer.

"(c) QUALIFIED BUSINESS INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term ‘qualified business income’ means, for any taxable year, the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer.

"(2) PHASE-IN OF LIMIT FOR CERTAIN TAXPAYERS.—

"(i) IN GENERAL.—If—

"(I) the taxable income of a taxpayer for any taxable year exceeds the threshold amount, but does not exceed the sum of the threshold amount plus $100,000 ($10,000 in the case of a joint return), and

"(II) the amount determined under paragraph (2)(B) (determined without regard to this subparagraph) with respect to any qualified trade or business carried on by the taxpayer is less than the amount determined under paragraph (2)(A) with respect to such trade or business, then paragraph (2) shall be applied with respect to such trade or business without regard to subparagraph (B) thereof and by reducing the amount determined under subparagraph (A) thereof by the amount determined under clause (ii).

"(ii) AMOUNT OF REDUCTION.—The amount determined under this subparagraph is the amount which bears the same ratio to the excess amount as—

"(I) the amount by which the taxpayer’s taxable income for the taxable year exceeds the threshold amount, bears to

"(II) $50,000 ($10,000 in the case of a joint return),

"(iii) EXCESS AMOUNT.—For purposes of clause (i), the excess amount is the excess of—

"(I) the amount determined under paragraph (2)(A) (determined without regard to this paragraph), over

"(II) the amount determined under paragraph (2)(B) (determined without regard to this paragraph).

"(d) WAGERS, ETC.—

"(A) IN GENERAL.—The term ‘W-2 wages’ means, with respect to any person for any taxable year of such person, the amounts described in paragraphs (3) and (8) of section 6051(a) paid by such person with respect to employment of employees by such person during the calendar year ending during such taxable year.

"(B) LIMITATION ON WAGERS ATTRIBUTABLE TO QUALIFIED BUSINESS INCOME.—Such term shall not include any amount of losses—(I) that the proper allocable to qualified business income for purposes of subsection (c)(1).

"(C) RETURN REQUIREMENTS.—Such term shall not include any amount which is not properly included in a return filed with the Social Security Administration on or before the 60th day after the due date (including extensions for such returns) of the return.

"(D) ACQUISITIONS, DISPOSITIONS, AND SHORT TAXABLE YEARS.—The Secretary shall provide for the application of this subsection in cases of a short taxable year or where the taxpayer acquires, or disposes of, the major portion of a trade or business or the major portion of a separate unit of trade or business during the taxable year.

"(E) QUALIFIED BUSINESS INCOME.—For purposes of this section—

"(i) IN GENERAL.—The term ‘qualified business income’ means, for any taxable year, the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. Any increase in such amount shall be treated as a loss from a qualified trade or business in the succeeding taxable year.

"(II) QUALIFIED ITEMS OF INCOME, GAIN, DEDUCTION, AND LOSS.—For purposes of this subsection—

"(III) BURDEN OF PROOF.—It shall be the burden of the taxpayer to provide the Secretary with the information described in paragraph (2)(C).

"(IV) DETERMINATION OF TAXABLE AMOUNT.—The determination of the taxable amount shall be made in the manner prescribed by the Secretary. The Secretary shall prescribe the regulations necessary to carry out this subsection.

"(V) PROPERTY.—For purposes of this subsection, the term ‘property’ includes—(I) a trade or business, and

"(II) any other property held by the taxpayer for the production of income from such trade or business.

"(VI) INCOME, GAIN, DEDUCTION, AND LOSS.—For purposes of this subsection—
"(A) IN GENERAL.—The term 'qualified items of income, gain, deduction, and loss' means items of income, gain, deduction, and loss to the extent such items are—

(i) derived with respect to the conduct of a trade or business within the United States (within the meaning of section 962(c)), determined by substituting 'qualified trade or business' for 'specified service trade or business' for purposes of applying this section.

(ii) included in gross income, and only be allowed for purposes of determining taxable income for the taxable year.

(iii) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F).

(iv) any item of income, gain, deduction, or loss or gain reported by any qualified trade or business in an amount equal to the lesser of—

(A) $250,000 (200 percent of such amount in the case of a joint return), or

(B) $50,000 ($100,000 in the case of a joint return).

(e) OTHER DEFINITIONS.—For purposes of this section—

(1) TAXABLE INCOME.—Taxable income shall be computed without regard to the deduction allowable under this section.

(2) THRESHOLD AMOUNT.—

(A) IN GENERAL.—The term 'threshold amount' means $250,000 (200 percent of such amount in the case of a joint return).

(b) INSURANCE .—In the case of any taxable year beginning after 2018, the dollar amount in paragraph (1) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by the percentage equal to the ratio determined by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

(2) COORDINATION WITH MINIMUM TAX.—For purposes of determining alternative minimum taxable income for purposes of determining the qualified business income and the tax thereon, only the applicable percentage of—

(A) the taxable income of the taxpayer for the taxable year in excess of the threshold amount, computed as a percentage of—

(i) the taxable income of the taxpayer for the taxable year which is not received in connection with a trade or business,

(ii) the income of trade or business.

(2) EXCEPTION FOR SPECIFIED SERVICE BUSINESS.—In the case of any trade or business conducted by the taxpayer by any qualified trade or business, the term 'qualified trade or business' means any trade or business in an amount equal to the lesser of—

(A) $250,000 (200 percent of such amount in the case of a joint return), or

(B) $50,000 ($100,000 in the case of a joint return).

For purposes of this paragraph, the threshold amount shall be determined without regard to any adjustments prescribed by the Secretary for purposes of determining alternative minimum taxable income specified in subparagraph (A) or (B).

(c) DEDUCTION ALLOWED TO SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVES.—

(i) IN GENERAL.—In the case of any taxable year of a specified agricultural or horticultural cooperative beginning after December 31, 2018, there shall be allowed a deduction in an amount equal to—

(A) 25 percent of the co-operative's taxable income for the taxable year, or

(B) 50 percent of the W-2 wages of the cooperative with qualified business income from the trade or business.

(2) SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVE.—For purposes of this paragraph, the term 'specified agricultural or horticultural cooperative' means an organization in which part I of subchapter T applies which is engaged in—

(i) the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product.

(ii) the marketing of agricultural or horticultural products with the involvement of the performance of services described in section 1202(e)(3)(A), including in- vesting and management, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

(iii) the application of services to businesses based on taxpayer's income.—

(A) IN GENERAL.—If, for any taxable year, the taxable income of any taxpayer is less than the threshold amount plus $50,000 ($100,000 in the case of a joint return), then—

(i) the deduction under subsection (a) shall not apply to—

(A) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F),

(B) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F) as a qualified item of income, gain, deduction, or loss, and

(C) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F) as a qualified item of income, gain, deduction, or loss, and

(ii) such deduction shall be computed without regard to the deduction allowable under this section.

(iv) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F),

(v) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F),

(v) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F),

(vi) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F),

(vii) any item of deduction or loss properly allocable to an amount described in any of the preceding clauses.

(d) TREATMENT OF REASONABLE COMPENSATION AND GUARANTEED PAYMENTS.—Qualified business income shall not include—

(A) reasonable compensation paid to the taxpayer by any qualified trade or business of the taxpayer for services rendered with respect to the trade or business;

(B) any guaranteed payment described in section 707(c) paid to a partner for services rendered with respect to the trade or business;

(C) to the extent provided in regulations, any payment described in section 707(a) to a partner for services rendered with respect to the trade or business;

(D) QUALIFIED TRADE OR BUSINESS.—For purposes of this section—

(1) IN GENERAL.—The term 'qualified trade or business' means any trade or business other than a specified service trade or business or the trade or business of performing services as an employee.

(2) SPECIFIED SERVICE TRADE OR BUSINESS.—The term 'specified service trade or business' means any trade or business involving the performance of services described in section 1202(e)(3)(A), including investing and management, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

(3) SPECIFIED BUSINESS BASED ON TAXPAYER'S INCOME.—

(A) IN GENERAL.—If, for any taxable year, the taxable income of any taxpayer is less than the threshold amount plus $50,000 ($100,000 in the case of a joint return), then—

(i) the exception under paragraph (1) shall not apply to—

(A) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F),

(B) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F), and

(C) any item of income, gain, deduction, or loss taken into account under section 963(b)(1)(F),

(ii) such deduction shall be computed without regard to the deduction allowable under this section.

(b) INSURANCE.—In the case of any taxable year of a specified agricultural or horticultural cooperative beginning after December 31, 2018, there shall be allowed a deduction in an amount equal to—

(A) the taxable income of the taxpayer for the taxable year or

(B) 50 percent of the W-2 wages of the cooperative with qualified business income from the trade or business.

(c) DEDUCTION ALLOWED TO SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVES.—

(i) IN GENERAL.—In the case of any taxable year of a specified agricultural or horticultural cooperative beginning after December 31, 2018, there shall be allowed a deduction in an amount equal to—

(A) 25 percent of the cooperative's taxable income for the taxable year, or

(B) 50 percent of the W-2 wages of the cooperative with qualified business income from the trade or business.

(ii) QUALIFIED BUSINESS.—For purposes of this paragraph, the term 'qualified business' means any trade or business conducted by the taxpayer by any specified agricultural or horticultural cooperative in which the cooperative pays the majority of the W-2 wages for services performed by its employees.

For purposes of clause (i), a partner's or shareholder's allocable share of W-2 wages shall be determined in the same manner as the partner's or shareholder's allocable share of W-2 wages for purposes of applying this section.

For purposes of this paragraph, the term 'specified agricultural or horticultural cooperative' means an organization in which part I of subchapter T applies which is engaged in—

(i) the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product.

(ii) the marketing of agricultural or horticultural products with the involvement of the performance of services described in section 1202(e)(3)(A), including investing and management, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

(iii) the application of services to businesses based on taxpayer's income.
and inserting "qualified cooperative dividends, and qualified publicly traded partnership income".

(2) Q UALIFIED PUBLICLY TRADED PARTNERSHIP.—Section 199A(e), as added by subsection (a), is amended by adding at the end the following new paragraph:

"(d) CONFORMING AMENDMENTS.—Section 199A(c)(1), as added by subsection (a), is amended by adding at the end the following new sentence: "Such term shall not include any qualified publicly traded partnership income.".

(3) ACC URY-RELATED PENALTY ON DETERMINATION OF APPLICABLE PERCENTAGE.—Section 6662(d)(1) is amended by inserting at the end the following new subparagraph:

"(Y) paragraph (A), applied by substituting '5 percent' for '10 percent'.''.

(b) E FFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11021. I NCREASE IN STANDARD DEDUCTION.

(a) I N GENERAL.—Section 63 is amended by adding at the end the following new subsection:

"(A) subsection (j) (relating to limitation on excess farm losses of certain taxpayers) shall not apply, and

"(B) any excess business loss of the taxpayer for the taxable year shall not be allowed.''.

(b) E FFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11022. INCREASE IN AND MODIFICATION OF CHILD TAX CREDIT.

(a) I N GENERAL.—Section 21(a)(15) is amended by—

"(1) Q UALIFIED PUBLICLY TRADED PARTNERSHIP.—The term 'qualified publicly traded partnership income' means, with respect to any qualified trade or business of a taxpayer, the sum of—

"(A) the aggregate gross income or gain of such taxpayer attributable to such trades or businesses, plus

"(B) the aggregate gross income or gain of such taxpayer attributable to such trades or businesses, plus

(1)(i) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '2017' for '2016' in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

(4) A DDITIONAL REPORTING.—The Secretary shall prescribe such additional reporting requirements as the Secretary determines appropriate to carry out the purposes of this subsection.

"(B) each partner's or shareholder's allocable share of the items of income, gain, deduction, or loss of the partnership or S corporation for any taxable year from trades or businesses in which the partner or shareholder is a partner or shareholder with or within which the taxable year of the partnership or S corporation ends.

For purposes of this paragraph, in the case of a partnership or S corporation—

"(A) this subsection shall be applied at the partner or shareholder level, and

"(B) each partner's or shareholder's allocable share of the items of income, gain, deduction, or loss of the partnership or S corporation shall be taken into account by the partner in applying this subsection to such partner, and by the S corporation for any taxable year from trades or businesses in which the partner or shareholder is a partner or shareholder with or within which the taxable year of the partnership or S corporation ends.

For purposes of this paragraph, in the case of a partnership or S corporation, an allocable share shall be the shareholder's pro rata share of an item.

(5) A DDITIONAL REPORTING.—The Secretary shall prescribe such additional reporting requirements as the Secretary determines appropriate to carry out the purposes of this subsection.

(6) CO ORDINATION WITH SECTION 66.—This subsection shall be applied after the application of section 66.

(b) E FFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

PART III—TAX BENEFITS FOR FAMILIES AND INDIVIDUALS

SEC. 11023. INCREASE IN STANDARD DEDUCTION.

(a) I N GENERAL.—Section 63 is amended by adding at the end the following new subsection:

"(7) EARNED INCOME THRESHOLD FOR REFUNDABLE CREDIT.—For purposes of subparagraph (C), the earned income threshold for the taxable year of the non-corporation (after the application of this section) shall be $10,000, as increased (but not to exceed the amount under paragraph (11)), over—

"(I) the sum of—

"(ii) the aggregate gross income or gain of such taxpayer attributable to such trades or businesses, plus

"(ii) by substituting '$12,000' for '$3,000' in subparagraph (C)."

(8) SOCIAL SECURITY NUMBER REQUIRED.—No credit shall be allowed under subsection (b) for any individual to whom the social security number required of such individual under the social security number requirement applies.
return of tax for the taxable year. For purposes of the preceding sentence, the term "social security number" means a social security number issued to an individual by the Social Security Administration, but in the case where the social security number is issued to a citizen of the United States or is issued pursuant to subclause (I) or (that portion of subclause (II) due to subsection 2503(c)(2)(B)(I) of the Social Security Act.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11023. INCREASED LIMITATION FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Section 170(b)(1) is amended by redesignating subparagraph (G) as subparagraph (H) and by inserting after subparagraph (F) the following new subparagraph:

"(G) INCREASED LIMITATION FOR CASH CONTRIBUTIONS.—

"(i) IN GENERAL.—In the case of any contribution of cash to an organization described in section 170(c)(1) as a charitable contribution to the extent such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to the extent such excess shall be taken into account under subparagraph (A), the total amount of such contributions which may be taken into account under this subparagraph shall not exceed 50 percent of the taxpayer’s contribution base for such year.

"(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the limitation under clause (i) for any taxable year described in such subparagraph, such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order of time.

"(iii) COORDINATION WITH SUBPARAGRAPHS (A) AND (B).—A contribution described in clause (i) shall be treated as a contribution described in clause (A) for purposes of subparagraph (A).

"(iv) Coordination (B) and (C).—The provisions of this subparagraph shall apply to contributions described in clauses (B) and (C) in a similar manner.

"(v) Coordination with subsection (d).—In the case of any contribution described in clause (i) to an organization described in section 170(c)(1) as a charitable contribution to the extent such excess shall be taken into account under subsection (d), such contribution shall be treated as a charitable contribution to the extent such excess shall be treated as a charitable contribution under subparagraph (F) of section 170(c).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2017.

SEC. 11024. INCREASED CONTRIBUTIONS TO ABLE ACCOUNTS.

(a) INCREASE IN LIMITATION FOR CONTRIBUTIONS FROM COMPENSATION OF INDIVIDUALS WITH DISABILITIES.—

"(1) IN GENERAL.—Section 529A(b)(2)(B) is amended to read as follows:

"(B) except in the case of contributions under subsection (c)(1)(C), if such contribution is made from an ABLE account described in paragraph (7) before January 1, 2016, the lesser of—

"(i) the amount in effect under section 2503(b) for the calendar year in which the taxable year begins,

"(ii) the amount in effect under section 2503(b) for the calendar year in which the taxable year begins, plus

"(iii) the amount equal to the poverty line for a one-person household, as determined for the calendar year preceding the calendar year in which the taxable year begins.

"(2) RESPONSIBILITY FOR CONTRIBUTION LIMITATION.—Paragraph (2) of section 529A(b) is amended by adding at the end the following:

"A designated beneficiary (or a person acting on behalf of such beneficiary) shall maintain adequate records for purposes of ensuring, and shall be responsible for ensuring, that the requirements of subparagraph (B)(ii) are met.

"(3) ELIGIBLE DESIGNATED BENEFICIARY.—Section 529A(b) is amended by adding at the end the following:

"(7) SPECIAL RULES RELATED TO CONTRIBUTION LIMIT.—For purposes of paragraph (2)(B)(ii) of section 529A(b):.

"(A) DESIGNATED BENEFICIARY.—A designated beneficiary described in this paragraph is an employee (including an employee who is an employee within the meaning of section 401(c)) with respect to whom—

"(i) no contribution is made for the taxable year to a defined contribution plan (within the meaning of section 414(i)) with respect to which the requirements of section 401(a) or 403(a) are met;

"(ii) no contribution is made for the taxable year to an annuity contract described in section 403(b); and

"(iii) no contribution is made for the taxable year to an eligible deferred compensation plan (within the meaning of section 457), including any plan described in section 457(b).

"(B) LIMITATION REDUCTION.—For each taxable year beginning after December 31, 2017, and before January 1, 2026, the lesser of—

"(I) compensation (as defined by section 415(c)) with respect to whom—

"(a) any reference to subparagraph (A) as a reference to subparagraph (A)(i) is to be treated as a reference to subparagraph (A)(ii), and

"(b) in the case of any contribution by a family of the designated beneficiary, the aggregate contributions from all contributors to the ABLE account for the taxable year exceeding the sum of—

"(I) the amount in effect under section 2503(b) for the calendar year in which the taxable year begins, plus

"(II) the amount equal to the poverty line for a one-person household, as determined for the calendar year preceding the calendar year in which the taxable year begins.;

"(2) WITHHOLDING.—In the case of subsection (a)(5), the provisions of this section shall take effect on June 9, 2015.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 11025. ROLLOVERS TO ABLE PROGRAMS.

(a) IN GENERAL.—Clause (i) of section 529(c)(3) is amended by striking "or" and inserting "and" after the end of subparagraph (C) and inserting "and", and by adding at the end the following:

"(III) before January 1, 2026, by such individual to the ABLE account (within the meaning of section 529A) of which such individual is the designated beneficiary.;

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 11026. TREATMENT OF CERTAIN INDIVIDUALS PERFORMING SERVICES IN THE REPUBLIC OF EGYPT.

(a) IN GENERAL.—For purposes of the following provisions of the Internal Revenue Code of 1986, with respect to the applicable period, any qualified foreign duty area shall be treated in the same manner as if it were a combat zone (as determined under section 112 of such Code).

"(b) Section 529A(c)(3) (relating to special rule where deceased spouse was in missing status).
taxable years beginning after December 31, 2016, and ending before January 1, 2019".

(C) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 11029. RELIEF FOR 2016 DISASTER AREAS.

(a) In general.—For purposes of this section, the term ‘‘2016 disaster area’’ means any area with respect to which a major disaster is declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act during calendar year 2016.

(b) Use of Retirement Funds With Respect to Areas Damaged by 2016 Disasters.—

(1) Tax-favored withdrawals from retirement plans.—(A) In general.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified 2016 disaster distribution.

(B) Aggregate dollar limitation.—(i) In general.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified 2016 disaster distributions for any taxable year shall not exceed the excess (if any) of—

(I) $100,000, over

(II) the aggregate amounts treated as qualified 2016 disaster distributions received by such individual for all prior taxable years.

(ii) Special rule.—If a distribution to an individual would (without regard to clause (i)) be a qualified 2016 disaster distribution, a plan shall not be treated as violating any requirement of this title merely because the plan treats such distribution as a qualified 2016 disaster distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and, in the case of an aggregate treated as being operated in accordance with a controlled group, any member of an aggregate treated as being operated in accordance with a controlled group which includes the employer) to such individual exceeds $100,000.

(2) Carryover.—For purposes of clause (1), the term ‘‘controlled group’’ means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986.

(C) Amount distributed may be repaid.—(i) In general.—Any individual who revoke

ed eligibility for such distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more (or any combination of) repayments to the plan or contract to the extent of the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution, be treated as having received the qualified 2016 disaster distribution in an eligible rollover distribution (as defined in section 402(c)(7) of the Internal Revenue Code of 1986) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(ii) Treatment of repayments for distributions from eligible retirement plans other than IRAs.—For purposes of the Internal Revenue Code of 1986, if a contribution is made under paragraph (i) with respect to a qualified 2016 disaster distribution from an eligible retirement plan other than an individual retirement plan, the taxpayer shall be treated as if the individual had made a contribution to the retirement plan to the extent of the amount of such contribution, be treated as having received the qualified 2016 disaster distribution in an eligible rollover distribution (as defined in section 402(c)(7) of the Internal Revenue Code of 1986) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(iii) Treatment of repayments for distributions from IRAs.—For purposes of the Internal Revenue Code of 1986, if a contribution is made under paragraph (i) with respect to a qualified 2016 disaster distribution from an individual retirement plan (as defined by section 7701(a)(37) of the Internal Revenue Code of 1986), then, to the extent of the amount of the contribution, the qualified 2016 disaster distribution shall be treated as a distribution from such plan to the extent of such contribution and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(iv) Definitions.—For purposes of this paragraph—

(I) Qualified 2016 disaster distribution.—Except as provided in subparagraph (B), the term ‘‘qualified 2016 disaster distribution’’ means any distribution from an eligible retirement plan—(i) before January 1, 2016, and before January 1, 2018, to an individual whose principal place of abode at any time during calendar year 2016 was located in a disaster area described in subsection (a) and who has sustained an economic loss by reason of the events giving rise to the Presidential declaration described in subsection (a) (which was applicable to such area), or

(II) Eligible retirement plan.—The term ‘‘eligible retirement plan’’ shall have the meaning given such term by section 408(c)(8)(B) of the Internal Revenue Code of 1986.

(E) Income inclusion spread over 3-year period.—(I) In general.—In the case of any qualified 2016 disaster distribution, unless the taxpayer elects not to have this subparagraph apply for the taxable year, any amount required to be included in gross income by reason of this subsection for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(II) Special rule.—For purposes of clause (I), rules similar to the rules of subparagraph (E) of section 408(a)(3) of the Internal Revenue Code of 1986 shall apply.

(F) Special rules.—(i) Exemption of distributions from trustee to trustee transfer and with

holding rules.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified 2016 disaster distribution shall not be treated as eligible roll-over distributions.

(II) Qualified 2016 disaster distributions treated as meeting plan distribution requirements.—For purposes of the Internal Revenue Code of 1986, qualified 2016 disaster distribution shall be treated as meeting the requirements of sections 402(b), 401, 402, 403(b)(1), 403(b)(7)(A)(ii), 403(b)(11), and 497(d)(1)(A) of the Internal Revenue Code of 1986.

(II) Provisions relating to plan amendment requirements.—(A) In general.—If this paragraph applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as having been amended in accordance with the terms of the plan during the period described in subparagraph (B)(ii)(I).

(B) Amendments to which subsection applies.—

(i) In general.—This paragraph shall apply to any amendment to any plan or annuity contract which is made—

(I) pursuant to any provision of this section, or pursuant to any regulation under any provision of this section; and

(II) on or before the last day of the first plan year beginning on or after January 1, 2018, or such later date as the Secretary prescribes.

In the case of a governmental plan (as defined in section 437 of the Higher Education Act of 1965), subclause (II) shall be applied by substituting the date which is 2 years after the date otherwise applied under subclause (i)(II).

(ii) Conditions.—This paragraph shall not apply to any amendment unless—

(1) during the period—

(aa) beginning on the date that this section or the regulation described in clause (i)(I) take effect (or in the case of a plan or contract amendment, on the effective date specified by the plan); and

(bb) ending on the date described in clause (i)(I) (or, if earlier, the date on which such plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect; and

(2) such plan or contract amendment applies retroactively for such period.

(Part IV—Education)

SEC. 11031. TREATMENT OF STUDENT LOANS DISCHARGED ON ACCOUNT OF DEATH OR DISABILITY.

(a) In general.—Section 108(f) is amended by adding at the end the following new paragraph:

‘‘(5) Discharges on account of death or disability.—(I) In general.—In the case of an individual, gross income for any taxable year beginning after December 31, 2017, and before January 1, 2026, does not include any amount which (but for this subsection) would be includible in gross income for such taxable year by reason of the discharge (in whole or in part) of any loan described in subparagraph (A) or (B) of section 432 of the Higher Education Act of 1965 relating to the repayment of loan liability,

(ii) pursuant to subsection (a) or (d) of section 437 of the Higher Education Act of 1965 or the parallel benefit under part D of title IV of the Family Education Act (relating to the repayment of loan liability),

(b) Treatment of student loans discharged on account of death or disability.

(Part IV—Education)
end the following new clause:

...year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.’’.

(d) EXCEPTION FOR DETERMINING PROPERTY PROBATE VALUATION.—Section 6334(d) is amended by adding at the end the following new paragraph:

‘(4) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

(A) IN GENERAL.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) of subparagraph (A) shall apply.

(b) E EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

PART V—DEDUCTIONS AND EXCLUSIONS

SEC. 11041. SUSPENSION OF DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subsection (d) of section 151 is amended—

(1) by striking ‘‘in the case of’’ in paragraph (4) and inserting ‘‘Except as provided in paragraph (5), in the case of’’, and

(c) EXCEPTION FOR WAGE WITHHOLDING RULES.—Section 3402(a) is amended by adding at the end the following new paragraph:

(iii) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

(A) IN GENERAL.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) shall be applied by substituting ‘$4,150’ for ‘the exemption amount under section 151(d)’.

(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after January 1, 2026, the amount determined under subparagraph (A) shall be increased by an amount equal to—

(aa) such dollar amount, multiplied by

(bb) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

(C) VERIFIED STATEMENT.—Unless the taxpayer properly verified a statement specifying the facts necessary to determine the proper amount under paragraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with no dependents.

(d) E EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11042. SUSPENSION OF DEDUCTION FOR HOME EQUITY INTEREST.

(a) IN GENERAL.—Subsection (b) of section 163(h)(3)(A)(i) is amended by inserting ‘‘in the case of taxable years beginning before January 1, 2016, or after December 31, 2025,’’ before ‘‘home equity indebtedness’’.

(b) E EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2017.

SEC. 11044. MODIFICATION OF DEDUCTION FOR CAPITAL GAINS LOSS.

(a) IN GENERAL.—Section 121 is amended by adding at the end the following new paragraph:

(4) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

(A) IN GENERAL.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) shall be applied by substituting ‘$4,150’ for ‘the exemption amount under section 151(d)’.

(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after January 1, 2026, the amount determined under subparagraph (A) shall be increased by an amount equal to—

(aa) such dollar amount, multiplied by

(bb) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

(C) VERIFIED STATEMENT.—Unless the taxpayer properly verified a statement specifying the facts necessary to determine the proper amount under paragraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with no dependents.

(d) E EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11045. SUSPENSION OF MISCELLANEOUS ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 265 is amended by adding at the end the following new subsection:

(4) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

(A) IN GENERAL.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) shall be applied by substituting ‘$4,150’ for ‘the exemption amount under section 151(d)’.

(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after December 31, 2017, and before January 1, 2026, the amount determined under subparagraph (A) shall be increased by an amount equal to—

(aa) such dollar amount, multiplied by

(bb) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

(C) VERIFIED STATEMENT.—Unless the taxpayer properly verified a statement specifying the facts necessary to determine the proper amount under paragraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with no dependents.

(D) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11046. SUSPENSION OF OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 67 is amended by adding at the end the following new subsection:
SEC. 11047. SUSPENSION OF EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) In General.—Section 121 is amended by adding at the end the following new subsection:

"(h) Special Rules for Sales or Exchanges in Taxable Years 2018 Through 2025.—

"(1) In General.—In applying this section with respect to sales or exchanges after December 31, 2017, and before January 1, 2026—

"(A) '5-year' shall be substituted for '3-year' each place it appears in subsections (a), (b)(5)(C)(i)(I), (c)(1)(B)(i)(I), and paragraphs (7), (9), (10), and (12) of subsection (d),

"(B) '7 years' shall be substituted for '2 years' each place it appears in subsections (a), (b)(3), (b)(4), (b)(5)(C)(ii)(III), and (c)(1)(B)(i)(I), and

"(C) '5-year' shall be substituted for '2-year' in subsection (b)(3).

"(2) Exception for Binding Contracts.—Paragraph (h)(1) shall apply to any sale or exchange with respect to which there was a written binding contract in effect before the sale or exchange with respect to which there was a binding contract in effect before the sale or exchange, and before January 1, 2026.

(b) Effective Date.—The amendment made by this section shall apply to sales and exchanges after December 31, 2017.

SEC. 11048. SUSPENSION OF EXCLUSION FOR QUALIFIED BICYCLE COMMUTING REIMBURSEMENT.

(a) In General.—Section 132(f) is amended by adding at the end the following new paragraph:

"(8) Suspension of Qualified Bicycle Commuting Reimbursement Exclusion.—Paragraph (1)(D) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11049. SUSPENSION OF EXCLUSION FOR QUALIFIED MOVING EXPENSE REIMBURSEMENT.

(a) In General.—Section 132(g) is amended by adding at the end the following new paragraph:

"(5) Suspension of Qualified Moving Expense Reimbursement Exclusion.—Paragraph (3)(D) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11050. SUSPENSION OF DEDUCTION FOR MOVING EXPENSES.

(a) In General.—Section 217 is amended by adding at the end the following new subsection:

"(k) Suspension of Deduction for Taxable Years 2018 Through 2025.—Except in the case of a member of the Armed Forces of the United States on active duty who moves pursuant to a change of station, subsection (a)(6) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11051. LIMITATION ON WAGERING LOSSES.

(a) In General.—Section 165(d) is amended by adding at the end the following: "For purposes of the preceding sentence, in the case of taxable years beginning after December 31, 2017, and before January 1, 2026, the term ‘losses from wagering transactions’ includes any deduction otherwise allowable under this chapter in carrying on any wagering transaction.",

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

PART VI—INCREASE IN ESTATE AND GIFT TAX EXEMPTION

SEC. 11061. INCREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) In General.—Section 2010(c)(3) is amended by adding at the end the following new subparagraph:

"(C) Increase in Basic Exclusion Amount.—In the case of estates of decedents dying or gifts made after December 31, 2017, and before January 1, 2026, subparagraph (A) shall be applied by substituting '$10,000,000' for '$5,000,000'.

(b) Conforming Amendment.—Subsection (g) of section 2001 is amended to read as follows:

"(g) Modifications to Tax Payable.—

"(1) Modifications to Gift Tax Payable to Reflect Different Tax Rates.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent’s death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

"(A) the tax imposed by chapter 12 with respect to such gifts, and

"(B) the credit allowed against such tax under section 2505, including in computing—

"(i) the appropriate credit amount under section 2505(a)(1), and

"(ii) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).

"(2) Modifications to Estate Tax Payable to Reflect Different Basic Exclusion Amounts.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this section with respect to any difference between—

"(A) the basic exclusion amount under section 2011(a)(3)(C) made applicable at the time of the decedent’s death, and

"(B) the basic exclusion amount under such section applicable in respect to any gifts made by the decedent.

"(c) Effective Date.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

PART VII—TAXPAYER RIGHTS AND TAX ADMINISTRATION

SEC. 11071. EXTENSION OF TIME LIMIT FOR CONTESTING IRS LEVY.

(a) In General.—Paragraph (2) of section 6336(a) is amended to read as follows:

"(2) Period of Limitation on Suit.—Subsection (c) is amended by striking "9 months'' in paragraph (1) and inserting "12 months''.

"(3) Testing IRS Levy.—The amendments made by this section shall apply to any levy made on or after the date which is 60 days after the date of the enactment of this Act.

SEC. 11073. ATTORNEYS’ FEES RELATING TO AWARDS TO WHISTLEBLOWERS.

(a) In General.—Paragraph (2) of section 62(a) is amended to read as follows:

"(2) Attorney’s Fees Relating to Awards to Whistleblowers.—

"(A) In General.—Any duty otherwise allowable under chapter 134 of title 28, United States Code, for the assessment of any suit under this section shall be performed by the court in which the suit is commenced, and all expenses of proceedings, services, disbursements, or other charges shall be allowed to the attorney, and to the extent allowed to the attorney, to the Internal Revenue Service as a cost of the suit.

"(B) Attorney’s Fees Relating to Awards to Whistleblowers.—In the case of an attorney who is not an employee of the Internal Revenue Service, the amount of any such fee as in effect on the date of such award shall in no event exceed 20% of the amount of the award.

"(c) Conforming Amendment.—Subsection (g) of section 62(a) is amended to read as follows:

"(g) Limitation on Fee Amount.—The amount of any fee imposed on an installment agreement under this section may not exceed the amount of such agreement as in effect on the date of the enactment of this section.

"(2) Waiver or Reimbursement.—In the case of any taxpayer with an adjusted gross income determined as determined for the tax year for which such information is available, which does not exceed 200% of the applicable poverty level (as determined by the Secretary of Health and Human Services), the Secretary of the Treasury shall, in the case of any fair and reasonable agreement between the taxpayer and the Internal Revenue Service on or before the date which is 60 days after the date of the enactment of this Act, and

SEC. 11074. CLARIFICATION OF WHISTLEBLOWER AWARDS.

(a) Definition of Proceeds.—

"(1) In General.—Section 7805(b) is amended by including in the definition of ‘proceeds’—

"(A) any payment or other benefit made under this chapter for an award provided under the Internal Revenue Code of 1986 (without regard to this section) as such award;

"(B) any proceeds arising from claims for which the Internal Revenue Service is authorized to administer, enforce, or investigate, including—

"(i) criminal fines and civil forfeitures, and

"(ii) violations of reporting requirements;

"(c) Conforming Amendments.—Subsection (a)(2) of section 7805 is amended to read as follows:

"(2) Conforming Amendments.—Paragraphs (1) and (2) of section 7805(a) are each amended to read as follows:

"(1) any payment or other benefit made under this chapter for an award provided under the Internal Revenue Code of 1986 (without regard to this section) as such award;

"(2) any proceeds arising from claims for which the Internal Revenue Service is authorized to administer, enforce, or investigate, including—

"(A) criminal fines and civil forfeitures, and

"(B) violations of reporting requirements;"
action” and inserting “proceeds collected as a result of the action”.

(b) AMOUNT OF PROCEEDS DETERMINED WITHOUT REGARD TO AVAILABILITY.—Paragraphs (2)(B) and (3)(A) of section 7623(b) are each amended by inserting “(determined without regard to whether such proceeds are available to the Secretary)” after “in response to”.

(c) DISPUTED AMOUNT Threshold.—Section 7623(b)(5)(B) is amended by striking “tax, penalties, interest, additions to tax, and additions to tax imposed” and inserting “penalties, interest, additions to tax, and additions to tax imposed”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to information provided before, on, or after the date of the enactment of this Act with respect to which a final determination for an award has not been made before such date of enactment.

PART VIII—INDIVIDUAL MANDATE

SEC. 11801. ELIMINATION OF SHARED RESPONSIBILITY FEE FOR INDIVIDUALS FAILING TO MAINTAIN MINIMUM ESSENTIAL COVERAGE.

(a) IN GENERAL.—Section 5000A(c) is amended—

(1) in paragraph (2)(B)(ii), by striking “2.5 percent” and inserting “zero percent”, and

(ii) by striking “$695” in subparagraph (A) and inserting “$10,000”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2018.

Subtitle B—Alternative Minimum Tax

SEC. 12001. INCREASED EXEMPTION FOR INDIVIDUALS.

(a) INCREASED EXEMPTION.—Section 55(d) is amended by adding at the end the following new paragraph:

“(5) SPECIAL RULE FOR TAXABLE YEARS BEGINNING AFTER 2025 AND BEFORE 2028.—

“(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2017, and before January 1, 2026—

(i) paragraph (1) shall be applied—

(I) by substituting ‘$189,400’ for ‘$161,900’ in subparagraph (A), and

(II) by substituting ‘$70,300’ for ‘$50,600’ in subparagraph (B),

(ii) paragraph (3) shall be applied—

(I) by substituting ‘$288,400’ for ‘$256,000’ in subparagraph (A),

(II) by substituting ‘$156,300’ for ‘$121,500’ in subparagraph (B), and

(III) in the case of a taxpayer described in paragraph (1)(D), without regard to the sub-

stitution under clause (I),

(B) INFLATION ADJUSTMENT.—

“(B) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2018, the amounts described in clause (ii) shall each be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

(ii) AMOUNTS DESCRIBED.—The amounts described in this clause are the $189,400 amount in subparagraph (A)(i)(I), the $70,300 amount in subparagraph (A)(i)(II), the $288,400 amount in subparagraph (A)(ii)(I), and the $156,300 amount in subparagraph (A)(ii)(II).

(iii) ROUNDING.—Any increased amount determined under clause (i) shall be rounded to the nearest multiple of $100.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

Subtitle C—Business-related Provisions

PART I—CORPORATE PROVISIONS

SEC. 13001. 20-PERCENT CORPORATE TAX RATE.

(a) IN GENERAL.—Subsection (b) of section 11 is amended to read as follows:

“(b) AMOUNT DETERMINED.—The amount of the tax imposed by subsection (a) shall be 20 percent of taxable income.”

(b) AMOUNTS DETERMINED—

(1) The following sections are each amended by striking “section 11(b)(1)” and inserting “section 11(b)(2)”:

(A) Section 47(a)(3)(B)(ii)(II).

(B) Paragraphs (2)(B) and (6)(A)(i) of section 860E(e).

(C) Section 7874(e)(1)(B).

(D) Paragraph 1 of subchapter P of chapter 1 is amended by striking 1201 and (by striking the item relating to such section in the table of sections for such part).

(E) Subsection 12 is amended by striking paragraphs (4) and (6), and by redesignating paragraphs (5) as paragraph (4), (C) Section 453A(c)(3) is amended by striking “or 1201(whichever is appropriate)”.

(D) Paragraph 272(b) is amended—

(i) by striking paragraph (2), and

(ii) by striking “is hereby imposed and inserting “(b) TAX IMPOSED.—A tax”.

(E) Sections 59(a) is amended by striking “taxes imposed by section 11 or 1201(a)” and inserting “tax imposed by section 11”.

(F) Section 691(c)(4) is amended by striking “1201.”.

(G) Section 801(a) is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes “is hereby imposed” and inserting “(a) TAX IMPOSED.—A tax”.

(H) Section 811(e) is amended by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(I) Sections 812(c)(5) and 834(b)(1)(D) are each amended by striking “sec. 1120 and following”.

(J) Section 852(b)(5)(A) is amended by striking “section 1201(a)” and inserting “section 1201(b)”.

(K) Section 857(b)(3) is amended—

(i) by striking subparagraph (A) and redesignating subparagraphs (B)(4) through (P) as subparagraphs (A) through (P), respectively.

(II) in subparagraph (C), as so redesignated—

(I) by striking “$14,000”.

(II) by striking “the amounts specified in paragraphs (2) and (3) are each amended by striking “sec. 1201(a)” and inserting “sec. 1201(b)”.

(III) Section 857(b)(3) is amended—

(i) by striking paragraph (1) and redesignating paragraphs (2) through (P) as paragraphs (1) through (P), respectively.

(ii) in subparagraph (C), as so redesignated—

(I) by striking “subparagraph (A)(ii)” in clause (i) thereof and inserting “paragraph (1)”,

(II) by striking “the tax imposed by subparagraph (A)(ii)” in clauses (ii) and (iv) thereof and inserting “the tax imposed by paragraph (1) on undistributed corporate capital gain”,

(III) in subparagraph (E), as so redesignated, by striking “subparagraph (B)” and inserting “subparagraph (B) or (D)”,

(IV) in subparagraph (A) or (C), and

(V) by adding at the end the following new subparagraph:

“(I) the excess of—

with a rate differential portion of foreign source net capital gain, net capital gain, or the excess of net capital gain from sources within the United States over net capital gain, as the case may be, is the same proportion of such amount as—

(i) the excess of—

(ii) the highest rate of tax set forth in subsection (a), (b), (c), (d), or (e) of section 1 (whichever applies), over

(iii) that rate so determined in subclause (I).”

(N) Section 1376(b) is amended by striking paragraph (A).

(O) Section 1381(b) is amended by striking “taxes imposed by section 1201 or 1201(b)” and inserting “tax imposed by section 11(b)”.

(Q) Sections 6252(c)(1)(A) and 6556(g)(1)(A) are each amended by striking “or 1201(a)”.)

(R) Section 7518(g)(6)(A) is amended by striking “or 1201(a)”.

(S) Section 1445(e)(1) is amended—

(i) by striking “35 percent” and inserting “the highest rate of tax in effect for the taxable year under section 11(b)”, and

(ii) by striking “of the amount” and inserting “multiplied by the amount”.

(T) Section 1445(e)(2) is amended by striking “the highest rate of tax in effect for the taxable year under section 11(b)” and inserting “the amount multiplied by the amount”.

(U) Section 1446(b)(2)(B) is amended by striking “section 11(b)” and inserting “section 11(b)(1)”.

(V) Section 852(b)(1) is amended by striking the last sentence.

(W) Part I of subchapter B of chapter 5 is amended by striking the item relating to such section in the table of sections for such part.

(B) Section 53(e)(5) is amended to read as follows—

“(5) CROSS REFERENCE.—For limitation on credit provided in paragraph (2) or (3) in the case of certain controlled corporations, see section 1561.”

(E) Section 1561(a)(1) is amended—

(i) by striking paragraph (1) and redesigning paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(ii) by striking “amounts specified in paragraph (1) and the amount specified in paragraph (3) are each amended by striking “sec. 1561(a)” and inserting “the amounts specified in paragraph (2)” and inserting “the amounts specified in paragraph (1)”.

(iii) by striking “The amounts specified in paragraph (2)” and inserting “The amounts specified in paragraph (1)”.

(v) by striking “under paragraph (3)” and inserting “under paragraph (2)”.

(W) The last sentence of section 1561(b) is amended to read as follows: “If a corporation has a short taxable year which does not include a December 31 and is a member of a controlled group of corporations with respect to such taxable year, then for purposes of this subtitle the amount to be used in computing the accumulated earnings and profits credit under section 55(c)(2) and (3) of such corporation for such taxable year shall be the amount specified in subsection (a)(1) divided by the number of corporations which are member of the group on the last day of such taxable year.”

(7) Section 7518(g)(6)(A) is amended—
(A) by striking “With respect to the portion” and inserting “In the case of a taxpayer other than a corporation, with respect to the portion,” and
(B) by striking “(34 percent in the case of a corporation)”.

(c) EFFECTIVE DATE.—
(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2018.
(2) Rate Reduction.—The amendments made by subsection (b)(3) shall apply to distributions made after December 31, 2018.

(3) CERTAIN TRANSFERS.—The amendments made by subsection (b)(6) shall apply only to transfers made after December 31, 2018.

(d) NORMALIZATION REQUIREMENTS.—
(1) IN GENERAL.—A normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of section 167 or 168 of the Internal Revenue Code of 1986 if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method.
(2) ALTERNATIVE METHOD FOR CERTAIN TAXPAYERS.—If, as of the first day of the taxable year that includes the date of enactment of this Act, the taxpayer was required by a regulatory agency to compute depreciation for public utility property on the basis of an average life or composite rate method, and (B) the taxpayer's books and underlying records did not contain the vintage account data necessary to apply the average rate assumption method, the taxpayer will be treated as using a normalization method of accounting if, with respect to such jurisdiction, the taxpayer uses the method for public utility property that is subject to the regulatory authority of that jurisdiction.

(3) DEFINITIONS.—For purposes of this subsection—
(A) EXCESS TAX RESERVE.—The term “excess tax reserve” means the excess of—
(1) the reserve for deferred taxes (as described in section 446(h) of the Internal Revenue Code of 1986) as determined under the Internal Revenue Code of 1986 as in effect on the day before the date of enactment of this Act; and
(2) the amount which would be the balance in such reserve if the amount of such reserve were determined by assuming that the corporation's books and underlying records provided in this Act were in effect for all prior periods.

(B) AVERAGE RATE ASSUMPTION METHOD.—The average rate assumption method is the method under which the excess in the reserve for deferred taxes is reduced over the remaining lives of the property as used in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method.

(C) ALTERNATIVE METHOD.—The “alternative rate method” is the method in which the taxpayer—
(1) computes the excess tax reserve on all public utility property included in the plant accounts on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and
(ii) reduces the excess tax reserve ratably over the remaining regulatory life of the property.

(4) TAX INCREASED FOR NORMALIZATION VIOLATION.—If, after the date of the enactment of this Act, the taxpayer does not use a normalization method of accounting, the taxpayer’s tax for the taxable year shall be increased by the amount by which it reduces its excess tax reserve more rapidly than permitted under a normalization method of accounting.

SEC. 13002. REDUCTION IN DEDUCTIONS TO REFLECT LOWER CORPORATE INCOME TAX RATES.

(a) DIVIDENDS RECEIVED.—Corporations—
(1) IN GENERAL.—Section 243(a)(1) is amended by striking “70 percent” and inserting “50 percent”.
(2) DIVIDENDS FROM 20-PERCENT OWNED CORPORATIONS.—Section 243(c)(1) is amended—
(A) by striking “80 percent” and inserting “65 percent”, and
(B) by striking “70 percent” and inserting “50 percent”.

(3) CONFORMING AMENDMENT.—The heading for section 243(c) is amended by striking “RETENTION OF 80-PERCENT DIVIDEND RECEIVED DEDUCTION” and inserting “INCREASED PERCENTAGE”.

(b) SECURITY SYSTEMS.—Section 243(a)(1) is amended—
(1) by striking “90/65th” and inserting “90/70th”, and
(2) in the flush sentence at the end—
(A) by striking “100/65th” and inserting “100/70th”, and
(B) by striking “100/80th” and inserting “100/85th”.

(3) INFLATION ADJUSTMENTS.—
(a) IN GENERAL.—So much of section 443(c) is amended by striking “$15,000,000” and inserting “$10,000,000.”.
(b) REDUCTION IN DEDUCTION WHERE PORTFOLIO STOCK IS DEBT-FINANCED.—Section 246(a)(3) is amended—
(1) by striking “90/65th” in subparagraph (A) and inserting “90/70th”, and
(2) by striking “65 percent” and inserting “60 percent”.

(c) E XCEEDING COST.—Section 446(a)(4) is amended—
(1) by eliminating “100/65th”, and
(2) in the flush sentence at the end—
(A) by striking “100/65th” and inserting “100/70th”, and
(B) by striking “100/80th” and inserting “100/85th”.

(d) E FFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

PART II—SMALL BUSINESS REFORMS

SEC. 13101. MODIFICATIONS OF RULES FOR EXEMPT DEPRECIABLE BUSINESS ASSETS.

(a) I NCREASE IN LIMITATION.—
(1) DOLLAR LIMITATION.—Subsection 179(b)(1) is amended by striking “$500,000” and inserting “$1,000,000”.
(2) REDUCTION IN LIMITATION.—Subsection 179(b)(2) is amended by striking “$2,000,000” and inserting “$3,500,000”.

(b) I NFLATION ADJUSTMENTS.—
(A) GENERAL.—Subparagraph (C) of section 244(c) is amended—
(1) by striking “2015” and inserting “2018”, and
(2) in clause (ii), by striking “calendar year 2014” and inserting “calendar year 2017”.
(B) S PORT UTILITY VEHICLES.—Section 179(b)(6) is amended—
(1)(A) by striking paragraph (A), by striking “paragraphs (1) and (2)” and inserting “paragraphs (1), (2), and (5)(A)”, and
(ii) in subparagraph (B), by inserting “$100 in the case of any increase in the amount under paragraph (5)(A)” after “$10,000”,

(b) SECTION 179 PROPERTY TO INCLUDE QUALIFIED REAL PROPERTY.—
(1) IN GENERAL.—Subparagraph (B) of section 179(d)(1) is amended to read as follows:
(i) which is
(2) QUALIFIED REAL PROPERTY DEFINED.—Subsection (f) of section 179 is amended to read as follows:
(1) QUALIFIED REAL PROPERTY.—For purposes of this section, the term “qualified real property” means—
(2) any qualified improvement property described in section 168(e)(6), and

(2) any of the following improvements to nonresidential real property placed in service after December 31, 2018:
(A) Roofs.
(B) Heating, ventilation, and air-conditioning property.
(C) Fire protection and alarm systems.
(D) Security systems.

(c) REPEAL OF EXCLUSION FOR CERTAIN PROPERTIES.—Subsection (d)(3) of section 179(d)(1) is amended by inserting “other than paragraph (2) thereof” after “section 50(b)(5)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after December 31, 2018.

SEC. 13102. MODIFICATIONS OF GROSS RECEIPTS TEST FOR USE OF CASH METHOD OF ACCOUNTING BY CORPORATIONS AND PARTNERSHIPS.

(a) MODIFICATIONS OF GROSS RECEIPTS TEST.—
(1) IN GENERAL.—So much of section 448(c) as precedes paragraph (2) is amended to read as follows:
(2) GROSS RECEIPTS TEST.—
(3) IN GENERAL.—A corporation or partnership meets the gross receipts test of this subsection for any taxable year if the average annual gross receipts of such entity for any taxable year ending after December 31, 2017, does not exceed the applicable dollar limit.

(b) APPLICABLE DOLLAR LIMIT.—Subsection (c) of section 448 is amended by adding at the end the following new paragraph:
(4) APPLICABLE DOLLAR LIMIT.—
(A) IN GENERAL.—The applicable dollar limit is $15,000,000.
(B) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2018, the $15,000,000 amount under subparagraph (A) shall be increased by an amount equal to—
(ii) such dollar amount, multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting “calendar year 2017” for “calendar year 2016” in subparagraph (A)(i) thereof.

(c) CHANGE IN METHOD OF ACCOUNTING.—
(1) IN GENERAL.—Subparagraph (A) of section 448(d) is amended—
(ii) In the case of a calendar year in which the taxable year begins after December 31, 2017, the amount under subsection (b) shall be rounded to the next highest multiple of $1,000.”.

(2) SECTIONS 168 AND 179.—Subsection (f) of section 168 is amended, in paragraphs (4) and (5), by striking “in the case of” and all that follows up to subparagraph (A) and inserting “If a taxpayer changes its method of accounting because the taxpayer is prohibited from using the cash receipts and disbursements method of accounting by reason of subsection (a) or is no longer prohibited...
from using such method by reason of such subsection—

(B) by inserting “and” at the end of sub-
paragraph (A), by striking “and” at the end of 
subparagraph (A) and inserting a period, and 
by striking subparagraph (C).

(4) CONFORMING AMENDMENT.—Paragraph 
(3) of section 448(b) is amended to read as fol-

ows:

“(3) ENTITIES SATISFYING GROSS RECEIPTS 
TEST.—Paragraphs (1) and (2) of subsection 
(a) shall not apply to any corporation or 
partnership for any taxable year if such enti-
ty meets the gross receipts test of subsection 
(c) for the taxable year.”.

(b) APPLICATION OF MODIFICATIONS TO 
FAMILY CORPORATIONS.—

(1) IN GENERAL.—Paragraph (1) of section 
471(d) is amended to read as follows:

“(1) IN GENERAL.—A corporation meets the 
requirements of this subsection for any tax-
able year with respect to its gross receipts if 
the corporation meets the gross receipts test 
of section 448(c) for the taxable year.”.

(2) FAMILY CORPORATIONS.—Paragraph (2) 
of section 447(d) is amended—

(A) by striking subparagraph (A) and in-

serting the following:

“(A) IN GENERAL.—In the case of a family 
corporation, in applying section 448(c) for 
paragraphs (1)—

(i) paragraph (1) of section 448(c) shall be 
substituted for the applicable family 
corporation limit for the applicable dollar 
limit, and 

(ii) the rules of subparagraph (B), shall 
apply in computing gross receipts.”.

(B) in subparagraph (B)(i), by striking “the 
last sentence of paragraph (1)” and inserting 
“paragraph (2) of section 448(c)” and

(C) by adding at the end the following new 
subparagraph:

“(D) APPLICABLE FAMILY CORPORATION 
LIMIT.

“(1) IN GENERAL.—The applicable family 
corporation limit is $25,000,000.

“(2) ADJUSTMENT FOR INFLATION.—In the 
case of any taxable year beginning after De-

cember 31, 2018, the $25,000,000 amount under 
clause (1) shall be increased by an amount 
equal to—

(I) such dollar amount, multiplied by 

(II) such change, determined under 

section 11(f)(3) for the calendar 
year in which the taxable year begins, by 

substituting “calendar year 2017” for “cal-

dendar year 2016” in subparagraph (A)(i) 
thereof. 

If any amount as increased under the pre-
ceding sentence is not a multiple of $1,000, 
such amount is rounded to the next lowest 
multiple of $1,000.”.

(3) EXCEPTION FOR CERTAIN CORPORATIONS.— 
Subsection (c) of section 471 is amended by 
inserting “for any taxable year” after “not 
being a corporation”.

(4) CHANGE IN METHOD OF ACCOUNTING.—Sec-

tion 471(c)(1) is amended—

(A) by striking “The case of” and all that 
follows up to paragraph (1) and inserting 
the following: “If a taxpayer changes its 
method of accounting by reason of subsection 
(a) or is no longer required to use such method 
by reason of subsection (c), and

(B) by striking paragraph (2) and inserting 
the following:

“(2) such change shall be treated as initi-

ated by the taxpayer; and

(c) EFFECTIVE DATE.—The amendments 
made by this section shall apply to taxable 
years beginning after December 31, 2017.

SEC. 13103. CLARIFICATION OF INVENTORY AC-
COUNTING RULES FOR SMALL BUSI-

NESSES.

(a) CLARIFICATION OF INVENTORY RULES.— 

(1) IN GENERAL.—Section 471 is amended by 
redesignating subsection (c) as subsection (d) 

and by inserting after subsection (b) the fol-

lowing new subsection:

“(c) SMALL BUSINESS TAXPAYERS NOT 
REQUIRED TO USE INVENTORIES.—

“(1) IN GENERAL.—A qualified taxpayer 
shall not be required to use inventories under 
this section for a taxable year.

“(2) TREATMENT OF TAXPAYERS NOT USING 
INVENTORIES.—A qualified taxpayer who is 
not required under this subsection to use in-

ventories with respect to any property for a 
taxable year beginning after December 31, 
2017, may treat such property—

“(A) as a non incidental material or sup-

ply, or

“(B) in a manner which conforms to the 
taxpayer’s method for accounting for such 
property in—

(i) an applicable financial statement (as 
defined in section 451(b)(3)), or

(ii) in the case of a taxpayer that does not 
have an applicable financial statement, their 
books and records used for purposes of deter-
mining tax imposed by this title.

“(3) QUALIFIED TAXPAYER.—For purposes of 
this subsection, a qualified taxpayer means, 
with respect to any taxable year, a taxpayer 
who meets the gross receipts test of section 448(c) for the taxable year (or, in the case of a sole proprietorship, who would have 
met such test if such proprietorship were a 
corporation). Such term shall not include a 
tax shelter prohibited from using the cash 
receipts and disbursements method of ac-

counting under section 448(a)(3).

“(4) COORDINATION WITH SECTION 481.—If a 
taxpayer changes its method of accounting 
for the taxable year, it shall be required to use 
inventories by reason of paragraph (1) or is 
required to use inventories because such 
paragraph no longer applies to the taxpayer—

“(A) such change shall be treated as initi-

ated by the taxpayer, and

“(B) such change shall be treated as made 
with the consent of the Secretary.”.

(b) EFFECTIVE DATE.—The amendments 
made by this section shall apply to taxable 
years beginning after December 31, 2017.

SEC. 13104. MODIFICATION OF RULES FOR UNI-
FORM CAPITALIZATION OF CERTAIN 
EXPENSES.

(a) IN GENERAL.—Section 280A(b) is amend-

ed by striking all that follows paragraphs 
(1) and inserting the following new para-

graphs:

“(2) PROPERTY ACQUIRED FOR RESALE.—Real 
or personal property described in section 
1221(a)(1) which is acquired by the taxpayer 
for resale.

“(3) EXCLUSION FOR SMALL BUSINESSES.— 
This section shall not apply to any taxpayer 
who meets the gross receipts test under sec-

tion 448(c) for the taxable year (or, in the 
case of a sole proprietorship, who would 
meet such test if such proprietorship were a 
corporation), (A) such taxpayer is not prohib-

ited from using the cash receipts and dis-

bursements method of accounting under sec-

tion 448(a)(3) after “taxpayer”, and

(B) by striking clause (ii) and inserting the 
following:

“(ii) who meets the gross receipts test of 
section 448(c) for the taxable year in which 
such change and no adjustments under section 
448(a)(3) after “taxpayer”, and

(b) EFFECTIVE DATE.—The amendments 
made by this section shall apply to taxable 
years beginning after December 31, 2017.

SEC. 13105. INCREASE IN GROSS RECEIPTS TEST 
FOR CONSTRUCTION CONTRACT EX-
CEPTION TO PERCENTAGE OF COM-
PLETION METHOD.

(a) INCREASE.—

(1) IN GENERAL.—Section 660(e)(1)(B) is amended—

(A) in the matter preceding clause (i), by 
inserting “other than a tax shelter prohib-

ited from using the cash receipts and dis-

bursements method of accounting under sec-

tion 448(a)(3)” after “taxpayer”, and

(B) by striking clause (ii) and inserting the 
following:

“(ii) who meets the gross receipts test of 
section 448(c) for the taxable year in which 
such change and no adjustments under section 
448(a)(3) after “taxpayer”, and

(b) EFFECTIVE DATE.—The amendments 
made by this section shall apply to taxable 
years beginning after December 31, 2017.

SEC. 13106. TEMPORARY 100 PERCENT EXPEN-
SING FOR CERTAIN BUSINESS AS-
SETS.

(a) INCREASED EXPENSING.—

(1) IN GENERAL.—Section 168(k) is amend-

ed—

(A) in paragraph (1)(A), by striking “50 per-

cent” and inserting “the applicable percentage”, 

and

(B) in paragraph (5)(A)(i), by striking “50 per-

cent” and inserting “the applicable percentage”.

(b) APPLICABLE PERCENTAGE.—Par 

agraphe (6) of section 168(k) is amended to read 
as fol-

ows:

“(6) APPLICABLE PERCENTAGE.—For pur-

poses of this subsection—

Exempt from the applicable percentage—

because this section does not apply to the 
taxpayer by reason of the exception under 
paragraph (3) or this section applies to the 
taxpayer because such exception no longer 
applies.

“(A) such change shall be treated as initi-

ated by the taxpayer, and

“(B) such change shall be treated as made 
with the consent of the Secretary.

“(C) such change shall be permitted only 
on a cut-off basis for all similarly classified 
contracts entered into or on after the year of 
change and no adjustments under section 
481(a) shall be made.”.

(c) EFFECTIVE DATE.—The amendments 
made by this section shall apply to contracts 
entered into after December 31, 2017, in tax-

able years ending after such date.

PART III—COST RECOVERY 
AND ACCOUNTING METHODS

Subpart A—Cost Recovery

SEC. 13201. TEMPORARY 100 PERCENT EXPEN-
SING FOR CERTAIN BUSINESS AS-
SETS.

(a) INCREASED EXPENSING.—

(1) IN GENERAL.—Section 168(k) is amend-

ed—

(A) in paragraph (1)(A), by striking “50 per-

cent” and inserting “the applicable percentage”, 

and

(B) in paragraph (5)(A)(i), by striking “50 per-

cent” and inserting “the applicable percentage”.

(b) APPLICABLE PERCENTAGE.—Parag 

aphra (6) of section 168(k) is amended to read as fol-

ows:

“(6) APPLICABLE PERCENTAGE.—For pur-

poses of this subsection—

Exempt from the applicable percentage—

because this section does not apply to the 
taxpayer by reason of the exception under 
paragraph (3) or this section applies to the 
taxpayer because such exception no longer 
applies.

“(A) such change shall be treated as initi-

ated by the taxpayer, and

“(B) such change shall be treated as made 
with the consent of the Secretary.

“(C) such change shall be permitted only 
on a cut-off basis for all similarly classified 
contracts entered into or on after the year of 
change and no adjustments under section 
481(a) shall be made.”.

(c) EFFECTIVE DATE.—The amendments 
made by this section shall apply to contracts 
entered into after December 31, 2017, in tax-

able years ending after such date.
“(i) in the case of property placed in service after September 27, 2017, and before January 1, 2023, 100 percent,

“(ii) in the case of property placed in service after December 31, 2023, and before January 1, 2024, 80 percent,

“(iii) in the case of property placed in service after December 31, 2024, and before January 1, 2025, 60 percent,

“(iv) in the case of property placed in service after December 31, 2025, and before January 1, 2026, 40 percent,

“(v) in the case of property placed in service after December 31, 2026, and before January 1, 2027, 20 percent.

“(B) RULE FOR PLANTS BEARING FRUITS AND NUTS.—In the case of a specified plant described in paragraph (5), the term ‘applicable percentage’ means—

“(i) in the case of a plant which is planted or grafted after September 27, 2017, and before January 1, 2023, 100 percent,

“(ii) in the case of a plant which is planted or grafted after December 31, 2023, and before January 1, 2024, 80 percent,

“(iii) in the case of a plant which is planted or grafted after December 31, 2024, and before January 1, 2025, 60 percent,

“(iv) in the case of a plant which is planted or grafted after December 31, 2025, and before January 1, 2026, 40 percent,

“(v) in the case of a plant which is planted or grafted after December 31, 2026, and before January 1, 2027, 20 percent.

“(C) RULE FOR PLANTS HEARING FRUITS AND NUTS.—In the case of a specified plant described in paragraph (5), the term ‘applicable percentage’ means—

“(i) in the case of a plant which is planted or grafted after September 27, 2017, and before January 1, 2023, 100 percent,

“(ii) in the case of a plant which is planted or grafted after December 31, 2023, and before January 1, 2024, 80 percent,

“(iii) in the case of a plant which is planted or grafted after December 31, 2024, and before January 1, 2025, 60 percent,

“(iv) in the case of a plant which is planted or grafted after December 31, 2025, and before January 1, 2026, 40 percent,

“(v) in the case of a plant which is planted or grafted after December 31, 2026, and before January 1, 2027, 20 percent.

“(D) RULE FOR PRODUCTION OF MOVIES, TELEVISION PROGRAMS, AND THEATRICAL PRODUCTIONS.—

“(1) IN GENERAL.—Clause (i) of section 168(k)(2)(A), as amended by section 13204, is amended—

“(A) by inserting ‘‘27.5 years’’ and inserting ‘‘2017’’.

“(B) in clause (ii), by striking ‘‘25 years’’ and inserting ‘‘25 years’’.

“(C) by redesignating clause (iv) as clause (iii).

“(D) by inserting ‘‘(other than residential rental property and nonresidential real property)’’ after ‘‘15-year and 20-year property’’.

“(2) CONFORMING AMENDMENTS.—

“(A) by striking ‘‘19 years’’ and inserting ‘‘25 years’’.

“(B) by striking ‘‘39 years’’ and inserting ‘‘25 years’’.

“(C) by adding at the end the following new paragraph:

“(1) REMOVAL OF CERTAIN DEPRECIATION LIMITATIONS ON LUXURY AUTOMOBILES AND PERSONAL USE PROP-

“erty.—

“(a) LUXURY AUTOMOBILES.—

“(1) IN GENERAL.—Section 263A(f)(4)(A) is amended—

“(A) by inserting ‘‘2017’’ and inserting ‘‘2017’’.

“(B) by inserting ‘‘2017’’ and inserting ‘‘2017’’.

“(C) by redesignating clause (iv) as clause (iii).

“(D) by striking paragraphs (6), (7), and (8).

“(E) RULE FOR QUALIFIED LEASEHOLD IMPROVEMENT, QUALIFIED RESTAURANT, AND QUALIFIED REAL ESTATE REPRESENTATIVE.—

“(a) by striking ‘‘2017’’ and inserting ‘‘2017’’.

“(b) by striking ‘‘2017’’ and inserting ‘‘2017’’.
(B) by inserting after subparagraph (F) the following new subparagraph:

“(G) Qualified improvement property described in section 168(g)(2) as amended by this section shall apply to amounts paid or incurred by a person other than the taxpayer described in subparagraph (A) if—

(1) such change shall be applied on a cut-off basis for any research or experimental expenditures paid or incurred in taxable years beginning after December 31, 2025, and

(2) the amount chargeable to capital account for such taxable year for qualified research expenditures shall be reduced by the amount of such excess.”.

(b) by striking paragraph (2), and

(c) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and

(d) by redesigning by striking paragraphs (C), (D), (E) and (F) of section 263A(d)(2) and inserting “paragraph (1)”.

(e) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2025.

SEC. 13207. EXPENSING OF CERTAIN COSTS OF REPLANTING CITRUS PLANTS LOST BY REASON OF CASUALTY.

(a) IN GENERAL.—Section 263A(d)(2) is amended by adding at the end the following new subparagraph:

“(C) Special temporary rule for citrus plants lost by reason of casualty.—

“(1) In general.—In the case of the replanting of citrus plants, subparagraph (A) shall apply to amounts paid or incurred by a person other than the taxpayer described in subparagraph (A) if—

(i) the taxpayer described in subparagraph (A) has an equity interest of not less than 50 percent in the replanted citrus plants at all times during the taxable year in which such amounts were paid or incurred and such other person holds any part of the remaining equity interest in the land on which the loss or damaged citrus plants were located at the time of such loss or damage, and the replanting is on such land.

(ii) such other person acquired the entirety of such taxpayer’s equity interest in the land on which the lost or damaged citrus plants were located at the time of such loss or damage, and the replanting is on such land.

(iii) Termination.—Clause (i) shall not apply to any cost paid or incurred after the date which is 10 years after the date of the enactment of the Tax Cuts and Jobs Act.”.

(b) Effective Date.—The amendments made by this section shall apply to costs
paid or incurred after the date of the enactment of this Act.

Subpart B—Accounting Methods

SEC. 13221. CERTAIN SPECIAL RULES FOR TAXATION OF INCOME

(a) INCLUSION NOT LATER THAN FOR FINANCIAL ACCOUNTING PURPOSES.—Section 451 is amended by redesignating subsections (b) through (j) of such section, respectively, and by inserting after subsection (a) the following new section:

"(1) Income taken into account in financial statement.—

"(A) In general.—In the case of a taxpayer the taxable year of which is computed under an accrual method of accounting, the all events test is met with respect to any item of gross income (or portion thereof) that is not treated as met any later than when such item (or portion thereof) is taken into account as revenue in—

"(i) an applicable financial statement of the taxpayer, or

"(ii) such other financial statement as the Secretary may specify for purposes of this subsection.

"(B) Exception.—This paragraph shall not apply to—

"(i) a taxpayer which does not have a financial statement described in clause (i) or (ii) of paragraph (A) or to a taxable year for which an applicable financial statement is not available; or

"(ii) any item of gross income in connection with a mortgage servicing contract.

"(C) All events test.—For purposes of this subsection, the all events test is met with respect to any item of gross income if all the events have occurred which fix the right to receive such income and the amount of such income can be determined with reasonable accuracy.

"(2) Coordination with special methods of accounting.—Paragraph (1) shall not apply with respect to an item of gross income for which the taxpayer uses a special method of accounting provided under any other provision of this chapter, other than any provision of part V of subchapter P, except as provided in clause (ii) of paragraph (1)(B).

"(3) Applicable financial statement.—For purposes of this subsection, the term ‘applicable financial statement’ means—

"(A) a financial statement which is certified by the taxpayer to be prepared in accordance with generally accepted accounting principles and which is—

"(i) a 10-K (or successor form), or annual statement to shareholders required to be filed by the taxpayer with the United States Securities and Exchange Commission,

"(ii) an audited financial statement of the taxpayer which is used for—

"(I) credit purposes,

"(II) reporting to shareholders, partners, or other proprietors, or to beneficiaries, or

"(III) any other substantial nontax purpose,

"but only if there is no statement of the taxpayer described in clause (i), or

"(iii) filed by the taxpayer with any other Federal agency for purposes other than Federal tax purposes, but only if there is no statement of the taxpayer described in clause (i) or (ii),

"(B) a financial statement which is made on the basis of international financial reporting standards and is filed by the taxpayer with an agency of a foreign government that is equivalent to the United States Securities and Exchange Commission and which has reporting standards not less stringent than the standards required by such body, but only if there is no statement of the taxpayer described in subparagraph (A), or

"(C) a financial statement filed by the taxpayer with any other regulatory or governmental body specified by the Secretary, but only if there is no statement of the taxpayer described in subparagraph (A) or (B).

"(4) Allocation of transaction price.—

"For purposes of this subsection, in the case of a contract which contains multiple performance obligations, the allocation of the transaction price to each performance obligation shall be equal to the amount allocated to each performance obligation for purposes of netting in the applicable financial statement of the taxpayer.

"(b) Treatment of Advance Payments.—Section 451, as amended by subsection (a), is amended by redesignating subsections (c) through (j), respectively, and by inserting after subsection (b) the following new subsection:

"(C) Receipt.—For purposes of this subsection, an item of gross income is received by the taxpayer if it is actually or constructively received, or if it is due and payable to the taxpayer.

"(D) Allocation of transaction price.—

"For purposes of this subsection, rules similar to subsection (b)(4) shall apply."
than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 446(a)(3)) which meets the gross receipts test of section 446(c) for any taxable year shall be allocated to such taxpayer for such taxable year. In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 446(c)(2)(C) and under rule 13(b)(1) shall apply in the same manner as if such taxpayer were a corporation or partnership.

(4) APPLICATION TO PARTNERSHIPS, ETC.—

(A) IN GENERAL.—In the case of any partner—

(i) this subsection shall be applied at the partnership level and not to any deduction or business interest shall be taken into account in determining the non-separately stated taxable income or loss of the partnership, and

(ii) the adjusted taxable income of each partner of such partnership—

(I) shall be determined without regard to such partner’s distributive share of any items of income, gain, deduction, or loss of such partnership, and

(II) shall be increased by such partner’s distributive share of partnership excess taxable income.

For purposes of clause (i)(II), a partner’s distributive share of partnership excess taxable income shall be determined in the same manner as the partner’s distributive share of nonseparately stated taxable income or loss of the partnership.

(B) SPECIAL RULES FOR CARRYFORWARDS.—

(i) IN GENERAL.—The amount of any business interest not allowed as a deduction to a partnership for any taxable year by reason of paragraph (1) for any taxable year shall be treated as if such taxpayer were not a partnership for tax purposes under section 381(c) and which makes an election under this subparagraph.

(ii) any portion of such excess business interest remaining after the application of subparagraph (I) shall be increased by such partner’s distributive share of such partnership’s excess taxable income or loss for such taxable year.

For purposes of clause (ii), a partner’s distributive share of partnership excess taxable income shall be determined in the same manner as if such partner were a corporation or a partnership which has previously been treated under section 381(c) for any taxable year and which makes an election under this subparagraph.

(C) EXCESS TAXABLE INCOME.—The term ‘excess taxable income’ means, with respect to any partnership, the amount which bears the same ratio to the partnership’s adjusted taxable income as—

(i) the excess (if any) of—

(I) the amount determined for the partnership under paragraph (1)(B), over

(ii) the amount (if any) by which the business interest of the partnership exceeds the business interest income of the partnership, bears to

(iii) the amount determined for the partnership under paragraph (1)(B).

(D) APPLICATION TO S CORPORATIONS.—

Rules similar to the rules of subparagraphs (A) and (C) shall apply with respect to any S corporation.

(5) BUSINESS INTEREST.—For purposes of this subsection, the term ‘business interest’ means any interest paid or accrued on indebtedness properly allocable to a trade or business. Such term shall not include investment interest (within the meaning of section 163(d)).

(6) BUSINESS INTEREST INCOME.—For purposes of this subsection, the term ‘business interest income’ means the amount of interest includible in the gross income of the taxpayer for the taxable year which is properly allocable to a trade or business. Such term shall not include investment income (within the meaning of section 163(d)).

(7) TRADE OR BUSINESS.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘trade or business’ shall not include—

(i) the business of performing services as an employee,

(ii) any real property trade or business,

(iii) any farming business, or

(iv) the trade or business of the furnishing or sale of—

(1) electrical energy, water, or sewage disposal services,

(2) gas or steam through a local distribution system, or

(3) transportation of gas or steam by pipeline.

If the rates for such furnishing or sale, as the case may be, have been established or approved by a State or political subdivision thereof, by a State or Federal or instrumental or utility commission or other similar body of any State or political subdivision thereof, or by the governing or ratemaking body of an electric cooperative.

(B) ELECTING REAL PROPERTY TRADE OR BUSINESS.—For purposes of this paragraph, the term ‘electing real property trade or business’ means any trade or business which is described in section 482(c)(7)(C) and which makes an election under this subparagraph.

(C) ELECTING FARMING BUSINESS.—For purposes of this paragraph, the term ‘electing farming business’ means—

(i) a farming business (as defined in section 263A(a)(4)) which makes an election under this subparagraph, or

(ii) any trade or business of a specified agricultural or horticultural cooperative (as defined in section 199(g)(2)) with respect to which the cooperative makes an election under this subparagraph.

Any such election shall be made at such time and in such manner as the Secretary shall prescribe, and, once made, shall be irrevocable.

(8) ADJUSTED TAXABLE INCOME.—For purposes of this subsection, the term ‘adjusted taxable income’ means the taxable income of the taxpayer—

(A) computed without regard to—

(i) any item of income, gain, deduction, or loss which is not properly allocable to a trade or business,

(ii) any business interest or business interest income,

(iii) the amount of any net operating loss deduction under section 172, and

(iv) the amount of any deduction allowed under section 199 or 199A, and

(B) computed with such other adjustments as provided by the Secretary.

(9) CROSS REFERENCES.—

(A) For requirement that an electing real property trade or business use the alternative depreciation system, see section 168(k)(1)(G).

(B) For requirement that an electing farming business use the alternative depreciation system, see section 168(k)(1)(G).

(C) EXPONENTIAL DEPRECIATION OF DISALLOWED BUSINESS INTEREST IN CERTAIN CORPORATE ACQUISITIONS.—

(i) IN GENERAL.—Section 381(c) is amended by inserting after paragraph (19) the following new paragraph:

(20) CARRYFORWARD OF DISALLOWED BUSINESS INTEREST.—The carryover of disallowed business interest described in section 163(j)(2)(A) to taxable years ending after the date of distribution or transfer.

(2) APPLICATION OF LIMITATION.—Section 382(d) is amended by adding at the end the following new paragraph:

(3) CARRYOVER OF DISALLOWED INTEREST.—The term ‘pre-change law interest’ shall include any carryover of disallowed interest described in section 163(n) under rules similar to the rules of paragraph (1).

(3) CONFORMING AMENDMENT.—Section 382(k)(1) is amended by inserting after the first sentence the following: ‘’Such term shall include any corporation entitled to use any carryover of disallowed interest described in section 381(c)(20).’’

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
CARRYBACK; INDEFINITE CARRYFORWARD.—

for such taxable year.

lesser of—

be made in such manner as prescribed by the

apply to such loss year. Such election shall

a 2-year carryback under clause (i) from any

ating loss for such taxable year.

For purposes of applying paragraph (2), a

years preceding the taxable year of such loss.

the taxpayer, such loss shall be a net oper-

tion of a net operating loss for the taxable

year thereafter,

ating loss for the loss year or for any taxable

year that is

not as an interest in a partnership.''.

chapter K shall be treated as an interest in

property,'' in item (B), and

paragraphs (C) and (D), respectively,

ignating subparagraphs (D) and (E) as sub-

case of an expense for food or beverages,'',

which would (but for this paragraph) be al-

expense for food or beverages shall not exceed

relationship to the taxpayer of the person re-

the gift'' and inserting ''(D) the business re-

property,'' in item (B), and

ment, recreation, or use of the facility or

(f) MEALS PROVIDED ON OR NEAR BUSINESS

PROPERTY.—Real property located in the

side the United States are not property of a

the property received by the taxpayer

in the exchange is received on or before

December 31, 2017.

SEC. 13304. LIMITATION ON DEDUCTION BY EM-

EMPLOYERS FOR EXPENSES FOR FRINGE

BENEFITS.

(a) NO DEDUCTION ALLOWED FOR ENTERTAIN-

MENT EXPENSES.—

(1) IN GENERAL.—Section 274(a) is amended—

(A) in paragraph (1)(A), by striking “un-

less” and all that follows through “trade or business”.

(B) by striking the flush sentence at the end of paragraph (1), and

(C) by striking paragraph (2)(C).

(2) CONFORMING AMENDMENTS.—

(A) Section 274(d) is amended—

(i) by striking paragraph (2) and redesigning paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and

(ii) in the flush text following paragraph (3) as so redesignated—

I) by striking “,” entertainment, amuse-

ment, recreation, or use of the facility or property,”, in item (B), and

II) by striking “(D) the business relationship to the taxpayer of persons entertained, using the facility or property, or receiving the gift and inserting “(D) the business relationship to the taxpayer of the person receiving the benefit”. 

(B) Section 274 is amended by striking sub-

section (l).

(C) Section 274(n) is amended by striking “AND ENTERTAINMENT” in the heading.

(D) Section 274(n)(1) is amended to read as follows:

“(1) IN GENERAL.—The amount allowable as a deduction under this chapter for any ex-

pense for food or beverages shall not exceed 50 percent of the amount of such expense which would (but for this paragraph) be al-

lowable as a deduction under this chapter.’’. 

(E) Section 274(n)(2) is amended—

(i) in subparagraph (B), by striking “in the case of an expense for food or beverages,”,

(ii) by striking subparagraph (C) and redesigning subparagraphs (D) and (E) as sub-

paragraphs (C) and (D), respectively,

(iii) by striking “of subparagraph (E)” the last sentence and inserting “of subparagraph (D)” and

(iv) by striking “in subparagraph (D)” in the last sentence and inserting “in subpara-

graph (C)”.

(F) Clause (iv) of section 7701(b)(5)(A) is amended to read as follows:

“(iv) a professional athlete who is tempo-

rarily in the United States to compete in a sports event—

“(i) which is organized for the primary purpose of benefiting an organization which is described in section 501(c)(3) and exempt from tax under section 501(a); and

“(ii) of all the net proceeds of which are contributed to such organization, and

“(III) which utilizes volunteers for sub-

stantially all of the work performed in car-

rying out such event.”.

(b) ONLY 50 PERCENT OF EXPENSES FOR MEALS PROVIDED ON OR NEAR BUSINESS

property,” in item (B), and

ment, recreation, or use of the facility or

relationship to the taxpayer of the person re-

the gift’’ and inserting “(D) the business re-

property,’’ in item (B), and

ment, recreation, or use of the facility or

property,”, in item (B), and

paragraphs (C) and (D), respectively,

(iii) by striking “of subparagraph (E)” the last sentence and inserting “of subparagraph (D)” and

(iv) by striking “in subparagraph (D)” in the last sentence and inserting “in subpara-

graph (C)”.

(F) Clause (iv) of section 7701(b)(5)(A) is amended to read as follows:

“(iv) a professional athlete who is tempo-

rarily in the United States to compete in a sports event—

“(i) which is organized for the primary purpose of benefiting an organization which is described in section 501(c)(3) and exempt from tax under section 501(a); and

“(ii) of all the net proceeds of which are contributed to such organization, and

“(III) which utilizes volunteers for sub-

stantial,
(A) REPEAL.—

(1) TAXPAYERS OTHER THAN CORPORATIONS.—Section 199 is amended by adding to the end the following new subsection:

"(e) PARTIAL TERMINATION.—Subparagraph (A) shall not apply to any amount paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation.

"(3) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT OR-
time the agreement is entered into, as determined by the Secretary.

(1) Statements To Be Furnished to Individuals Involved in the Settlement.—Every person required to make a return under subsection (a) shall furnish to each person who is a party to the suit or agreement a written statement showing—

(a) the name of the government or entity, and

(b) the information supplied to the Secretary under subsection (a).

The written statement required under the preceding sentence shall be furnished to the person at the same time the government or entity provides the Secretary with the information required by subsection (a), and—

(c) Appropriate Official Defined.—For purposes of this section, the term ‘appropriate official’ means the officer or employee having control of the suit, investigation, or inquiry or the person appropriately designated for purposes of this section.

(2) Conforming Amendment.—The table of sections for part B of subchapter A of chapter 61 is amended by inserting after the item relating to section 6605W the following new item:

Sec. 6605X. Information with respect to certain fines, penalties, and other amounts.

(3) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 13307. DEnIAL OF DEDUCTION FOR SETTLEMENT OR PAYMENT OF CLAIMS OR SETTLEMENT AGREEMENTS Subject to Nondisclosure AGREEMENTS PAID IN CONNeCTION WITH SEXUAL HARASSMENT OR SEXUAL ABUSE.

(a) Denial of Deduction.—Section 162 is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (r) the following new subsection:

(q) Payments Related to Sexual Harassment and Sexual Abuse.—No deduction shall be allowed under this chapter for—

(1) any payment related to sexual harassment or sexual abuse if such settlement or payment is subject to a non-disclosure agreement, or

(2) attorney’s fees related to such a settlement or payment.

(b) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 13308. REPEAL OF DEDUCTION FOR LOCAL LOBBYING EXPENSES.

(a) In General.—Part IV of subchapter O of chapter 61 is amended—

(1) by redesignating section 1061 as section 1062, and

(2) by inserting after section 1060 the following new section:

Sec. 1061. Partnership Interests Held in Connection with Performance of Services.

(a) In General.—If one or more applicable partnership interests are held by a taxpayer at any time during the taxable year, the excess of the partnership’s net long-term capital gain with respect to such interests for such taxable year, over—

(1) the taxpayer’s net long-term capital gain with respect to such interests for such taxable year, over

(2) the taxpayer’s net long-term capital gain with respect to such interests for such taxable year computed by applying paragraphs (3) and (4) of sections 1222 by substituting ‘tax year’ for ‘year’ in such sections—

shall be treated as short-term capital gain, notwithstanding section 83 or any election in effect under section 83(b).

(b) Special Rule.—To the extent provided by the Secretary, subsection (a) shall not apply to income or gain attributable to any asset not held for portfolio investment on behalf of third party investors.

(c) Applicable Partnership Interest.—For purposes of this section—

(1) in General.—Except as provided in this paragraph or paragraph (4), the term ‘applicable partnership interest’ means any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of substantial services by the taxpayer, or any other related person, in any applicable trade or business.

(2) Applicable Trade or Business.—The term ‘applicable trade or business’ means any activity conducted on a regular, continuous, and substantial basis which, regardless of whether the activity is conducted in one or more entities, consists, in whole or in part, of—

(A) raising or returning capital, and

(B) either—

(i) investing in (or disposing of) specified assets (or identifying specified assets for such investing or disposition), or

(ii) developing specified assets.

(3) Specified Asset.—The term ‘specified asset’ means—

(A) cash, cash equivalents, gift cards, gift certificates (other than arrangements conferring only the right to select and receive tangible personal property from a limited array of such items pre-selected or pre-approved by the employer), or

(B) vacations, meals, lodging, tickets to theater or sporting events, stocks, bonds, other securities, and any other related property.

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

SEC. 13131. PROHIBITION ON CASH, GIFT CARDS, AND OTHER NON-TANGIBLE PERSONAL PROPERTY AS EMPLOYEE EARNED ACHIEVEMENT AWARDS.

(a) In General.—Subparagraph (A) of section 74(f)(3) is amended—

(1) by striking ‘The term’ and inserting the following:

‘(i) in General.—The term’,

(2) by redesigning clauses (i), (ii), and (iii) as clauses (I), (II), and (III), respectively, and conforming the margins accordingly, and

(3) by adding at the end the following new clause:

(ii) Tangible Personal Property.—For purposes of clause (i), the term ‘tangible personal property’ shall not include—

(A) cash, cash equivalents, gift cards, gift coupons, or gift certificates (other than arrangements conferring only the right to select and receive tangible personal property from a limited array of such items pre-selected or pre-approved by the employer), or

(B) vacations, meals, lodging, tickets to theater or sporting events, stocks, bonds, other securities, and any other related property.

(b) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

SEC. 13132. FLOOR PLAN FINANCING.

(a) Application of Section 183A Limitation.—

(1) In General.—Section 183(a), as amended by section 3301, is amended—
(A) in paragraph (1), by striking "plus" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting "plus", and by inserting after subparagraph (B) the following new subparagraph:

"'(A) the floor plan financing interest of such taxpayer for such taxable year.', and

'B) FLOOR PLAN FINANCING INDEBTEDNESS.—The term ‘floor plan financing indebtedness’ means indebtedness—'

'(i) used to finance the acquisition of motor vehicles held for sale or lease, and

'(ii) secured by the inventory so acquired.

'(C) MOTOR VEHICLE.—The term ‘motor vehicle’ includes a motor vehicle that is any of the following:

'(i) An automobile.

'(ii) A truck.

'(iii) A recreational vehicle.

'(iv) A motorcycle.

'(v) Any self-propelled vehicle designed for transporting persons or property on a public street, highway, or road.

'(vi) A boat.

'(vii) Farm machinery or equipment.'.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

(b) EXCEPTION FROM 100 PERCENT EXPENSES ALLOWED.—

(1) IN GENERAL.——Paragraph (6) of section 168(k), as added by section 13320(a)(4), is amended—

'(A) by striking “shall not include any property” and inserting “shall not include—(‘(a) any property”, and

'(B) by adding at the end the following new subparagraph:

"(B) Any property used in a trade or business that has had floor plan financing indebtedness (as defined in paragraph (9) of section 47(c)) with respect to the qualified rehabilitation expenditures that is included in the term "motor vehicle" under subparagraph (A) of this section.

(c) ELECTION.——The term ‘floor plan financing indebtedness’ means indebtedness—

'(i) used to finance the acquisition of motor vehicles held for sale or lease, and

'(ii) secured by the inventory so acquired.

'(D) FLOOR PLAN FINANCING INDEBTEDNESS.—The term ‘floor plan financing indebtedness’ means indebtedness—'

'(i) used to finance the acquisition of motor vehicles held for sale or lease, and

'(ii) secured by the inventory so acquired.

'(E) MOTOR VEHICLE.—The term ‘motor vehicle’ includes a motor vehicle that is any of the following:

'(i) An automobile.

'(ii) A truck.

'(iii) A recreational vehicle.

'(iv) A motorcycle.

'(v) Any self-propelled vehicle designed for transporting persons or property on a public street, highway, or road.

'(vi) A boat.

'(vii) Farm machinery or equipment.'.

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13402. ELIMINATION LIMITED TO CERTIFIED HISTORIC STRUCTURES.

(a) IN GENERAL.——Subsection (a) of section 47 is amended to read as follows:

"'(a) General rule.—'(1) IN GENERAL.—For purposes of section 47, for any taxable year beginning after December 31, 2017, section (c)(1)(B) of the Internal Revenue Code of 1986 (as amended by subsection (b)) begins—'

'(2) TRANSITION RULE.—In the case of a qualifying employee who is not a part-time employee (as defined in section 4980E(d)(4)(B)), not less than 2 weeks of annual paid family and medical leave that is provided to a qualifying employee described in clause (i) and

'(iv) CERTIFIED HISTORIC STRUCTURE.—Any expenditure attributable to the rehabilitation of a qualified rehabilitated building unless the rehabilitation is a certified rehabilitation (within the meaning of subparagraph (C)).

'(c) ELIGIBLE EMPLOYER.—For purposes of this section—'

'(i) IN GENERAL.—The term ‘eligible employer’ means any employer who has in place a policy that meets the following requirements:

'(A) The policy provides—'

'(B) The policy requires that the rate of payment under the program is not less than the rate of payment (as defined under subsection (c)(1)(B) exceeds 50 percent.

'(B) LIMITATION.—'

'(i) IN GENERAL.—The credit allowed under subsection (a) with respect to any employee for any taxable year shall not exceed an amount equal to the product of the normal hourly wage rate of such employee for each hour of qualified services performed for the employer and the number of hours (or fraction thereof) of activity, which is a 50 percent increased but not above 25 percent increase over the amount of wages paid to qualifying employees for any taxable year beginning after December 31, 2017, in taxable years ending after such date.

'(ii) NON-HOURLY WAGE RATE.—For purposes of paragraph (1), in the case of any employee who is not paid on an hourly wage rate, the wages of such employee shall be prorated to an hourly wage rate under regulations established by the Secretary.

'(iii) MAXIMUM AMOUNT OF LEAVE SUBJECT TO CREDIT.—The amount of family and medical leave that may be taken into account with respect to any employee under subsection (a) for any taxable year shall not exceed 12 weeks.

'(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after January 1, 2018.
such employer provides paid family and medical leave in compliance with a policy which ensures that the employer—

(i) will not interfere with, restrain, or deny any individual the right to exercise, any right provided under the policy, and

(ii) will not discharge or in any other manner discriminate against any individual for opposing any practice prohibited by the policy.

(B) ADDED EMPLOYER: ADDED EMPLOYER. —

For purposes of this paragraph—

(1) ADDED EMPLOYER. —The term ‘added employer’ means a qualifying employer who is not covered by title I of the Family and Medical Leave Act of 1993, as amended.

(2) ADDED EMPLOYER. —The term ‘added employer’ means an eligible employer (determined without regard to this paragraph), whether or not covered by that title I, who offers paid family and medical leave to added employees.

(3) AGGREGATION RULE. —All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

(4) TREATMENT OF BENEFITS MANDATED OR PAID FOR REASONS OF STATE OR LOCAL GOVERNMENTS. —

For purposes of this section, any leave which is paid by a State or local government or required by a State or local law shall not be taken into account in determining the amount of paid family and medical leave provided by the employer.

(5) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED AS SUBJECTING AN EMPLOYER TO ANY PENALTY, LIABILITY, OR OTHER CONSEQUENCE (OTHER THAN INELIGIBILITY FOR THE CREDIT ALLOWED BY REASON OF SUBSECTION (A) OR RECAPTURING THE BENEFIT OF SUCH CREDIT) FOR FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION.

(d) QUALIFYING EMPLOYERS. —For purposes of this section, the term ‘qualifying employer’ means any employee (as defined in section 3(e) of the Fair Labor Standards Act of 1938, as amended) who—

(1) has been employed by the employer for 1 year or more, and

(2) for the preceding year, had compensation not in excess of an amount equal to 60 percent of the amount applicable for such year under clause (i) of section 414(q)(1)(B).

(e) VACATION LEAVE. —

(1) IN GENERAL. —Except as provided in paragraph (2), for purposes of this section, the term ‘family and medical leave’ means leave of absence of the type described in subparagraph (A), (B), (C), (D), or (E) of paragraph (1), or paragraph (3), of section 102(a) of the Family and Medical Leave Act of 1993, as amended, whether the leave is provided under that Act or by a policy of the employer.

(2) EXCLUSION. —If an employer provides paid leave as vacation leave, personal leave, or medical or sick leave (other than leave specifically for 1 or more of the purposes referred to in paragraph (1), that paid leave shall not be treated as family and medical leave under paragraph (1).

(3) DEFINITIONS. —In this subsection, the terms ‘vacation leave’, ‘personal leave’, and ‘medical or sick leave’ mean those types of paid leave as defined in paragraph (1), or paragraph (3), of section 102(a) of the Family and Medical Leave Act of 1993, as amended.

(f) DETERMINATIONS MADE BY SECRETARY OR TREATMENT OF SPECIFIC ENTITIES AND INDUSTRIES. —

Subpart A—Partnership Provisions

SEC. 13101. DETERMINATIONS MADE BY SECRETARY

Section 864(c) is amended by adding at the end the following:

(B) AMOUNT TREATED AS EFFECTIVELY CONNECTED.—The amount determined under this paragraph with respect to any partnership interest sold or exchanged shall be treated as effectively connected with the conduct of such trade or business to the extent such gain or loss does not exceed the amount determined under subparagraph (B).

(C) SECRETARIAL AUTHORITY.—The Secretary determines appropriate for the application of this subsection, including regulations implementing this paragraph.

Subpart B—Provisions Relating to Low-Income Housing Credit

SEC. 13411. TREATMENT OF VETERANS PREFERENCE

Section 38 of chapter A of chapter 1 is amended by adding after subsection (a), the following new paragraph:

(2) for the preceding year, had compensation not in excess of the amount applicable for such year under clause (i) of section 414(q)(1)(B).

(e) EFFECTIVE DATE. —The amendments made by this section shall apply to wages paid in taxable years beginning after December 31, 2017.

Subpart C—Provisions Relating to General Public Use Requirements

SEC. 13412. INCREASE IN CREDIT FOR CERTAIN AREAS.

(a) IN GENERAL.—Section 42(d)(5)(B) is amended by adding at the end the following clause:

(2) in the case of any gain on the sale or exchange of the partnership interest, is—

(III) the portion of the partner’s distributive share of the amount of gain which would have been effectively connected with the conduct of a trade or business within the United States if the partnership had sold all of its assets at their fair market value as of the date of the sale or exchange of such interest, or

(II) if zero if no gain on such deemed sale would have been so effectively connected, and

(II) in the case of any loss of the sale or exchange of the partnership interest, is—

(i) the portion of the partner’s distributive share of the amount of loss on the deemed sale described in clause (I) which would have been so effectively connected, or

(ii) zero if no loss on such deemed sale would have been so effectively connected.

For purposes of this subsection, a partnership distributive share of gain or loss on the deemed sale shall be determined in the same manner as such partner’s distributive share of the non-separately stated taxable income or loss of such partnership.

(C) COORDINATION WITH UNITED STATES REAL PROPERTY INTERESTS. —If a partnership described in subparagraph (A) holds any United States real property interest (as defined in section 897(c)) at the time of the sale or exchange of the partnership interest, then the gain or loss treated as effectively connected income under subparagraph (A) shall be reduced by the amount so treated with respect to such United States real property interest under section 897.

(D) SELLER OR EXCHANGE. —For purposes of this paragraph, an individual or corporation shall be treated as having sold or exchanged any interest in a partnership if, under any provision of this subtitle, gain or loss is realized from the sale or exchange of such interest.

(E) SECRETARIAL AUTHORITY. —The Secretary shall prescribe such regulations as the Secretary determines appropriate for the application of this paragraph, including regulations providing for extending the application of this paragraph to any interest in a partnership if, under any provision of this subtitle, gain or loss is realized from the sale or exchange of such interest.

Subpart D—Provisions Relating to Conduit Financing

SEC. 13451. TREATMENT OF FOREIGN PERSONS FROM SALE OR EXCHANGE OF CERTAIN PARTNERSHIP INTERESTS.

(a) IN GENERAL.—

(1) TREATMENT OF FOREIGN PERSONS FROM SALE OR EXCHANGE OF CERTAIN PARTNERSHIP INTERESTS.—

(A) IN GENERAL.—Notwithstanding any other provision of this subtitle, if a nonresident alien individual or foreign corporation owns, directly or indirectly, an interest in a partnership which is engaged in any trade or business within the United States, gain or loss on the sale or exchange of all (or any portion of) such interest shall be treated as effectively connected with the conduct of such trade or business to the extent such gain or loss does not exceed the amount determined under subparagraph (B).

(B) AMOUNT TREATED AS EFFECTIVELY CONNECTED.—The amount determined under this paragraph with respect to any partnership interest sold or exchanged shall be treated as effectively connected with the conduct of such trade or business to the extent such gain or loss does not exceed the amount determined under subparagraph (B).

(2) RECOGNIZATION OF OTHER TERMINATION PROVISIONS.—

(A) IN GENERAL.—A taxpayer may elect to have this section not apply for any taxable year.

(B) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (3) of section 931(b) shall apply for purposes of this subsection.

(3) AGGREGATION.—

The election to have credit not apply shall not apply to wages paid in taxable years beginning after December 31, 2019.

(c) CREDIT ALLOWED AGAINST AMT.—

(1) IN GENERAL.—

The credit determined under paragraph (b) shall be treated as paid by such corporation for purposes of section 55 for the taxable year in which the corporation includes the amount of the credit in its income under section 55.

(2) AMOUNT TREATED AS EFFECTIVELY CONNECTED.—

The amount determined under this paragraph with respect to any partnership interest sold or exchanged shall be treated as effectively connected with the conduct of such trade or business to the extent such gain or loss does not exceed the amount determined under subparagraph (B).

(d) CONFORMING AMENDMENTS. —

(1) TERMINATION.—

The credit allowed under this section shall apply to buildings placed in service after the date of the enactment of this Act.

(e) EFFECTIVE DATE. —The amendments made by this section shall apply to the tax year beginning after December 31, 2017.
tions, which is also used under section 704, (plus interest under this title on such amount the transferee failed to withhold or the amount the transferee failed to deduct and withhold a tax equal to 10 percent of the amount realized on the disposition, if any.)

(2) EXCEPTION FOR FOREIGN AFFIDAVIT FURNISHED.—

(A) IN GENERAL.—No person shall be required to deduct and withhold any amount under paragraph (1) with respect to any disposition if the transferee furnishes to the transferee an affidavit by the transferee stating, under penalty of perjury, the transferee’s United States taxpayer identification number and that the transferee is not a foreign person.

(B) FALSE AFFIDAVIT.—Subparagraph (A) shall not apply to any disposition if—

(i) the transferee has actual knowledge that the affidavit is false, or the transferee receives a notice (as described in section 1445(d)) from a transferor’s agent or transferee’s agent that such affidavit or statement is false, or

(ii) the Secretary by regulations requires the transferee to furnish a copy of such affidavit to the Secretary and the transferee fails to furnish a copy of such affidavit or statement to the Secretary at such time and in such manner as required by such regulations.

(C) RULES FOR AGENTS.—The rules of section 1445(d) shall apply to a transferor’s agent or transferee’s agent with respect to any affidavit described in subparagraph (A) in the same manner as such rules apply with respect to the disposition of a United States real property interest under such section.

(3) AUTHORITY OF SECRETARY TO PRESCRIBE REDUCED AMOUNT.—At the request of the transferee or transferee, the Secretary may prescribe a reduced amount to be withheld under this section if the Secretary determines that such reduced amount will not jeopardize the collection of the tax imposed under this title with respect to gain treated under section 864(c)(8) as exempt gain and with the conduct of a trade or business within the United States.

(4) PARTNERSHIP TO WITHHOLD AMOUNTS NOT WITHHELD BY THE TRANSFEREE.—If a transferor timely applies the amount required to be withheld under paragraph (1), the partnership shall be required to deduct and withhold from distributions to the transferee a tax in an amount equal to the amount the transferee failed to withhold (plus interest under this title on such amount).

(5) DEFINITIONS.—Any term used in this subsection which is also used under section 1445 shall have the same meaning as when used in such section.

(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations providing for exceptions from the provisions of this subsection.

SEC. 13502. MODIFY DEFINITION OF SUBSTANTIAL BUILT-IN LOSS IN THE CASE OF TRANSFER OF PARTNERSHIP INTERESTS.

(a) IN GENERAL.—Paragraph (1) of section 743(d) is read as follows:

"'(1) IN GENERAL.—For purposes of this section, a partnership has a substantial built-in loss in respect to a disposition of an interest in a partnership if—

'(A) the partnership’s adjusted basis in the partnership property exceeds by more than $250,000 the fair market value of such property, or

'(B) the transferee partner would be allocated a loss of more than $250,000 if the partnership assets were sold for cash equal to their fair market value immediately after such transfer, respectively.'"

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of partnership interests after December 31, 2017.

SEC. 13503. CHARITABLE CONTRIBUTIONS AND FOREIGN TAXES TAKEN INTO ACCOUNT IN DETERMINING LIMITATION ON ALLOWANCE OF PARTNER’S SHARE OF LOSS.

(a) IN GENERAL.—Subsection (d) of section 704 is amended—

(1) by striking "A partner’s distributive share" and inserting the following:

"'(1) IN GENERAL.—A partner’s distributive share',

(2) by striking "Any excess of such loss, or" and inserting the following:

"'(2) CARRYOVER.—Any excess of such loss, or

(3) by adding at the end the following new paragraph:

"'(3) RULES.—(A) IN GENERAL.—In determining the amount of any loss under paragraph (1), there shall be taken into account the partner’s distributive share of amounts described in paragraphs (4) and (6) of section 702(a).

(B) EXCEPTION.—In the case of a charitable contribution of property whose fair market value exceeds its adjusted basis, subparagraph (A) shall not apply to the extent of the partner’s distributive share of such excess.

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2017.

Subpart B—Insurance Reform

SEC. 13511. NET OPERATING LOSSES OF LIFE INSURANCE COMPANIES.

(a) IN GENERAL.—Section 805(b) is amended by striking paragraph (5) and redesignating paragraphs (5) through (11) as paragraphs (6) through (12), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter L of chapter 1 of part I of subchapter L of chapter 1 of subtitle A of title 26 is amended by striking section 810 and inserting the words "exception as provided in section 844." after such section.

(2) Paragraph (1) of section 844 is amended by striking subparagraph (A) and redesigning subparagraphs (B) through (G) as subparagraphs (A) through (G), respectively.

(3) Paragraph (2) of section 844 is amended by redesigning subparagraphs (C) through (G) as subparagraphs (C) through (G), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13512. REPEAL OF SMALL LIFE INSURANCE COMPANY DEDUCTION.

(a) IN GENERAL.—Part I of subchapter L of chapter 1 of subtitle A of title 26 is amended by striking section 806, and by striking the item relating to such section in the table of sections for such part.

(b) CONFORMING AMENDMENTS.—

(1) Section 831(b) is amended—

(A) by striking "as defined in section 806(b)(3)" in paragraph (2)(B), and

(B) by adding at the end the following new paragraph:

"'(C) NONINSURANCE BUSINESS.—

'(A) IN GENERAL.—For purposes of this subsection, the term ‘noninsurance business’ means any activity which is not an insurance business.

'(B) CERTAIN ACTIVITIES TREATED AS INSURANCE BUSINESSES.—For purposes of subparagraph (A), any activity which is not an insurance business shall be treated as an insurance business if—

'(i) it is of a type traditionally carried on by life insurance companies for investment purposes, but only if the carrying on of such activity (other than in the case of real estate) does not constitute the active conduct of a trade or business,

'(ii) it involves the performance of administrative services in connection with plans providing life insurance, pension, or accident and health benefits.''

(2) Section 465(c)(7)(D)(v) is amended by striking "section 806(b)(3)" and inserting "section 831(b)(3)".

(3) Section 801(a)(2) is amended by striking subparagraph (C).

(4) Section 801 is amended by striking "means" and all that follows and inserting "means the general deductions provided in section 805..".

(5) Section 805(a)(4)(B), as amended by this Act, is amended by striking clause (i) and by redesigning clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(6) Section 805(b)(2)(A), as amended by this Act, is amended by striking clause (iii) and by redesigning clauses (iv) and (v) as clauses (ii) and (iv), respectively.

(7) Section 462 is amended by striking paragraph (1)(D)(i) and by redesigning paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(8) Section 853(b)(1), as amended by section 13501, is amended by striking subparagraph (A) and by redesigning subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(9) Section 806(b)(3) is amended by redesigning subsection (a)(1) as subsection (a)(2).

(10) Section 810 is amended by redesigning paragraph (1) as paragraph (2), and redesigning paragraph (2) as paragraph (3).

(11) Section 831(b)(3) is amended by redesigning paragraphs (1) and (2) as paragraphs (2) and (3), respectively.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13513. ADJUSTMENT FOR CHANGE IN COMPUTING RESERVES.

(a) IN GENERAL.—(1) Paragraph (1) of section 847(c) is amended—

(i) by striking "as defined in section 806(b)(3)" in paragraph (4), and

(ii) by redesigning paragraphs (5) through (11) as paragraphs (6) through (12), respectively.

(2) Paragraph (4) of such section is amended by redesigning subparagraphs (B)(iv) and (v) as subparagraphs (B)(v) and (vi), respectively.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
SEC. 13514. REPEAL OF SPECIAL RULE FOR DISTRIBUTIONS TO SHAREHOLDERS FROM PRE-1984 POLICYHOLDERS SURPLUS ACCOUNT.

(a) In general.—Subpart D of part I of subchapter L is amended by striking section 815 (and by striking the item relating to such section in the table of sections for such subpart).

(b) Conforming amendment.—Section 801 is amended by striking subsection (c).

(c) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13516. REPEAL OF SPECIAL ESTIMATED TAX PAYMENTS.

(a) In general.—Part III of subchapter L of chapter 1 is amended by striking section 847 (and by striking the item relating to such section in the table of sections for such part).

(b) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13517. COMPUTATION OF LIFE INSURANCE RESERVES.

(a) In general.—(1) Computation of reserves.—Section 807(c) is amended to read as follows:

"(c) Computation of reserves.—(A) In general.—The amount of the life insurance reserves for any contract issued after the change in the applicable rate of interest is determined as of the close of the last taxable year for which the amount which would be imposed by such section for such contract is the greater of—

(1) the amount determined under paragraph (3) for such contract, or

(2) the amount determined under paragraph (2) for such contract.

(b) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13518. MODIFICATION OF PRORATION RULES FOR PROPERTY AND CASUALTY INSURANCE COMPANIES.

(a) In general.—Section 822(b)(3)(B) is amended—

(1) by striking "15 percent" and inserting "the applicable percentage"; and

(2) by adding at the end the following new sentence: "For purposes of this subparagraph, the applicable percentage is 5.25 percent divided by the highest rate in effect during the 8 taxable years beginning after December 31, 2017, shall be the amount which would be imposed by such section for such contract.

(b) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13519. COMPUTATION OF LIFE INSURANCE RESERVES.

(a) In general.—(1) Computation of reserves.—Section 807(c) is amended to read as follows:

"(c) Computation of reserves.—(A) In general.—The amount of the life insurance reserves for any contract issued after the change in the applicable rate of interest is determined as of the close of the last taxable year for which the amount which would be imposed by such section for such contract is the greater of—

(1) the amount determined under paragraph (3) for such contract, or

(2) the amount determined under paragraph (2) for such contract.

(b) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13520. EFFECTIVE DATE.

December 1, 2017
State on interest rates for reserves shall not be taken into account.

"(2) WHEN RATE DETERMINED.—The pre-

vailing State assumed interest rate with re-

spect to any contract shall be determined as of the begin-

ning of the calendar year in which the contract was issued.",

(Paragaph (i) of section 811(d) is amended by stri-

king "the greater of the predom-

inant interest rate in effect under section 807 and inserting "the interest rate in effect under such section")

(3) Subparagraph (A) of section 846(f)(6) is amended by striking "except that" and all that follows and inserting "except that the limitation of subsection (a)(3) shall apply," and

(4) Subparagraph (B) of section 9541(a)(5) is amended by striking "shall apply," and

(c) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13519. CAPITALIZATION OF CERTAIN POLICY ACQUISITION EXPENSES.

(a) In general.—

(1) Section 846(a)(2) is amended by striking "120-month" and inserting "180-month".

(2) Section 846(c)(2) is amended by striking "1.75 percent" and inserting "2.1 percent".

(3) Section 846(c)(3) is amended by striking "2.05 percent" and inserting "2.46 percent".

(4) Section 846(c)(4) is amended by striking "7.7 percent" and inserting "9.24 percent".

(b) Conforming amendments.—Section 846(b)(1) is amended by striking "120-month" and inserting "180-month".

(c) Effective date.—

(1) In general.—The amendments made by this section shall apply to all premiums for taxable years beginning after December 31, 2017.

(2) Transition rule.—Specified policy ac-

quisition expenses first required to be cap-

talized in a taxable year beginning before January 1, 2018, will continue to be allowed as a deduction ratably over the 12-month period beginning with the first month of the second half of such taxable year.

SEC. 13520. TAX REPORTING FOR LIFE SETTLE-

MENTS AND POLICYHOLDER'S SHARE.

(a) In general.—Subpart B of part III of subchapter A of chapter 61, as amended by section 13306, is amended by adding at the end the following new section:

"Sec. 6060Y. RETURNS RELATING TO CERTAIN LIFE INSURANCE CONTRACT TRANS-

ACTIONS.

"(a) Requirement of reporting of cer-

tain payments.—

"(1) In general.—Every person who ac-

quires a life insurance contract or any inter-

est in such contract as of the close of such taxable year shall make a return for such taxable year beginning after December 31, 2017, differ-

ing from

"(ii) the reserve which would have been de-

termined under subparagraph (A) if such taxable year were the first taxable year beginning after December 31, 2017, then the difference between the amount of the reserve described in clause (i) and the amount of the reserve described in clause (ii) shall be taken into account under the method provided in subparagraph (B),

(b) Return method.—The method provided in this subparagraph is as follows:

"(i) If the amount determined under sub-

paragraph (A)(i) exceeds the amount de-

termined under subparagraph (A)(ii), 1/8 of such excess shall be taken into account, for each of the 8 succeeding taxable years, as a deduction under section 860(d)(2) or 833(c)(4) of such Code, as applicable.

"(ii) If the amount determined under sub-

paragraph (A)(ii) exceeds the amount de-

termined under subparagraph (A)(i), 1/8 of such excess shall be included in gross income, for each of the 8 succeeding taxable years, under section 803(a)(2) or 832(b)(1)(C) of such Code, as applicable.

SEC. 13520. MODIFICATION OF RULES FOR LIFE INSURANCE PRORATION FOR PUR-

POSES OF DETERMINING THE DIVI-

DENDS RECEIVED DEDUCTION.

(a) In general.—Section 811(d) is amended to read as follows:

"Sec. 811. DEFINITION OF COMPANY'S SHARE AND POLICYHOLDER'S SHARE.

"(a) Company's share.—For purposes of sections 860(a)(4), the term 'company's share' means any tax attributable to any taxable year begin-

ning after December 31, 2017, 70 percent.

"(b) Policyholder's share.—For purposes of section 807, the term 'policyholder's share' means any tax attributable to any taxable year begin-

ning after December 31, 2017, 30 percent.

(c) Effective date.—The amendments made by section 72(e)(2)(B), and 817A(e)(2) is amended by striking "', and inserting "the name, address, and phone number of the information contact of the person required to make such return, and

(b) the information required to be shown on such return with respect to each seller whose name is required to be set forth in such return.

(c) Requirement of reporting with re-

spect to reportable death benefits.—

"(1) In general.—Every person who makes a payment of reportable death benefits during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

"(A) the name, address, and TIN of the person making such payment,

"(B) the name, address, and TIN of each recipient of such payment,

"(C) the date of each such payment,

"(D) the gross amount of each such pay-

ment, and

"(E) such person's estimate of the invest-

ment in the contract (as defined in section 72(e)(6)) with respect to the buyer.

"(2) Statement to be furnished to per-

sons with respect to reportable death benefits.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(A) the name, address, and phone number of the information contact of the person required to make such return, and

"(B) the information required to be shown on such return with respect to each recipient of payment whose name is required to be set forth in such return.

"(d) Definitions.—For purposes of this sec-

tion:

"(1) Payment.—The term 'payment' means, with respect to any reportable policy sale, the amount of cash and the fair market value of any consideration transferred in the sale.

"(2) Reportable policy sale.—The term 'reportable policy sale' has the meaning given such term in section 101(a)(3)(B).

"(3) Issuer.—The term 'issuer' means any life insurance company that bears the risk of life insurance contract to an insured.

"(4) Reportable death benefits.—The term 'reportable death benefits' means amounts paid by reason of the death of the insured under a life insurance contract that has been transferred in a reportable policy sale.

"(b) Clerical amendment.—The table of sections for subpart B of part III of sub-

chapter A of chapter 61, as amended by sec-

tion 13306, is amended by inserting after the item relating to section 6505X the following new item:

"Sec. 6505Y. Returns relating to certain life insurance contract trans-

actions.

"(c) Conforming amendments.—

(1) Subsection (d) of section 72(e) is amended—

"(A) by striking "or" at the end of clause (xx) of paragraph (3)(B) of section 72(e), and

"(C) the policy number of such contract.

"(2) Statement to be furnished to per-

sons with respect to whom information is required.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(A) the name, address, and phone number of the information contact of the person required to make such return, and

"(B) the information required to be shown on such return with respect to each seller whose name is required to be set forth in such return.

"(c) Requirement of reporting with re-

spect to reportable death benefits.—

"(1) In general.—Every person who makes a payment of reportable death benefits during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

"(A) the name, address, and TIN of the person making such payment,

"(B) the name, address, and TIN of each recipient of such payment,

"(C) the date of each such payment,

"(D) the gross amount of each such pay-

ment, and

"(E) such person's estimate of the investment in the contract (as defined in section 72(e)(6)) with respect to the buyer.

"(2) Statement to be furnished to per-
sons with respect to reportable death benefits.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(A) the name, address, and phone number of the information contact of the person required to make such return, and

"(B) the information required to be shown on such return with respect to each recipient of payment whose name is required to be set forth in such return.

"(d) Definitions.—For purposes of this sec-

tion:

"(1) Payment.—The term 'payment' means, with respect to any reportable policy sale, the amount of cash and the fair market value of any consideration transferred in the sale.

"(2) Reportable policy sale.—The term 'reportable policy sale' has the meaning given such term in section 101(a)(3)(B).

"(3) Issuer.—The term 'issuer' means any life insurance company that bears the risk of a life insurance contract to a foreign person, each issuer of a life insurance contract shall make a return (at such time and in such manner as the Sec-

rity shall prescribe) setting forth—

"(A) the name, address, and TIN of the seller who transfers any interest in such contract, and

"(B) the information contained in the contract (as de-

fined in section 72(e)(6)) with respect to such seller, and

"(C) the policy number of such contract.

"(2) Statement to be furnished to per-

sons with respect to whom information is required.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(A) the name, address, and phone number of the information contact of the person required to make such return, and

"(B) the information required to be shown on such return with respect to each seller whose name is required to be set forth in such return.
Subpart C—Banks and Financial Instruments

SECTION 13531. LIMITATION ON DEDUCTION FOR FDIC PREMIUMS.

(a) In General.—Section 162, as amended by section 13530 of this Act and section 13308 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5361(b)), is amended by striking "(2) and (3)."

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SECTION 13532. REPEAL OF ADVANCE REFUNDING BONDS.

(a) In General.—Section 148 of the Internal Revenue Code of 1986, as amended, is amended by striking "(2) and (3)."

(b) Effective Date.—The amendments made by this section shall apply to transfers after December 31, 2017.

SECTION 13533. COST BASIS OF SPECIFIED SECURITIES DETERMINED WITHOUT REGARD TO IDENTIFICATION.

(a) In General.—Section 1012 is amended by adding at the end the following new subsection:

"(e) Cost Basis of Specified Securities Determined Without Regard to Identification.

(1) In General.—Unless the Secretary permits the use of an average basis method for determining cost, in the case of the sale, exchange, or other disposition of a specified security (as defined in section 662(a)) by members of such trust shall be determined on a first-in, first-out basis.

(2) Exception.—In the case of a sale, exchange, or other disposition of a specified security by a regulated investment company (as defined in section 851(a)), paragraph (1) shall not apply.

(b) Conforming Amendments.

(1) Section 1012(c)(1) is amended by striking "the conventions prescribed by regulations implementing the Tax Cuts and Jobs Act" after "this section.

(2) Section 1012(c)(2)(A) is amended by inserting "unless the customer notifies the broker by means of making an adequate identification of the stock sold or transferred" after "this section.

(c) Effective Date.—The amendments made by this section shall apply to sales, exchanges, and other dispositions after December 31, 2017.

SECTION 13534. MODIFICATION OF TREATMENT OF SMALL BUSINESS TRUST.

(a) No Look-Through for Eligibility Purposes.—Section 641(b)(4)(V) is amended by adding after the following new sentence: "This clause shall not apply for purposes of subsection (b)(1)(C).

(b) Effective Date.—The amendments made by this section shall take effect on January 1, 2018.

SECTION 13535. CHARITABLE CONTRIBUTION DEDUCTION FOR ELECTING SMALL BUSINESS TRUST.

(a) In General.—Section 642(c)(2) is amended by inserting after subparagraph (D) the following new subparagraph: "(E) In General.

(1) Limitation.—Section 641(c)(2)(B) is amended by striking "(2) and (3)" after "this section.

(2) Exception.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SECTION 13536. MODIFICATION OF TREATMENT OF SMALL CORPORATION CONVERSIONS TO C CORPORATION.

(a) Adjustments Attributable to Conversion from S Corporation to C Corporation.—Section 147 of the Internal Revenue Code of 1986, as amended, is amended by adding at the end the following new subsection:

"(xii) Adjustments attributable to conversion from S corporation to C corporation. Any increase in tax under this chapter by reason of an adjustment required
by subsection (a)(2), and which is attributable to such corporation’s revocation described in paragraph (2)(A)(ii), shall be taken into account ratably during the 6-taxable year period beginning with the year of change.’’

(b) In GENERAL.—Section 1371 is amended by adding at the end the following new subsection:

‘‘(f) CASH DISTRIBUTIONS FOLLOWING POST-TERMINATION TRANSITION PERIOD.—

‘‘(1) IN GENERAL.—In the case of a distribution of money by an eligible terminated S corporation after the post-termination transition period, the accumulated adjustments account shall be allocated to such distribution, and the distribution shall be chargeable to accumulated earnings and profits, in the same proportion as the amount of such accumulated adjustments account bears to the amount of such accumulated earnings and profits.

‘‘(2) ELIGIBLE TERMINATED S CORPORATION.—For purposes of this subsection, the term ‘eligible terminated S corporation’ means any C corporation—

‘‘(A) which—

‘‘(i) was an S corporation on the day before the date of the enactment of the Tax Cuts and Jobs Act, and

‘‘(ii) during the 2-year period beginning on the date of such enactment makes a revocation of its election under section 1362(a), and

‘‘(B) the owners of the stock of which, determined as of the date such revocation is made, are the same owners (and in identical proportions) as on the date of such enactment.

‘‘(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

PART VII—EMPLOYMENT

Subpart A—Compensation

SEC. 13601. MODIFICATION OF LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.

(a) REPEAL OF PERFORMANCE-BASED COMPENSATION AND COMMISSION EXCEPTIONS FOR LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.—

(1) IN GENERAL.—Paragraph (4) of section 162(m) is amended by striking subparagraphs (B) and (C) and by redesignating subparagraph (D) as subparagraphs (B), (C), (D), and (E), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Paragraphs (5)(E) and (6)(D) of section 162(m) are each amended by striking ‘‘paragraph (A), by striking ‘‘(B)’’ and inserting ‘‘(B)’’ and inserting ‘‘(C)’’.

(B) Paragraphs (5)(C) and (6)(B) of section 162(m) are each amended by striking ‘‘(2)’’ and ‘‘(2)’’ and inserting ‘‘(1)’’.

(c) EXPANSION OF APPLICABLE EMPLOYER.—

(1) IN GENERAL.—Section 162(m)(2) is amended to read as follows:

‘‘(2) PUBLICLY HELD CORPORATION.—For purposes of subsection (a), the term ‘publicly held corporation’ means any corporation which is an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78a)).’’

‘‘(A) the securities of which are required to be registered under section 12 of such Act (15 U.S.C. 78l), or

‘‘(B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 78o(d)).’’.

(2) CONFORMING AMENDMENT.—Section 162(m)(3), as amended by subsection (b), is further amended by striking the end of the following flush sentence:

‘‘Such term shall include any employee who would be described in subparagraph (B) if the reporting described in such subparagraph were required as so described.’’

(d) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Paragraph (4) of section 162(m), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

‘‘(F) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Subsection (a) shall not fail to be applicable employee remuneration merely because it is includible in the income of, or paid to, a person other than the covered employee by being after the death of the covered employee.’’

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) EXCEPTION FOR BINDING CONTRACTS.—The amendments made by this section shall not apply to remuneration which is pursuant to a written binding contract which was in effect on November 2, 2017, and which was not modified by any material respect on or after such date.

SEC. 13602. EXCISE TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.

(a) IN GENERAL.—Subchapter D of chapter 42 is amended by adding at the end the following new section:

‘‘SEC. 4960. TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.

‘‘(a) TAX IMPOSED.—There is hereby imposed a tax equal to 20 percent of the sum—

‘‘(1) of—

‘‘(i) such payment is contingent on such employee’s being (or remaining) in such employment, bears to

‘‘(ii) the amount of remuneration paid by an applicable tax-exempt organization for the taxable year with respect to employment of such employee by an applicable tax-exempt organization if such person or governmental entity—

‘‘(B) that is required to file reports under section 402A(c) and shall include amounts required to be included in gross income under section 457(f).

‘‘(4) REMUNERATION FROM RELATED ORGANIZATIONS.—

‘‘(A) IN GENERAL.—Remuneration of a covered employee by an applicable tax-exempt organization shall include any remuneration paid with respect to employment of such employee by any related person or governmental entity.

‘‘(B) RELATED ORGANIZATIONS.—A person or governmental entity shall be treated as related to an applicable tax-exempt organization if such person or governmental entity—

‘‘(1) is controlled by one or more persons which control the organization, or

‘‘(ii) the aggregate present value of the benefits of) a covered employee if—

‘‘(1) such payment is contingent on such employee’s separation from employment with the employer, and

‘‘(ii) the aggregate present value of the payments in the nature of compensation to (or for the benefit of) such individual which are contingent on such separation equals or exceeds an amount equal to 3 times the base amount.

Such term does not include any payment described in section 2901, and does not include any payment or any payment made under or to an annuity
contract described in section 403(b) or a plan described in section 457(b).

"(C) BASE AMOUNT.—Rules similar to the rules of subsection (a) shall apply for purposes of determining the base amount in respect of a plan described in subsection (b).

"(D) PROPERTY TRANSFERS; PRESENT VALUE.—Rules similar to the rules of paragraphs (3) and (4) of section 280G(d) shall apply.

"(E) COORDINATION WITH DEDUCTION LIMITATION.—Remuneration the deduction for which is not allowed by reason of section 162(m) shall not be taken into account for purposes of this section.

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate in the implementation of this section, including regulations preventing employees from being misclassified as contractors or from being compensated through a pass-through or other entity to avoid such tax.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter D of chapter 2 of title 11 is amended by adding at the end the following new item:

"Sec. 13603. TREATMENT OF QUALIFIED EQUITY GRANTS.

13603. TREATMENT OF QUALIFIED EQUITY GRANTS.

(a) IN GENERAL.—Section 83 is amended by adding at the end the following new subsection:

"Sec. 83. Treatment of qualified equity grants.

"(a) IN GENERAL.—Section 83 is amended by adding at the end the following new subsection:

"(I) QUALIFIED EQUITY GRANTS.—

"(A) IN GENERAL.—For purposes of this paragraph:

"(i) QUALIFIED EQUITY GRANTS.—

"(II) the determination of which individuals from whom deferral stock is purchased is made on a reasonable basis.

"(C) DEFINITIONS AND SPECIAL RULES RELATED TO LIMITATION ON STOCK REDEMPTIONS.—

"(ii) who was for any of the 10 preceding calendar years described in section 416(i)(1)(B)(ii) at any time before the election is made, or

"(iii) the chief executive officer of such corporation, determined in a manner similar to the manner in which an election is made under subsection (b).

"(B) LIMITATIONS.—No election may be made under this section with respect to any qualified stock if—

"(E) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
qualified employee shall, at the time that (or a reasonable period before) an amount attributable to such stock would (but for this subsection) first be includible in the gross income of the employee, elect—

(A) to certify to such employee that such stock is qualified stock, and

(B) notify such employee—

(i) of the election made by such employee, and

(ii) that, if the employee makes such an election—

(1) the amount of income recognized at the end of the deferral period will be based on the value of the stock at the time at which such employee receives the stock first becomes transferable or not subject to substantial risk of forfeiture, notwithstanding whether the value of the stock has declined during the deferral period.

(II) the amount of such income recognized at the end of the deferral period will be subject to withholding under section 3401(a) at the rate determined under section 3402(c), and

(III) the responsibilities of the employee (as determined by the Secretary under paragraph (a)(ii)) with respect to such withholding.

(7) Restricted Stock Units.—This section (other than this subsection), including any elections made under section 83(i), shall not apply to restricted stock units.

(b) Withholding.—

(1) Time of Withholding.—Section 3401 is amended by adding at the end the following new subsection:

''(1) Qualified Stock for which an Election Is in Effect Under Section 83(i).—For purposes of subsection (a), qualified stock (as defined in section 83(i)) with respect to which an election is made under section 83(i) shall be treated as wages.''

(2) Amount of Withholding.—Section 3402 is amended by adding at the end the following new subsection:

''(1) Rate of Withholding for Certain Stock.—In the case of any qualified stock (as defined in section 83(i)) with respect to which an election is made under section 83(i) and (1) the rate of tax under subsection (a) shall not be less than the maximum rate of tax in effect under section 1, and (2) the election is made by the taxpayer, the following rates shall be applied—

(A) if the election is made under section 83(i)(1)(B), the rate of withholding shall be determined as if the election were made under section 3401(a) at the rate determined under section 3402(c), and

(B) if the election is made under section 83(i)(1)(C), the rate of withholding shall be determined as if the election were made under section 3401(a) at the rate determined under section 3402(c).

(2) Taxpayer Withholding.—Section 3403(a) is amended by striking paragraph (1)(A)(i) and by inserting at the end the following new subparagraph:

''(II) the failure to meet the repayment requirement for purposes of implementing the requirements of paragraph (2)(C)(I)(ii) of section 3403(a) of the Internal Revenue Code of 1986 (as added by section 414(j)) of the Patient Protection and Affordable Care Act) shall be treated as being in compliance with such requirements (respectively) if such corporation complies with a reasonable good faith interpretation of such requirements.''

(c) Coordination With Other Deferred Compensation Rules.—

(1) Election to Apply Deferral to Statutory Options.—

(A) In General.—Section 422(b) is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(B) Employee Stock Purchase Plans.—Section 423 is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to any share of stock with respect to which an election is made under section 83(i) with respect to the stock received in connection with the exercise of such option.''

(2) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(3) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(4) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(5) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(6) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(7) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(8) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(9) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(10) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(11) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(12) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(13) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(14) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(15) Stock Purchase Opt-Out.—Section 422 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(d) Notice of Tax Consequences.—Section 4107 is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

(2) A PPLICATION OF LIMITATION ON ACCRUALS.—Subparagraph (B) of section 457(e)(11), as amended by subsection (b), is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

SEC. 13611. MODIFICATION OF RULES APPLICABLE TO LENGTH OF SERVICE AWARD PLANS.

(a) Maximum Deferral Amount.—Clause (ii) of section 402(c)(1)(C) is amended by striking ''$3,000'' and inserting ''$6,000''.

(b) Cost of Living Adjustment.—Subparagraph (B) of section 457(e)(11) is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

SEC. 13612. MODIFICATION OF RULES APPLICABLE TO LENGTH OF SERVICE AWARD PLANS.

(a) Maximum Deferral Amount.—Clause (ii) of section 402(c)(1)(C) is amended by striking ''$3,000'' and inserting ''$6,000''.

(b) Cost of Living Adjustment.—Subparagraph (B) of section 457(e)(11) is amended by adding at the end the following:

''(6) This modifier shall be treated for purposes of section 3501(b) in the same manner as a non-cash fringe benefit.''

SEC. 13613. EXTENDED ROLLOVER PERIOD FOR QUALIFIED PLAN LOAN OFFSET AMOUNTS.

(a) In General.—Section 402(c) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) Rollover of Certain Plan Loan Offset Amounts.—''

(b) Effective Date.—The amendments made by this section shall take effect years beginning after December 31, 2017.

SEC. 13614. INCREASE IN EXCISE TAX RATE FOR STOCK COMPENSATION OF INSIDERS IN EXPATRIATED CORPORATIONS.

(a) In General.—Section 4885(a)(1) is amended by redesignating subparagraph (B)(ii) and inserting the following:

''(B) 100 percent of the value of such distribution is includable in income of the participant.''

(b) Effective Date.—The amendment made by this section shall take effect on the date of enactment of this Act.
“(b) Conforming Amendment.—Subparagraph (A) of section 502(a)(8), except such spirits that are unfit for human consumption, shall be treated as described in section 509(a)(3), during the taxable year ending on the date”.

“(c) Effective Date.—The amendments made by this section shall be applied at a like rate for any year beginning on or after December 31, 2019.”.

“(1) by inserting ‘($3.50 in the case of beer”.

“(d) Conformity Amendment.—Paragraph (b)(2)(ii) of section 263A(f), as redefined by this section, is amended by inserting ‘except as provided in paragraph (4),’ before ‘ending on the date’.

“(2) CARRYOVERS OF NET OPERATING LOSSES.—If any net operating loss arising in a taxable year beginning before January 1, 2018, is carried over to a taxable year beginning after December 31, 2017.

“(B) TERMINATION.—This paragraph shall be terminated after December 31, 2019.

“(c) Special Rule.—In the case of beer removed after December 31, 2017, and before January 1, 2020, the rate of tax shall be $16 on the first 6,000,000 barrels of beer

“(1) IN GENERAL.—Paragraph (1) of section 5651(a) is amended to read as follows:

“(2) RATE.—Except as provided in subparagraph (A), the rate of tax shall be $18 per barrel.

“(II) by modifying the first sentence of such section, the production period shall not include the aging period for—

“(C) SPECIAL RULE.—In the case of beer removed after December 31, 2017, and before January 1, 2020, the rate of tax shall be $16 on the first 6,000,000 barrels of beer

“(1) IN GENERAL.—Section 170(l) is amended—

“(1) by redesigning paragraph (4) as paragraph (5), and

“(2) by inserting after paragraph (3) the following new paragraph:

“(A) UNRELATED BUSINESS TAXABLE INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

“(a) IN GENERAL.—Chapter 42 is amended by adding at the end the following new item:

“(a) I N GENERAL.—Section 170(l) is amended—

“(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

“(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

“(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest costs paid or accrued in calendar years beginning after December 31, 2017.

“(b) by inserting ‘($3.50 in the case of beer

“(2) BARRIL.—For purposes of this section, a barrel shall contain not more than 31 gallons of beer, and any tax imposed under this section shall be applied at a like rate for any other quantity or for fractional parts of a barrel.

“(c) Application of Reduced Tax Rate for Foreign Manufacturers and Importers.—Subsection (a) of section 5651 is amended—

“(1) by striking subparagraph (a) of subsection (a), as amended by subsection (a), by inserting ‘but only if the importer is an electing foreign manufacturer or is treated as an electing foreign manufacturer under section 5002(a), or an organization described in section 509(f)(3)), or an organization described in paragraph (2).’’, and

“(2) in subparagraph (C)(i)(II) of paragraph 1 in subparagraph (C), the production period shall not include the aging period for—

“(I) beer (as defined in section 5002(a)),

“(III) distilled spirits (as defined in section 5002(a)(8)), except such spirits that are unfit for human consumption, or

“(II) wine (as described in section 5041(a)), or

“(ii) wine (as described in section 5041(a)), or

“(b) effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

“(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

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“(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
importer under paragraph (4) and the barrels have been assigned to the importer pursuant to such paragraph” after “during the calendar year”, and
(2) by inserting at the end the following new paragraph:

“(4) REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—(A) In general.—In the case of any barrel of beer which have been brewed or produced outside of the United States and imported into the United States, the rate of tax applicable to such bar-
rel quantity specified in paragraph (1)(C)(i) shall be applied to the controlled group and apportioned among the members of such group in such manner as the Secretary shall by regulations prescribe. For purposes of the preceding sentence, the terms ‘controlled group’ has the meaning assigned to it by subsection (a) of section 5041, as amended by this section. Under regulations prescribed by the Secretary, principles similar to the principles of the preceding two sentences shall be applied to a group of brewers belonging to the same brewer, without payment of tax, and may be mingled with beer at the receiving brewery, without payment of tax, and in such containers, as the Secretary by regulations shall prescribe, which shall include—

(i) one such corporation owns the controlling interest in the other such corporation, or
(ii) the controlling interest in each such corporation is owned by the same person or persons, and
(C) removal from one brewery to another brewery when—

(i) the proprietors of transferring and receiving premises are independent of each other and neither has a proprietary interest, directly or indirectly, in the business of the other, and
(ii) the transferor has divested itself of all interest in the beer so transferred and the transferee has accepted responsibility for payment of the tax.

(2) TRANSFER OF LIABILITY FOR TAX.—For purposes of paragraph (1)(C), such relief from liability shall be effective from the time of removal from the transferor’s bonded premises, or from the time of divestment of interest, whichever is later.

(3) TERMINATION.—This subsection shall not apply to any calendar quarter beginning after December 31, 2019.

(b) REMOVAL FROM BREWERY BY PIPELINE.—Section 5414 is amended by inserting “after” before “section 5414 or” in paragraph (1)(B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to beer removed after December 31, 2017.

SEC. 13803. TRANSFER OF BEER BETWEEN BOND-
ED FACILITIES.

(a) IN GENERAL.—Section 5414 is amended—

(1) by striking “Beer may be removed” and inserting “(a) IN GENERAL.—Beer may be re-
moved”, and
(2) by adding at the end the following:

“(1) by striking ‘Beer may be removed’ and inserting ‘(a) IN GENERAL.—Beer may be re-
moved’;”

(3) TERMINATION.—This subsection shall apply to beer removed after December 31, 2017.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to beer re-
moved after December 31, 2017.

SEC. 13804. REDUCED RATE OF EXCISE TAX ON CERTAIN WINE.

(a) IN GENERAL.—Section 5041(c) is amended by adding at the end the following new paragraph:

“(8) SPECIAL RULE FOR 2018 AND 2019.—(A) In general.—In the case of wine re-
moved after December 31, 2017, and before January 1, 2019, paragraph (1) shall not apply and there shall be allowed as a credit against any tax imposed by this title (other than chapters 2, 21, and 22) an amount equal to the sum of—

(i) 7.5 cents per gallon of wine on the first 50,000 wine gallons of wine, plus
(ii) 3.75 cents per gallon of wine on the first 350,000 wine gallons of wine, plus
(iii) 1.25 cents per gallon of wine on the first 2,000,000 wine gallons of wine, plus
(iv) 0.625 cents per gallon of wine on the first 7,500,000 wine gallons of wine, plus
(v) 0.3125 cents per gallon of wine on the first 30,000,000 wine gallons of wine, plus
(vi) 0.15625 cents per gallon of wine on the first 120,000,000 wine gallons of wine, plus
(vii) 0.078125 cents per gallon of wine on the first 480,000,000 wine gallons of wine, plus
(viii) 0.0390625 cents per gallon of wine on the first 1,920,000,000 wine gallons of wine, plus
(ix) 0.01953125 cents per gallon of wine on the first 7,680,000,000 wine gallons of wine, plus
(x) 0.009765625 cents per gallon of wine on the first 30,720,000,000 wine gallons of wine, plus

(B) CONTROLLED GROUP AND SINGLE TAX-
PAYER RULES.—Paragraph (4) of section 5041(c) is amended by striking “section 5051(a)(2)(B)” and inserting “section 5051(a)(5)”.

(c) ALLOWANCE OF CREDIT FOR FOREIGN MANU-
FACTURERS AND IMPORTERS.—Sub-
section (c) of section 5051, as amended by subsection (a), is amended—

(1) in subparagraph (A) of paragraph (4), by inserting “but only if the importer is an electing importer under paragraph (9) and the wine gallons of wine have been assigned to the importer pursuant to such paragraph” after “‘into the United States during the cal-
endar year’, and
(2) by adding at the end the following new paragraph:

“(9) ALLOWANCE OF CREDIT FOR FOREIGN MANU-
FACTURERS AND IMPORTERS.—(A) IN GENERAL.—In the case of any wine gallons of wine which have been produced outside of the United States and imported into the United States, the credit allowable under paragraph (8) (referred to in this para-
graph as the ‘tax credit’) may be assigned by the person who produced such wine (referred to in this paragraph as the ‘foreign pro-
ducer’), provided that such person makes an election described in subparagraph (B)(i), to any electing importer of such wine gallons of wine pursuant to the requirements established by the Secretary under subsection (B).”

(B) ASSIGNMENT.—The Secretary shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the tax credit provided under this paragraph, which shall include—

(1) a limitation to ensure that the number of wine gallons of wine for which the tax credit has been assigned by a foreign pro-
ducer—

(i) to any importer does not exceed the number of wine gallons of wine produced by such foreign producer during the calendar year which were imported into the United States by such importer, and
(ii) the sum of paragraphs (1) and (2) shall not exceed the 750,000 wine gallons of wine to which the tax credit applies,
“(ii) procedures that allow for revocation of eligibility of the foreign producer and the importer for the tax credit provided under this paragraph in the case of any erroneous or fraudulent information provided under clause (iii) which the Secretary deems to be material to qualifying for such credit.

(C) CONTROLLED GROUP.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the foreign producer, as described under paragraph (4).”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.

SEC. 13805. ADJUSTMENT OF ALCOHOL CONTENT LIMITS FOR APPLICATION OF EXCISE TAX RATES.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 5001(b) are each amended by inserting “16 percent in the case of wine removed after December 31, 2017, and before January 1, 2020” after “14 percent”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.

SEC. 13806. DEFINITION OF MEAD AND LOW ALCOHOL BY VOLUME WINE.

(a) IN GENERAL.—Section 5001 is amended—

(1) in subsection (a), by striking “Still wines” and inserting “Subject to subsection (h), still wines’ means a wine—

(I) primarily from grapes, or

(II) from grape juice concentrate and water,

(iii) which contains no fruit product or fruit flavoring, and

(iv) which contains less than 8.5 percent alcohol by volume.

(B) LOW ALCOHOL BY VOLUME WINE.—For purposes of this section, the term ‘low alcohol by volume wine’ means a wine—

(i) containing not more than 0.64 gram of carbon dioxide per hundred milliliters of wine, or (ii) produced as described under paragraph (1), by inserting “and the importer for the reduced tax rate shall be treated as a single taxpayer for purposes of the application of this subsection.

(c) RULES FOR NON-CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (A) and (B) shall be applied to a group of the distilled spirits operation, where one or more of the persons is not a corporation.

(D) SINGLE TAXPAYER.—Pursuant to rules issued by the Secretary, for purposes of paragraph (2), where the proof gallons of distilled spirits marketed during the calendar year are produced by a single entity (whether or not under common control) that produce distilled spirits marketed under a similar brand, license, franchise, or other arrangement, shall be treated as a single taxpayer for purposes of the application of this subsection.

(3) TERMINATION.—This subsection shall not apply to distilled spirits removed after December 31, 2019.

(b) CONFORMING AMENDMENT.—Section 7632(b)(2) is amended by striking “section 5001(a)” and inserting “section 5001(a) of section 5001, determined as if subsection (c)(1) of such section did not apply”.

(c) APPLICATION OF REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (c) of section 5001, as added by section 5051(a)(5)(B) shall apply to—

(1) in paragraph (1), by inserting “but only if the importer is an electing importer under paragraph (3) and the proof gallons of distilled spirits have been assigned to the importer pursuant to such paragraph” after “into the United States during the calendar year”, and

(2) by redesignating paragraph (3) as paragraph (4) and—

(A) IN GENERAL.—For purposes of this section, the term ‘reduced tax rate’ means the rate of tax (determined as if subsection (a)(c)(1) of section 5001, determined as if subsection (c)(1) of such section did not apply)”.

(B) REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—(A) IN GENERAL.—For purposes of this section, any foreign producer aggregate that shall include—

(i) the reduced tax rate provided under this paragraph,

(B) ASSIGNMENT.—The Secretary shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the reduced tax rate provided under this paragraph, which shall include—

(1) a limitation to ensure that the number of proof gallons of distilled spirits for which the reduced tax rate has been assigned by a distilled spirits operation—

(i) to any importer does not exceed the number of proof gallons produced by such operation during the calendar year which were imported into the United States by such importer, and

(ii) to all importers does not exceed the 22,230,000 proof gallons of distilled spirits to which the reduced tax rate applies.

(C) CONTROLLED GROUP.—(1) IN GENERAL.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the foreign producer, as described under paragraph (4).

(2) REQUIREMENTS.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall not be a member of a controlled group of the foreign producer, as described under paragraph (4).

(D) EFFECTIVE DATE.—The amendments made by this section shall apply to distilled spirits removed after December 31, 2017.

SEC. 13808. BULK DILUTED SPIRITS.

(a) IN GENERAL.—Section 5212 is amended by adding at the end the following sentence—

“‘(ii) the reduced tax rate shall not apply to bulk-diluted spirits transferred in bond after December 31, 2017, and before January 1, 2020, this section shall be applied without regard to whether distilled spirits are bulk-diluted spirits.”

(b) CONFORMING AMENDMENT.—The amendments made by this section shall apply to distilled spirits transferred in bond after December 31, 2017.

Subpart B—Miscellaneous Provisions

SEC. 13821. MODIFICATION OF TAX TREATMENT OF ALASKA NATIVE CORPORATIONS AND SETTLEMENT TRUSTS.

(a) EXCLUSION FOR ANCSA PAYMENTS ASSIGNED TO ALASKA NATIVE SETTLEMENT TRUSTS.—In general.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

“SEC. 1389G. ASSIGNMENTS TO ALASKA NATIVE SETTLEMENT TRUSTS.—(a) IN GENERAL.—In the case of a Native Corporation, gross income shall not include the value of any payments that would otherwise be made, or treated as being made, to such Native Corporation pursuant to, or as required by, any provision of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), including any payment that would otherwise be made to a Village Corporation pursuant to section 9(j) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(j)), provided that any such payments—

(1) are assigned in writing to a Settlement Trust, and

(2) were not received by such Native Corporation prior to the assignment described in paragraph (1).
“(b) INCLUSION IN GROSS INCOME.—In the case of a Settlement Trust which has been assigned payments described in subsection (a), gross income shall include such payments by such Settlement Trust pursuant to the assignment and shall have the same character as if such payments were received by the Native Corporation.

“(c) SCOPE OF ASSIGNMENT.—The amount and scope of any assignment under subsection (a) shall be described with reasonable particularity and may either be in a per centage of some or more such payments or in a fixed dollar amount.

“(d) DURATION OF ASSIGNMENT; REVOCATION.—An assignment under subsection (a) shall apply—

“(1) a duration either in perpetuity or for a period of time, and

“(2) in order of time.

“(e) PROHIBITION ON DEDUCTION.—Notwithstanding section 247, no deduction shall be allowed to a Native Corporation for purposes of any amounts described in subsection (a).

“(f) DEFINITIONS.—For purposes of this section, the terms ‘Native Corporation’ and ‘Settlement Trust’ have the same meaning given such terms under section 696(h).

“(2) CONFORMING AMENDMENT.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2016.

“(b) DEDUCTION OF CONTRIBUTIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—(1) IN GENERAL.—In the case of a Native Corporation, there shall be allowed a deduction for any contributions made by such Native Corporation to a Settlement Trust (regardless of whether an election under section 646 is in effect for such Settlement Trust) for which the Native Corporation has made an annual election under subsection (e).

“(2) AMOUNT OF DEDUCTION.—The amount of the deduction under subsection (a) shall be equal to—

“(A) in the case of a cash contribution (regardless of the method of payment, including curtailment order, or check), the amount of such contribution, or

“(B) in the case of a contribution not described in paragraph (1), the lesser of—

“(A) the Native Corporation’s adjusted basis in the property contributed, or

“(B) the fair market value of the property immediately before such contribution, or

“(c) LIMITATION AND CARRYOVER.—

“(1) IN GENERAL.—Subject to paragraph (2), the deduction allowed under subsection (a) for any taxable year shall not exceed the taxable income (determined without regard to such deduction) of the Native Corporation for the taxable year in which the contribution was made.

“(2) CARRYOVER.—The aggregate amount of contributions described in subsection (a) for any taxable year exceeds the limitation under paragraph (1), such excess shall be treated as a deduction described in subsection (a) in each of the 15 succeeding years in order of time.

“(d) WRITTEN AGREEMENT.—For purposes of this section, the terms ‘Native Corporation’ and ‘Settlement Trust’ have the same meaning given such terms under section 646(h).

“(e) INFORMATION REPORTING.—

“(1) IN GENERAL.—For each taxable year, a Native Corporation may elect to have this section apply for such taxable year on the income tax return or an amendment or supplement to the return of the Native Corporation, with such election to have effect solely for such taxable year.

“(2) REVOCATION.—Any election made by a Native Corporation pursuant to this subsection may be revoked pursuant to a timely filed amendment or supplement to the income tax return of such Native Corporation.

“(f) ADDITIONAL RULES.—

“(1) EARNINGS AND PROFITS.—Notwithstanding section 646(d)(2), in the case of a Native Corporation which claims a deduction under this section for any taxable year, the earnings and profits of the Native Corporation described in subsection (a) for such taxable year shall be reduced by the amount of such deduction.

“(2) GAIN OR LOSS.—No gain or loss shall be recognized by the Native Corporation with respect to a contribution described in subsection (a) for which a deduction is allowed under this section.

“(g) INCOME.—Subject to subsection (g), a Settlement Trust shall include in income the amount of any deduction allowed under this section in the taxable year in which the Settlement Trust actually receives such contribution.

“(h) DURATION OF ASSIGNMENT; REVOCATION.—

“(1) IN GENERAL.—In the case of a cash contribution, the duration of any assignment under subsection (a) shall be—

“(A) either in perpetuity or for a period of time, and

“(B) within 3 years after the date on which the election under subsection (a) is made.

“(2) DURATION OF ASSIGNMENT; REVOCATION.—Any assignment under subsection (a) may be revoked pursuant to a timely filed amendment or supplement to the return of the Settlement Trust, with such election to have effect solely for such taxable year.

“(j) PROHIBITION.—No deduction shall be allowed to a Native Corporation for purposes of any amounts described in subsection (a).

“(2) CONFORMING AMENDMENT.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2016.

“(b) DEDUCTION OF CONTRIBUTIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—(1) IN GENERAL.—Any Native Corporation described in subsection (a)(2) or (c)(2) of section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629e) may make a contribution to a Settlement Trust which is in violation of subsection (a) or (c) of section 39 of such Act, under this section.

“(2) TREATMENT.—In the case of property described in paragraph (1), any income or gain recognized on the sale or exchange of such property, in whole or in part, by the Settlement Trust shall be included in the gross income of the Native Corporation reporting such proceeds on the income tax return of such Native Corporation.

“(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2016.

“(d) INFORMATION REPORTING FOR DEDUCTIBLE CONTRIBUTIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—(1) IN GENERAL.—Section 6011H is amended by inserting in paragraph (1)(A) the following new sub-paragraph:

“(A) IN GENERAL.—For each taxable year, any Native Corporation described in subsection (a) may make a contribution to a Settlement Trust which is in violation of subsection (a) or (c) of section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629e) which has made a contribution to a Settlement Trust (as defined in subsection (a) or (c) of such section) to which an election under subsection (e) of section 247 applies shall provide such Settlement Trust with a statement regarding such election not later than January 31 of the calendar year subsequent to the calendar year in which the contribution was made.

“(2) CONTENT OF STATEMENT.—The statement described in paragraph (1) shall include—

“(A) the total amount of contributions to which the election under subsection (e) of section 247 applies

“(B) for each contribution, whether such contribution was in cash,
SEC. 13822. AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.

(a) In general.—Section (e) of section 4901 is amended by adding at the end the following paragraph:

"(5) AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.—

"(A) IN GENERAL.—No tax shall be imposed by this section on any amounts paid by an aircraft owner for aircraft management services related to—

"(i) maintenance and support of the aircraft owner’s aircraft, or

"(ii) flights on the aircraft owner’s aircraft.

"(B) AIRCRAFT MANAGEMENT SERVICES.—For purposes of subparagraph (A), the term ‘aircraft management services’ includes—

"(i) aircraft owner with administrative and support services, such as scheduling, flight planning, and weather forecasting;

"(ii) obtaining insurance;

"(iii) maintenance, storage and fueling of aircraft;

"(iv) hiring, training, and provision of pilots and crew;

"(v) establishing and complying with safety standards, and

"(vi) such other services as are necessary to support flights operated by an aircraft owner.

"(C) LESSOR TREATED AS AIRCRAFT OWNER.—

"(i) IN GENERAL.—For purposes of this subsection, a person who leases the aircraft other than as an owner.

"(ii) DISQUALIFIED LEASE.—For purposes of clause (i), the term ‘disqualified lease’ means a lease from a person providing aircraft management services with respect to such aircraft (or a related person within the meaning of paragraph (4)(C) of such provision) to such lease holder, if such lease is for a term of 31 days or less.

"(D) PRO RATA ALLOCATION.—In the case of amounts paid to any person which (but for this subsection) are subject to the tax imposed by this section on any amounts paid by an aircraft owner for aircraft management services related to—

"(i) maintenance and support of the aircraft owner’s aircraft, or

"(ii) flights on the aircraft owner’s aircraft.

"(B) THE SECRETARY CERTIFIES SUCH NOMINATION AND DESIGNATES SUCH TRACT AS A QUALIFIED OPPORTUNITY ZONE.—

"(i) Low-income communities.—The term ‘low-income community’ means the same meaning as when used in section 46(e).

"(ii) DEFINITION OF PERIOD.—

"(A) CONSIDERATION PERIOD.—The term ‘consideration period’ means the period beginning on the date on which the Secretary receives notice under subsection (b)(1)(A)(ii), as extended under subsection (b)(2).

"(B) DETERMINATION PERIOD.—The term ‘determination period’ means the 90-day period beginning on the date of the enactment of the Tax Cuts and Jobs Act, as extended under subsection (b)(2).

"(C) STATE.—For purposes of this section, the term ‘State’ includes any possession of the United States.

"(D) NUMBER OF DESIGNATIONS.—

"(i) IN GENERAL.—Except as provided by paragraph (2), the number of population census tracts in a State that may be designated as qualified opportunity zones under this section may not exceed 25 percent of the number of low-income communities in the State.

"(ii)Exception.—If the number of low-income communities in a State is less than 100, then a total of 25 of such tracts may be designated as qualified opportunity zones.

"(E) DESIGNATION OF TRACTS CONTIGUOUS WITH LOW-INCOME COMMUNITIES.—

"(i) IN GENERAL.—A population census tract that is not a low-income community may be designated as a qualified opportunity zone under this section if—

"(A) the tract contains communities with the low-income community that is designated as a qualified opportunity zone, and

"(B) the median family income of the tract does not exceed 80 percent of the median family income of the low-income community with which the tract is contiguous.

"(2) LIMITATION.—Not more than 5 percent of the population census tracts in a State as a qualified opportunity zone may be designated under paragraph (1).

"(3) PERIOD DURING WHICH DESIGNATION IS IN EFFECT.—A designation as a qualified opportunity zone shall remain in effect for the period beginning on the date of the designation and ending on December 31, 2026.

"(B) QUALIFIED OPPORTUNITY FUND.—For purposes of this section—

"(i) QUALIFIED OPPORTUNITY FUND.—The term ‘qualified opportunity fund’ means any investment vehicle which is organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property (other than another qualified opportunity fund) that holds at least 80 percent of its assets in qualified opportunity zone property, determined—

"(A) on the last day of the first 6-month period beginning on or after the date of designation, and

"(B) on the last day of the taxable year of the fund.
“(A) IN GENERAL.—The term ‘qualified opportunity zone business’ means a trade or business—

(i) in which substantially all of the tangible property used or leased by the taxpayer is qualified opportunity zone business;

(ii) which satisfies the requirements of paragraphs (2), (4), and (8) of section 1397C(b), and

(iii) which is not described in section 144(c)(6)(B).

(B) SPECIAL RULE.—For purposes of subparagraph (A), tangible property that ceases to be a qualified opportunity zone business property shall continue to be treated as a qualified opportunity zone business property for the lesser of—

(i) 5 years after the date on which such tangible property ceases to be so qualified, or

(ii) the date on which such tangible property is no longer held by the qualified opportunity zone business.

(c) APPLICABLE RULES.—

(1) TREATMENT OF INVESTMENTS WITH MIXED FUNDS.—In the case of any investment in a qualified opportunity fund fund only a portion of which consists of investments gain to which an election under subsection (a)(1) is in effect—

(A) such investment shall be treated as 2 separate investments of—

(i) one investment that only includes amounts to which the election under subsection (a)(1) applies, and

(ii) a second investment consisting of other amounts, and

(B) subsections (a), (b), and (c) shall only apply to the investment described in subparagraph (A).

(2) RELATED PERSONS.—For purposes of this section, persons are related to each other if such persons are described in section 267(b) or 707(b)(1), determined by substituting ‘20 percent’ for ‘50 percent’ each place it occurs in such sections.

(3) DECEDENTS.—In the case of a decedent, amounts recognized under this section shall, if not properly includable in the gross income of the decedent, be includable in gross income as provided by section 691.

(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including—

(A) rules for the certification of qualified opportunity funds for the purposes of this section, and

(B) rules to prevent abuse.

(d) QUALIFIED OPPORTUNITY ZONE BUSINESS PROPERTY.—

(1) IN GENERAL.—The term ‘qualified opportunity zone business property’ means tangible property used in a trade or business of the taxpayer—

(i) which was acquired by the taxpayer after December 31, 2017, from the partnership solely in exchange for cash,

(ii) as of the time such interest was acquired, such partnership was an organized for purposes of being a qualified opportunity zone business, and

(iii) during substantially all of the taxpayer’s holding period for such interest, such partnership qualified as a qualified opportunity zone business,

(2) QUALIFIED OPPORTUNITY ZONE STOCK.—

(i) IN GENERAL.—Except as provided in clause (ii), the term ‘qualified opportunity zone stock’ means any stock in a domestic corporation qualified as a qualified opportunity zone business for purposes of being a qualified opportunity zone business property owned or leased by the taxpayer is a qualified opportunity zone business property.

(ii) RELATED PERSON.—For purposes of subparagraph (A)(i), the related person rule of section 1202(c)(3) shall apply for purposes of being a qualified opportunity zone business property.

(3) QUALIFIED OPPORTUNITY ZONE BUSINESS.—

(2) QUALIFIED OPPORTUNITY ZONE PROP -

ERTY.—

(1) IN GENERAL.—For purposes of section 179(d)(2) shall be applied pursuant to paragraph (8) of this subsection in lieu of the application of such rule in section 179(d)(1).
“(B) dividends described in subparagraph (B) of such section (determined without regard to section 245(a)(12)).

“(d) DISALLOWANCE OF FOREIGN TAX CREDIT.—

“(1) IN GENERAL.—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to any distribution received by a United States shareholder of a foreign corporation with respect to which a domestic corporation is a United States shareholder if the foreign corporation is not a United States shareholder with respect to any distribution in a taxable year ending after December 31, 2017, to which this paragraph applies.

“(2) RULES TO PROVIDE FOR REFUND.—

“(A) In general.—If, for any taxable year of a controlled foreign corporation beginning after December 31, 2017, any amount is treated as a dividend paid (or treated as paid) by such controlled foreign corporation to a United States shareholder with respect to any distribution in a taxable year of the shareholder to which this paragraph applies, the United States shareholder shall include in gross income for purposes of applying section 961 any such amount treated as paid.

“(B) Treatment of dividends described in subparagraph (A).—For purposes of this paragraph—

“(i) Amounts described in section 961 are treated as paid with respect to any distribution described in subparagraph (A) only if—

“(I) the amount is treated as paid by a foreign corporation as a dividend during a taxable year of the foreign corporation beginning after December 31, 2017, to which this paragraph applies,

“(II) such amount is included in income with respect to a taxable year beginning after December 31, 2017, and

“(III) such dividend is not treated as paid to such United States shareholder with respect to any other distribution in a taxable year of such United States shareholder beginning after December 31, 2017,

“(B) In general.—Notwithstanding any provision of this title—

“(A) the hybrid dividend shall be treated for purposes of section 245A of title III as a hybrid dividend received by, or any amount included under paragraph (B) in the gross income of, a United States shareholder,

“(B) the United States shareholder shall include in gross income an amount equal to—

“(i) the earnings and profits of the selling controlled foreign corporation of stock in another foreign corporation of which the selling controlled foreign corporation begins a taxable year after December 31, 2017, to which this paragraph applies, to the extent such amount exceeds any deduction described in subparagraph (A) of section 965(a)(1), and

“(ii) any amount treated as paid or accrued with respect to section 965(a)(1) as a dividend for purposes of section 965(a)(1), or

“(C) in the case of a dividends received deduction provided by this title—

“(i) not treated as made by reason of any loss from such sale or exchange, and

“(ii) any amount treated as paid or accrued with respect to such sale or exchange by the controlled foreign corporation of stock in another foreign corporation held for 1 year or more, then, notwithstanding any other provision of this title—

“(1) the foreign-source portion of such dividend shall be treated for purposes of section 951(a)(1)(A) as subpart F income of the selling controlled foreign corporation for such taxable year, and

“(2) the deduction described in subparagraph (B) of section 245A(a) shall be allowable to the United States shareholder with respect to such subpart F income treated as paid or accrued with respect to such sale or exchange.

“Sec. 14102. SPECIAL RULES RELATING TO SALES OR TRANSFERS INVOLVING SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

“(a) SALES BY UNITED STATES PERSONS OF FOREIGN CORPORATION REDUCED BY NONTAXED FOREIGN CORPORATIONS.—

“(1) In general.—Section 961 is amended by adding at the end the following new paragraph:

“(j) Coordination with Dividends Receiving Deduction.—In the case of the sale or exchange by a domestic corporation of stock in a foreign corporation held for 1 year or more, any amount treated as paid or accrued with respect to such sale or exchange by the controlled foreign corporation which is treated as a dividend by reason of this section shall be treated as a dividend for purposes of applying section 245A.

“(b) BASIS IN SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS REDUCED BY NONTAXED PORTION OF DIVIDEND FOR PURPOSES OF DETERMINING LOSS.—If a domestic corporation receives a dividend from a specified 10-percent owned foreign corporation (as defined in section 245A) in any taxable year, solely for purposes of determining loss on any disposition of stock of such foreign corporation in such taxable year or any subsequent taxable year, the basis of such domestic corporation in such stock shall be reduced (but not below zero) by the amount of any deduction allowable to such domestic corporation under section 245A with respect to such stock.

“(c) Sale by a CFC of a Lower Tier CFC.—Section 961(e) is amended by adding at the end the following new paragraph:

“(j) Coordination with Dividends Receiving Deduction.—In general.—If, for any taxable year of a controlled foreign corporation beginning after December 31, 2017, any amount is treated as a dividend under paragraph (1) by reason of a sale or exchange of stock of a controlled foreign corporation of stock in another foreign corporation held for 1 year or more, then, notwithstanding any other provision of this title—

“(i) the foreign-source portion of such dividend shall be treated for purposes of section 951(a)(1)(A) as subpart F income of the selling controlled foreign corporation for such taxable year, and

“(ii) a United States shareholder with respect to the selling controlled foreign corporation shall include in gross income for purposes of applying section 961 any such amount treated as paid or accrued with respect to such sale or exchange.

“Sec. 14103. EFFECT OF LOSS ON EARNINGS AND PROFITS.—For purposes of this title, in the case of a sale or exchange by a controlled foreign corporation of stock in another foreign corporation in a taxable year of the selling controlled foreign corporation beginning after December 31, 2017, to which this paragraph would apply if gain were recognized, the earnings and profits of the selling controlled foreign corporation shall not be reduced by reason of any loss from such sale or exchange.

“Sec. 14104. FOREIGN-SOURCE PORTION.—For purposes of this paragraph, the foreign-source portion of any amount treated as a dividend...
under paragraph (1) shall be determined in the same manner as under section 245A(c)."

(d) Treatment of Foreign Branch Losses Transferred to Specified 10-Percent-Owned Foreign Corporations.—

(1) In General.—Part II of subchapter B of chapter 1 is amended by adding at the end the following new section:

"SEC. 91. CERTAIN FOREIGN BRANCH LOSSES TRANSFERRED TO SPECIFIED 10- PERCENT-OWNED FOREIGN CORPORATIONS.—

"(a) In General.—If a domestic corporation transfers substantially all of the assets of a branch which is a United States shareholder within the meaning of section 367(a)(3)(C), as in effect before the date of the enactment of the Tax Cuts and Jobs Act (to a specified 10-percent-owned foreign corporation, as defined in section 965(b), and with respect to which the taxpayer is a United States shareholder after such transfer, such domestic corporation shall include in gross income for the taxable year in which includes such transfer an amount equal to the transferred loss amount with respect to such transfer.

"(b) Limitation and Carryforward Based on Foreign-Source Dividends Received.—

"(1) In General.—The amount included in the gross income of the taxpayer under subsection (a) for any taxable year shall not exceed the amount allowed to the taxpayer, over the transfer, and

"(A) which were incurred by the foreign branch after December 31, 2017, and before the transfer, and

"(B) with respect to which a deduction was allowed to the taxpayer, over the transfer.

"(2) The sum of—

"(A) any taxable income of such branch for a taxable year in which the loss was incurred and through the close of the taxable year of the transfer, and

"(B) any amount which is recognized under section 962(a) as a deduction in gross income for the succeeding taxable year,

"(c) Transferred Loss Amount.—For purposes of this section, the term 'transferred loss amount' means, with respect to any transfer of substantially all of the assets of a foreign branch, the excess (if any) of—

"(1) the sum of—

"(A) which were incurred by the foreign branch which is treated as a qualified foreign branch for the taxable year in which the loss was incurred and through the close of the taxable year of the transfer, and

"(B) any amount which is recognized under section 962(a) as a deduction in gross income for the succeeding taxable year,

"(d) Reduction for Recognized Gains.—

"The transferred loss amount shall be reduced (but not below zero) by the amount of gain recognized by the taxpayer on account of the transfer (other than amounts taken into account under subsection (c)(2)(B))."

(e) Basis Adjustment.—

"(1) In General.—The adjustment to the basis of the property transferred to reflect amounts included in gross income under this section shall be treated as derived from sources within the United States.

"(2) Basis Adjustments.—Consistent with such regulations or other guidance as the Secretary shall prescribe, proper adjustment to the adjusted basis of the property transferred to the taxpayer's stock in the specified 10-percent-owned foreign corporation to which the transfer is made, and in the transferee's adjusted basis in the property transferred, to reflect amounts included in gross income under this section."

"(2) Clerical Amendment.—The table of sections within part A of subchapter B of chapter 1 is amended by adding at the end the following new item:

"Sec. 91. Certain foreign branch losses transferred to specified 10-percent-owned foreign corporations."
"(A) IN GENERAL.—The term ‘aggregate foreign cash position’ means, with respect to any United States shareholder, the greater of—

(1) the aggregate of such United States shareholder’s pro rata share of the cash position of each specified foreign corporation of which such United States shareholder determined as of the close of the last taxable year of such specified foreign corporation which begins before January 1, 2018, or

(2) one half of the sum of—

(I) the aggregate described in clause (1) determined as of the close of the last taxable year of each such specified foreign corporation which begins before January 1, 2018, or

(II) the aggregate described in clause (1) determined as of the close of the taxable year of each such specified foreign corporation which precedes the taxable year referred to in subclause (I).

(B) CASH POSITION.—For purposes of this paragraph, the cash position of any specified foreign corporation is the sum of—

(1) cash and foreign currency held by such foreign corporation,

(2) the net accounts receivable of such foreign corporation,

(3) the fair market value of the following assets held by such corporation:

(I) Personal property which is of a type that is not regularly a part of, and for which there is an established financial market (other than stock in the specified foreign corporation).

(II) Commercial paper, certificates, notes, debentures, or any other obligation of the Federal government and of any State or foreign government.

(III) Any obligation with a term of less than one year.

(IV) Any asset which the Secretary identifies as being economically equivalent to any of the other subparagraphs.

(C) NET ACCOUNTS RECEIVABLE.—For purposes of this paragraph, the term ‘net accounts receivable’ means, with respect to any specified foreign corporation, the excess (if any) of—

(1) such corporation’s accounts receivable, over

(ii) such corporation’s accounts payable (determined consistent with the rules of section 461).

(D) PREVENTION OF DOUBLE COUNTING.—Cash positions of a specified foreign corporation described in clause (i) or (iii) of subparagraph (B) shall not be taken into account by such corporation, or subparagraph (A) to the extent that such United States shareholder demonstrates to the satisfaction of the Secretary that such amount so taken into account by such United States shareholder with respect to another specified foreign corporation.

(E) CASH POSITIONS OF CERTAIN NON-CORPORATE ENTITIES TAKEN INTO ACCOUNT.—An entity shall be treated as a specified foreign corporation of a United States shareholder for purposes of determining such United States shareholder’s aggregate foreign cash position if—

(1) such entity is a foreign entity which would be a specified foreign corporation of such United States shareholder if such entity were a corporation, or

(2) any interest in such entity is held by a specified foreign corporation of such United States shareholder (determined after application of clause (1)) and such entity would be a specified foreign corporation of such United States shareholder if such entity were a corporation.

(F) ANTI-ABUSE.—If the Secretary determines that a principal purpose of any transaction was to reduce the aggregate foreign cash position taken into account under this subsection, such transaction shall be disregarded for purposes of this subsection.

(2) ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—The term ‘accumulated post-1986 deferred foreign income’ means the post-1986 earnings and profits of any foreign corporation (computed in accordance with section 966) which is not a controlled foreign corporation (as defined in section 956) and which is not a passive foreign investment company (as defined in section 958).

(T) DETERMINATIONS OF PRO RATA SHARE.—For purposes of this section, the determination of a United States shareholder’s pro rata share of any amount with respect to any specified foreign corporation shall be determined under rules similar to the rules of section 911(a)(1) and (b) to treat such amount in the same manner as a United States shareholder's pro rata share of such specified foreign corporation as a controlled foreign corporation.

(2) DISALLOWANCE OF FOREIGN TAX CREDITS.—(1) IN GENERAL.—No credit shall be allowed under section 901 for the applicable percentage of any taxes paid or accrued (or that would have been paid or accrued with respect to any amount for which a deduction is allowed under this section.

(A) APPLICABLE PERCENTAGE.—For purposes of this subsection, the applicable percentage means the amount (expressed as a percentage) equal to the sum of—

(i) the sum of such excess plus the amount to which subsection (c)(1)(B) applies, plus

(ii) the sum of such excess plus the amount to which subsection (c)(1)(C) applies, divided by

(iii) the amount to which subsection (c)(1)(D) applies, divided by

(iv) the sum described in subparagraph (A)(i).

(B) CASH POSITIONS OF CERTAIN NON-CORPORATE COMPANIES.—Such term shall not include—

(I) any section 902 corporation (as defined in section 987(b)),

(II) any controlled foreign corporation,

(III) any foreign corporation (as defined in section 956) which is a passive foreign investment company,

(IV) any asset which the Secretary identifies as being economically equivalent to any of the other subparagraphs.

(3) DETERMINATION OF CUMULATED TAXABLE EARNINGS.—For purposes of this paragraph, the term ‘cumulated taxable earnings’ means—

(A) the excess of—

(1) the sum of the cost of the property (at its last cost or basis) and the amount of any gain allocable to such property (as determined under section 1231) (other than section 1231 gains derived from the disposition of property described in section 1231(b)(3)(C) (other than gains derived from the disposition of property described in section 1231(b)(3)(C) (other than gains derived from the disposition) the rules of section 1245(b)(1), and determined—

(i) for purposes of the 6th such installment, and

(ii) for purposes of the 7th such installment, and

(iii) for purposes of the 8th such installment,

(B) the amount (expressed as a percentage) equal to the sum of—

(i) the excess to which subsection (c)(1)(A) applies, divided by

(ii) the sum of such excess plus the amount to which subsection (c)(1)(B) applies, divided by

(iii) the sum described in subparagraph (A)(ii).

(5) DETERMINATION OF APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage means the amount (expressed as a percentage) equal to the sum of—

(A) the sum of such excess plus the amount to which subsection (c)(1)(C) applies, plus

(B) the amount to which subsection (c)(1)(D) applies, divided by

(C) the sum described in subparagraph (A)(i).

(4) COORDINATION WITH SECTION 951.—(A) BASIS.—Section 951 shall not apply to any tax for which credit is allowed under section 911 by reason of paragraph (1) determined by treating the taxpayer as having elected the benefits of part A of part III of subchapter N.

(B) ELECTION TO PAY LIABILITY IN INSTALLMENTS.—(1) IN GENERAL.—In the case of a United States shareholder of a deferred foreign income investment company, such United States shareholder may elect to pay the net tax liability under this section in 8 installments of the following amounts:

(A) 8 percent of the net tax liability in the case of each of the first 5 of such installments,

(B) 15 percent of the net tax liability in the case of the 6th such installment,

(C) 20 percent of the net tax liability in the case of the 7th such installment, and

(D) 25 percent of the net tax liability in the case of the 8th such installment.

(2) DATE FOR PAYMENT OF INSTALLMENTS.—If an election is made under paragraph (1), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return for the return of tax for the taxable year described in subsection (a) and each succeeding installment shall be paid on the due date (as so determined) of the return for the taxable year following the taxable year with respect to which the preceding installment was made.

(3) ACCELERATION OF PAYMENT.—If there is an addition to tax for failure to timely pay any installment required under this section, a liquidation or sale of substantially all the assets of the taxpayer (including in a title 11 or similar case), a cessation of business by the taxpayer, or any similar circumstance, then the unpaid portion of all remaining installments shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed). The preceding sentence shall not apply to the sale of substantially all the assets of a taxpayer to a buyer if such buyer enters into an agreement with the Secretary under which such buyer is liable for the remaining installments due under this subsection in the same manner as if such buyer were the taxpayer.

(4) DESTRUCTION OF DEFICIENCY TO INSTALLMENTS.—If the Secretary determines that the tax due on an election under this paragraph (1) to pay the net tax liability under this section in installments and a deficiency
has been assessed with respect to such net tax liability, the deficiency shall be prorated to the installments payable under paragraph (1), the part of the deficiency so prorated to any installment for a period beginning after the date of any installment the payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of the deficiency so prorated to any installment shall be deemed to include the interest on the part of the deficiency so prorated to any installment the payment of which has not arrived which shall be paid upon notice and demand from the Secretary. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

"(5) ELECTION.—Any election under paragraph (1) shall be made not later than the due date for the return of tax for the taxable year described in subsection (a) and shall be made in such manner as the Secretary shall provide.

"(6) NET TAX LIABILITY UNDER THIS SECTION.—For purposes of this subsection—

"(A) In general.—The net tax liability under this section with respect to any United States shareholder is the excess (if any) of—

"(i) such taxpayer's net income tax for such taxable year calculated in the gross income of such United States shareholder under section 951(a)(1) by reason of this subsection, over—

"(ii) such taxpayer's net income tax for such taxable year determined—

"(I) without regard to this section, and

"(II) without regard to any income or deduction properly attributable to a dividend received by such United States shareholder from any deferred foreign income corporation.

"(B) INCOME TAX.—The term 'net income tax' means the regular tax liability reduced by the credits allowed under subparts A, B, and D of part IV of subchapter A.

"(C) SPECIAL RULES FOR CORPORATION SHAREHOLDERS.—

"(1) IN GENERAL.—In the case of any S corporation which is a United States shareholder of a deferred foreign income corporation, the Secretary may elect to defer payment of such shareholder's net tax liability under this section with respect to such S corporation until the taxable year in which the triggering event occurs, provided that such S corporation includes the triggering event with respect to such liability. Any net tax liability payment of which is deferred under the preceding sentence shall be treated as an addition to tax in the shareholder's taxable year in which the triggering event occurs.

"(2) TRIGGERING EVENT.—

"(A) IN GENERAL.—In the case of any shareholder's net tax liability under this section with respect to any S corporation, the triggering event with respect to such liability is whichever of the following occurs first:

"(i) Such corporation ceases to be an S corporation (determined as of the first day of the first taxable year of such corporation).

"(ii) A liquidation or sale of substantially all the assets of such S corporation (including in a title 11 or similar case), a cessation of business by such S corporation, such S corporation ceases to exist, or any similar circumstance.

"(B) A transfer of any share of stock in such S corporation by the taxpayer (including by reason of death, or otherwise). (B) PARTIAL TRANSFER OF STOCK.—In the case of any transferee of shares of stock of such an S corporation, such transfer shall only be a triggering event with respect to such stock as is properly allocable to such stock.

"(C) TRANSFER OF LIABILITY.—A transfer described in clause (ii) of subparagraph (A) shall not be treated as a triggering event if the transferee enters into an agreement with the shareholder that the shareholder is liable for net tax liability with respect to such stock in the same manner as if such transferee were the taxpayer.

"(D) A 30% SHAREHOLDER.—A shareholder's net tax liability under this section with respect to any S corporation is the net tax liability under this section which would be determined with respect to the one-third (or such other fraction as is allowable by subsection (b)). Any copy provided to a shareholder under section 6037(b) shall include a statement of such shareholder's pro rata share of such amounts.

"(E) EXTENSION OF LIMITATION ON ASSESSMENT.—Notwithstanding section 6501, the limitation on the time period for the assessment of any net tax liability under this section (as defined in subsection (h)(6)) shall not expire before the date that is 6 years after the return for the taxable year described in such subsection was filed.

"(F) RECUPERTY FOR Expatriated Entities.—

"(1) IN GENERAL.—If a deduction is allowed under subsection (c) to a United States shareholder and such shareholder first becomes an expatriated entity at any time during the 10-year period beginning on the date of the enactment of the Tax Cuts and Jobs Act, then—

"(A) the tax imposed by this chapter shall be increased for the first taxable year in which the taxpayer is an expatriated entity by an amount equal to 35 percent of the amount of the deduction allowed to the specified foreign corporation under section 7874(a)(2), except that such amount shall not include any entity which the surrogate foreign corporation with respect to the entity is treated as a domestic corporation under section 7874(b). (m) SPECIAL RULES FOR UNITED STATES SHAREHOLDERS WHICH ARE REAL ESTATE INVESTMENT TRUSTS.—

"(1) IN GENERAL.—If a real estate investment trust is a United States shareholder in a deferred foreign income corporation—

"(A) any amount required to be taken into account under section 951(a)(1) by reason of this subsection, the term 'expatriated entity' shall be increased for the first taxable year in which the taxpayer is an expatriated entity by an amount equal to the amount includible in gross income as the result of the computation of the real estate investment trust taxable income under section 857(b), be included in gross income as follows:

"(i) 8 percent of such amount in the case of each of the taxable years in the 5-taxable year period beginning with the taxable year in which such amount would otherwise be included.

"(ii) 15 percent of such amount in the case of the 1st taxable year following such period.

"(iii) 20 percent of such amount in the case of the 2nd taxable year following such period.

"(iv) 25 percent of such amount in the case of the 3rd taxable year following such period.

"(v) 30 percent of such amount in the case of the 4th taxable year following such period.

"(vi) 35 percent of such amount in the case of the 5th taxable year following such period.

"(B) RULES FOR TRUSTS ELECTING DEFERRED INCLUSION.—
Subpart B—Rules Related to Passive and Mobile Income

CHAPTER 1—TAXATION OF FOREIGN-DETERMINED INTEGRATED INCOME AND GLOBAL INTEGRATED LOW-TAXED INCOME

SEC. 1496. CURRENT YEAR INCLUSION OF GLOBAL INTEGRATED LOW-TAXED INCOME BY UNITED STATES SHAREHOLDERS.

(a) In General.—Each person who is a United States shareholder of any controlled foreign corporation for any taxable year of such United States shareholder shall include in gross income such shareholder’s global integrated low-taxed income for such taxable year.

(2) SPECIFIED TANGIBLE PROPERTY.—

(B) of a type with respect to which a deduction is allowable under section 172 of such shareholder for such taxable year, or

(B) any property if—

(2) The aggregate of such shareholder’s pro rata share of the tested income of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder (determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder), over

(3) The aggregate of such shareholder’s pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder (determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder), over

(4) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section or to prevent the avoidance of the purposes of this section, including through a reduction in earnings and profits, changes in accounting methods, or otherwise.”.
("(1) IN GENERAL.—The pro rata shares referred to in subsections (b), (c)(1)(A), and (c)(1)(B), respectively, shall be determined under the rules of section 951(a)(2) in the same manner as an amount included under section 951(a)(1)(A) for purposes of applying section 951(b) in the taxable year of the United States shareholder in which or with which the year of the controlled foreign corporation ends.

(2) TREATMENT AS UNITED STATES SHAREHOLDER.—For purposes of paragraph (1), a person shall be treated as a United States shareholder of a controlled foreign corporation for any taxable year only if such person owns (within the meaning of section 958(a)) stock of such foreign corporation at any time during such taxable year.

(3) TREATMENT AS CONTROLLED FOREIGN CORPORATION.—A foreign corporation shall be treated as a controlled foreign corporation for any taxable year if such foreign corporation is a controlled foreign corporation at any time during such taxable year.

(4) TREATMENT AS SUBPART F INCOME FOR CERTAIN PURPOSES.—

(1) IN GENERAL.—

(A) Exception.—Except as provided in subparagraph (B), any global intangible low-taxed income included in gross income under subsection (a) shall be treated in the same manner as an amount included under section 951(a)(1)(A) for purposes of adding sections 168(h)(2)(B), 535(b)(10), 595(b)(3), 959(b)(1), 995, 961, 962(c), 962(d), 989(a)(1)(B), 986(f)(1), 1248(b)(1), 1249(d)(1), 6561(c)(1)(C), 6564(d)(2)(D), and 6555(e)(4).

(B) EXCEPTION.—The Secretary shall provide rules for the application of subparagraph (A) to other provisions of this title in any case in which the determination of a Subpart F income is required to be made at the level of the controlled foreign corporation.

(2) ALLOCATION OF GLOBAL INTANGIBLE LOW-TAXED INCOME TO CONTROLLED FOREIGN CORPORATIONs.—For purposes of the sections referred to in paragraph (1), with respect to any controlled foreign corporation any pro rata amount from which is taken into account in determining the global intangible low-taxed income included in gross income of a United States shareholder under subsection (a), the portion of such global intangible low-taxed income which is treated as being with respect to such controlled foreign corporation is—

(A) in the case of a controlled foreign corporation with no tested income, zero, and

(B) in the case of a controlled foreign corporation with tested income, the portion of such global intangible low-taxed income which bears the same ratio to such global intangible low-taxed income as—

(i) United States shareholder's pro rata amount of the tested income of such controlled foreign corporation, bears to

(ii) the aggregate amount described in subsection (c)(1) with respect to such United States shareholder.

(b) FOREIGN TAX CREDIT.—

(1) APPLICATION OF DEEMED PAID FOREIGN TAX CREDIT.—Section 960 is amended adding at the end the following new subsection:

"(d) DEEMED PAID CREDIT FOR TAXES PROPERLY ATTRIBUTABLE TO TESTED INCOME.—

(1) IN GENERAL.—In the case of a domestic corporation for any taxable year, there shall be allowed as a deduction an amount equal to the sum of—

(A) 37.5 percent of the foreign-derived intangible income of such domestic corporation for such taxable year, plus

(B) 50 percent of the global intangible low-taxed income amount (if any) which is properly attributable to such corporation.

(2) LIMITATION BASED ON TAXABLE INCOME.—

(A) IN GENERAL.—If, for any taxable year—

(i) the sum of the foreign-derived intangible income and the global intangible low-taxed income amount otherwise taken into account by the domestic corporation under paragraph (1), exceeds

(ii) the taxable income of the domestic corporation (determined without regard to this section),

then the aggregate amount of the foreign-derived intangible income and the global intangible low-taxed income amount so taken into account shall be reduced as provided in subparagraph (B).

(B) REDUCTION.—For purposes of subparagraph (A)—

(i) foreign-derived intangible income shall be reduced by an amount which bears the same ratio to the excess described in subparagraph (A) as foreign-derived intangible income bears to the sum described in subparagraph (A), and

(ii) the global intangible low-taxed income amount shall be reduced by the remainder of such excess.

(C) REDUCTION IN DEDUCTION FOR TAXABLE YEARS AFTER 2025.—In the case of any taxable year beginning after December 31, 2025, paragraph (1) shall be applied by substituting—

"(B) 21.875 percent" for "37.5 percent" in subparagraph (A), and

"(B) 37.5 percent" for '50 percent' in subparagraph (B).

"(2) FOREIGN- DERIVED INTANGIBLE INCOME.—For purposes of this section—

(1) IN GENERAL.—The foreign-derived intangible income of any domestic corporation is the amount which bears the same ratio to the deemed intangible income of such corporation as—

(A) the deduction eligible income of such corporation, bears to

(B) the deduction eligible income of such corporation.

(2) DEEMED INTANGIBLE INCOME.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘deemed intangible income’ means the excess (if any) of—

(i) the deduction eligible income of the domestic corporation, over

(ii) the deemed tangible income return of the corporation.

(B) DEEMED TANGIBLE INCOME RETURN.—The term ‘deemed tangible income return’ means, with respect to any corporation, an amount equal to 10 percent of the corporation’s qualified business asset investment (as defined in section 962) for taxable years after 2025, and for taxable years of United States shareholders in which or with which the year of the corporation ends, determined without regard to—

(i) gross income of such corporation determined under section 951(a)(1)(A), and

(ii) the subpart F income of such corporation determined under section 951.

(III) any financial services income (as defined in section 960(d)(2)(D)) of such corporation which is not described in clause (ii),

(IV) any dividend received from a corporation which is a controlled foreign corporation of such domestic corporation,

(V) any domestic oil and gas extraction income of such domestic corporation, or

(VI) any foreign branch income (as defined in section 960(d)(2)(D)), over

(ii) the deductions (including taxes) properly allocable to such gross income under rules similar to the rules of section 954(b)(5).

"(B) DOMESTIC OIL AND GAS EXTRACTION INCOME.—For purposes of subparagraph (A), the term ‘domestic oil and gas extraction income’ means income described in section 960(c)(1), determined by substituting ‘within
the United States 'for without the United States'.

(4) FOREIGN-DERIVED DEDUCTION ELIGIBLE INCOME.—The term 'foreign-derived deduction eligible income' means any income of a foreign corporation with respect to which the foreign corporation is not treated as a related party to the United States person which such income is includible in the United States person's gross income, with respect to any taxpayer for any taxable year, any deduction eligible income of such taxpayer which is derived from transactions described in paragraph (1) of section 245, and any other provision of this title specified in regulations prescribed by the Secretary.

(b) CONFORMING AMENDMENTS.—

(1) Section 172(d), as amended by section 13011, is amended by adding at the end the following new item:

"(8) Deduction for foreign-derived intangible income.—The deduction under section 250 shall not be allowed." (2) Section 235 made by this section is amended by striking and inserting "and section 235,''.

(3) Section 469(i)(3)(F)(iii) is amended by striking paragraph (2), and inserting paragraph (2) as follows:

"(ii) without regard to paragraphs (1) and (2) of section 245 the first place it appears and inserting "(i) such property is ultimately sold by a domestic corporation or by a related party (other than a related party) for further manufacture or other modification of such property within the United States, such property shall not be treated as sold for a foreign use even if such other person subsequently uses such property for a foreign use.

"(ii) if a service is provided to a related party who is not located in the United States, such services shall not be treated as described in paragraph (4)(B) even if such other person uses such services in providing services which are so described.

"(3) Service provided to related parties (other than a related party) for further manufacture or other modification of such property within the United States, such services shall be treated as described in paragraph (4)(B) even if such other person uses such services in providing services which are so described.

"(2) Service provided to related parties (other than a related party) for further manufacture or other modification of such property within the United States, such services shall be treated as described in paragraph (4)(B) even if such other person uses such services in providing services which are so described.

"(A) the United States shareholder's adjusted basis in the stock of the controlled foreign corporation with respect to which such distribution is made shall be increased by the amount (if any) of such distribution which would (but for this subsection) be includible in gross income, and

"(B) the adjusted basis of such property in the hands of such United States shareholder immediately after such distribution shall be increased by an amount equal to—

"(1) received by a domestic corporation from a controlled foreign corporation with respect to which such corporation is a United States shareholder, and

"(2) made by the controlled foreign corporation before the last day of the third taxable year of the controlled foreign corporation beginning after December 31, 2017.

"(i) Intangible Property.—For purposes of this subsection, the term 'intangible property' means any property described in section 197(f)(2)(B)(i) or section 197(f)(2)(B)(ii) which is computer software described in section 197(e)(3)(B).

"(ii) Distribution.—A distribution is described in this section if the distribution is—

"(A) without regard to paragraphs (2) and (3) of section 1504(b).

"(B) made by a controlled foreign corporation before the last day of the third taxable year of the controlled foreign corporation beginning after December 31, 2017.

"(ii) the equipment, materials, and supplies purchased with the proceeds of such distribution, control shall be determined under the rules of section 954(d)(3).

"(2)(B) Distribution.—A distribution is described in this section if the distribution is—

"(A) received by a domestic corporation from a controlled foreign corporation with respect to which such corporation is a United States shareholder, and

"(B) made by the controlled foreign corporation before the last day of the third taxable year of the controlled foreign corporation beginning after December 31, 2017.

"(2) Distribution.—A distribution is described in this section if the distribution is—

"(A) a distribution of property to a United States shareholder, and

"(B) made by a controlled foreign corporation before the last day of the third taxable year of the controlled foreign corporation beginning after December 31, 2017.

"(ii) Intangible Property.—For purposes of this subsection, the term 'intangible property' means any property described in section 197(f)(2)(B)(i) or section 197(f)(2)(B)(ii) which is computer software described in section 197(e)(3)(B).

"(ii) Distribution.—A distribution is described in this section if the distribution is—

"(A) received by a domestic corporation from a controlled foreign corporation with respect to which such corporation is a United States shareholder, and

"(B) made by the controlled foreign corporation before the last day of the third taxable year of the controlled foreign corporation beginning after December 31, 2017.

"(2)(B) Distribution.—A distribution is described in this section if the distribution is—

"(A) received by a domestic corporation from a controlled foreign corporation with respect to which such corporation is a United States shareholder, and

"(B) made by the controlled foreign corporation before the last day of the third taxable year of the controlled foreign corporation beginning after December 31, 2017.

"(ii) Intangible Property.—For purposes of this subsection, the term 'intangible property' means any property described in section 197(f)(2)(B)(i) or section 197(f)(2)(B)(ii) which is computer software described in section 197(e)(3)(B).
(B) Section 851(b) is amended by striking “section 951(a)(1)(A)” in the flush language at the end and inserting “section 951(a)(1)(A)”.
(C) Section 952(2) is amended by striking “section 952(1)(B)(i)” and inserting “section 952(1)(A)(i)”.
(D) Section 953(c)(1)(C) is amended by striking “section 953(c)(1)(A)” and inserting “section 953(c)(1)(A)”.
(2) Section 956(a) is amended by striking paragraph (3).
(3) Section 953(d)(4)(B)(iv)(I) is amended by striking “or amounts referred to in clause (i) or (ii)” of section 953(a)(1)(A).”
(4) Section 966(b) is amended by striking “,”.
(5) Section 970 is amended by striking subsection (b).
(6) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 955.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14214. MODIFICATION OF STOCK ATTRIBUTIONS RULES FOR STATUS AS A CONTROLLED FOREIGN CORPORATION.

(a) In General.—Section 956(b) is amended—
(1) by striking paragraph (4), and
(2) by striking “Paragraphs (1) and (4)” in the last sentence and inserting “Paragraph (1)”.

(b) Effective Date.—The amendments made by this section shall apply to—
(1) the last taxable year of foreign corporations beginning before January 1, 2018, and each subsequent taxable year of such foreign corporations, and
(2) taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14215. MODIFICATION OF DEFINITION OF UNITED STATES SHAREHOLDER.

(a) In General.—Section 956(b) is amended by inserting “-, or 10 percent or more of the total value of shares of all classes of stock of such foreign corporation” after “such foreign corporation”.

(b) Effective Date.—The amendments made by this section shall apply to taxable years of foreign corporations beginning before January 1, 2018, and each subsequent taxable year of such foreign corporations, and taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 14216. ELIMINATION OF REQUIREMENT THAT CORPORATION MUST BE CONTROLLED FOR 30 DAYS BEFORE SUBPART F INCLUSIONS APPLY.

(a) In General.—Section 951(a)(1) is amended by striking “for an uninterrupted period of 30 days or more” and inserting “at any time”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 14217. LOOK-THRU RULE FOR RELATED CONTROLLED FOREIGN CORPORATIONS MADE PERMANENT.

(a) In General.—Section 954(c) is amended by striking subparagraph (C).

(b) Effective Date.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14218. CORPORATIONS ELIGIBLE FOR DEDUCTIONS FOR INVESTMENT IN UNITED STATES PROPERTY.

(a) In General.—Section 961(a) is amended by inserting “for a taxable year” after “after United States shareholder” in the matter preceding paragraph (1).

(b) Effect of Amendment.—The amendment made by this section shall apply to taxable years of controlled foreign corporations ending after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

CHAPTER 3—PREVENTION OF BASE EROSION

SEC. 14221. DENIAL OF DEDUCTION FOR INTEREST EXPENSE OF UNITED STATES SHAREHOLDERS WHICH ARE MEMBERS OF WORLDWIDE AFFILIATED GROUPS WITH EXCESS DOMESTIC INDEBTEDNESS.

(a) In General.—Section 163 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection (n):

“(n) DISALLOWANCE OF DEDUCTION FOR INTEREST EXPENSE OF UNITED STATES SHAREHOLDERS WHICH ARE MEMBERS OF WORLDWIDE AFFILIATED GROUPS WITH EXCESS DOMESTIC INDEBTEDNESS.—

“(1) In General.—In the case of any domestic corporation which is a member of a worldwide affiliated group, the deduction allowed under this chapter for interest paid or accrued by such domestic corporation during the taxable year shall be reduced by the product of—

“(A) the net interest expense of such domestic corporation, multiplied by

“(B) the debt-to-equity differential percentage of such worldwide affiliated group.

“(2) Carryforward.—Any amount disallowed under paragraph (1) for any taxable year shall be treated as interest paid or accrued in the succeeding taxable year.

“(3) DEBT-TO-EQUITY DIFFERENTIAL PERCENTAGE.—

“(A) In General.—For purposes of this subsection, the term ‘debt-to-equity differential percentage’ means, with respect to any worldwide affiliated group, the percentage which the excess domestic indebtedness of such group bears to the total indebtedness of the domestic corporations which are members of such group.

“(B) Excess domestic indebtedness.—For purposes of subparagraph (A), the term ‘excess domestic indebtedness’ means, with respect to any worldwide affiliated group, the excess (if any) of—

“(i) the total indebtedness of the domestic corporations which are members of such group, over

“(ii) 110 percent of the amount which the total indebtedness of such group as one corporation bears to the total equity of such group as one corporation.

“(C) Total equity.—For purposes of this subsection, including regulations thereunder—

“(i) In General.—For purposes of this paragraph—

“(I) the amount taken into account with respect to any asset shall be the adjusted basis thereof for purposes of determining gain,

“(II) the amount taken into account with respect to any indebtedness with original issue discount previously accrued shall be its issue price plus the portion of the original issue discount previously accrued as determined under the rules of section 1272 (determined without regard to subsection (a)(7) or (b)(4) thereof), and

“(III) there shall be such other adjustments as the Secretary shall by regulations prescribe.

“(ii) Intragroup debt and equity interests disregarded.—For purposes of this paragraph, the total indebtedness, and the assets, of any group of corporations shall be determined by treating all members of such group as one corporation.

“(iii) Determination of assets of domestic group.—For purposes of this paragraph, the assets of the domestic corporations which are members of any worldwide affiliated group shall be determined by disregarding any interest in any domestic corporation in any foreign corporation which is a member of such group.

“(E) Phase In of Percentage Used in Determining Excess Indebtedness.—In the case of any taxable year beginning in a calendar year before 2022, the following percentages shall be substituted for ‘110 percent’ in applying subparagraph (B)(i):


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<th>Percentage</th>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
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<td>2020</td>
<td>120</td>
</tr>
<tr>
<td>2021</td>
<td>115</td>
</tr>
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“(4) Other Definitions.—For purposes of this subsection—

“(A) WORLDWIDE AFFILIATED GROUP.—The term ‘worldwide affiliated group’ means a group consisting of the includible members of an affiliated group, as defined in section 1504(a), determined—

“(i) by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears in such section, and

“(ii) without regard to paragraphs (2), (3), and (4) of section 1504(b).”

“(D) providing for the coordination of this section and section 1504(a), the term ‘net interest expense’ means the excess (if any) of—

“(i) the interest paid or accrued by the taxpayer during the taxable year, over

“(ii) the amount of interest includible in the gross income of such taxpayer for such taxable year.

“The Secretary shall by regulations provide for adjustments in determining the amount of net interest expense if necessary.

“(5) TREATMENT OF AFFILIATED GROUP.—For purposes of this subsection, all members of the same affiliated group (within the meaning of section 1504(a) applied by substituting ‘more than 50 percent’ for ‘at least 80 percent’) each place it appears) shall be treated as one taxpayer.

“(6) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be appropriate to carry out the purposes of this subsection, including regulations or other guidance—

“(A) to prevent the avoidance of the purposes of this subsection,

“(B) providing such adjustments in the case of corporations which are members of an affiliated group as may be appropriate to carry out the purposes of this subsection, over

“(C) providing for the coordination of this subsection with section 881.
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“(D) providing for the reallocation of shares of partnership indebtedness, or distributive shares of the partnership’s interest in income or interest expense, and
“(E) in the coordination with the limitation under subsection (j).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14222. LIMITATIONS ON INCOME SHIFTING THROUGH INTANGIBLE PROPERTY TRANSFERS.

(a) DEFINITION OF INTANGIBLE ASSET.—Section 936(h)(3)(B) is amended—

(1) by striking “or” at the end of clause (v),

(2) by striking clause (vi) and inserting the following:

“(vi) any goodwill, going concern value, or workforce in place (including its composition and terms and conditions (contractual or otherwise) of its employment); or

“(vii) any other item the value or potential value of which is not attributable to tangible property or the services of any individual.”,

and

(3) by striking the flush language after clause (vii), as added by paragraph (2).

(b) CLARIFICATION OF ALLOWABLE VALUATION METHODS FOR TRANSFERS OF INTANGIBLE ASSETS.

(1) FOREIGN CORPORATIONS.—Section 367(d)(2) is amended by adding at the end the following new subparagraph:

“(D) REGULATORY AUTHORITY.—For purposes of this section, the term ‘regulatory authority’ includes the Internal Revenue Service, or the authorizing body of the foreign country to which the intangible property is transferred.”.

(2) ALLOCATION AMONG TAXPAYERS.—Section 482 is amended by adding at the end the following: ‘‘For purposes of this section, the Secretary shall determine that such basis is the most reliable means of valuation of such transfer.”.

(3) Allocation Among Taxpayers.—Section 482 is amended by adding at the end the following: “For purposes of this section, the Secretary shall allocate the realizable value of the transferred property among all persons who have an interest in such property.”

(c) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance providing for—

“(1) rules for determining the tax residence of a foreign entity if the entity is otherwise considered a resident of more than one country or of no country,”

“(2) rules for determining the tax residence of a foreign entity which provides for the exclusion or deduction of a substantial portion of such amount,”

“(3) rules for determining the tax residence of a foreign entity which provides for the exclusion or deduction of a substantial portion of such amount,”

“(4) rules for determining the tax residence of a foreign entity which provides for the exclusion or deduction of a substantial portion of such amount,”

“(5) rules for determining the tax residence of a foreign entity which provides for the exclusion or deduction of a substantial portion of such amount,”

“(6) exceptions from subsection (a) with respect to—

“(A) cases in which the disqualified related party amount is taxed under the laws of a foreign country other than the country of which the related party is a resident for tax purposes, and

“(B) other cases where the Secretary determines do not present a risk of eroding the Federal tax base,”

“(7) requirements for record keeping and information reporting in addition to any requirements imposed by section 6038A.”.

(b) COMFORMING AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 is amended by inserting after the item relating to section 267 the following new items:

“Section 267A. Certain related party amounts paid or accrued in hybrid transactions or with hybrid entities.”

SEC. 14223. SHAREHOLDERS OF SURROGATE FOREIGN CORPORATIONS NOT ELIGIBLE FOR REDUCED RATE ON DIVIDENDS.

(a) IN GENERAL.—Section 1(h)(11)(C)(iii) is amended—

(1) by striking “shall not include any foreign corporation” and inserting “shall not include—

“(I) any foreign corporation”,

(2) by striking the period at the end and inserting “; and”,

and

(3) by adding at the end the following new clause: “(II) any corporation which is not a surrogate foreign corporation (as defined in section 883(a)(2)) other than a foreign corporation which is determined to be a domestic corporation under section 787(b).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14224. SHAREHOLDERS OF SURROGATE FOREIGN CORPORATIONS NOT ELIGIBLE FOR REDUCED RATE ON DIVIDENDS.

(a) IN GENERAL.—Section 1(h)(11)(C)(iii) is amended—

(1) by striking “shall not include any foreign corporation” and inserting “shall not include—

“(I) any foreign corporation”,

(2) by striking the period at the end and inserting “; and”,

and

(3) by adding at the end the following new clause: “(II) any corporation which is not a surrogate foreign corporation (as defined in section 883(a)(2)) other than a foreign corporation which is determined to be a domestic corporation under section 787(b).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

Subpart C—Modifications Related to Foreign Tax Credit System

SEC. 14301. REPEAL OF SECTION 902 INDIRECT FOREIGN TAX CREDITS; DETERMINA-

TIONS OF SECTION 960 CREDIT ON CURRENT YEAR BASIS.

(a) REPEAL OF SECTION 902 INDIRECT FOREIGN TAX CREDITS.—Subpart A of chapter 1 is amended by striking section 902.

(b) DETERMINATION OF SECTION 960 CREDIT ON CURRENT YEAR BASIS.—Section 960, as amended by section 14201, is amended—

(1) by striking subsection (c), by redesignating subsection (b) as subsection (c), and by striking all that precedes subsection (c) as so redesignated and inserting the following: “SEC. 960. DEEMED PAID CREDIT FOR SUBPART F INCLUSIONS.

“(a) IN GENERAL.—For purposes of this subpart, if there is included in the gross income of a domestic corporation any item of income, gain, loss or deduction attributable to a related party as a disqualified related party amount if such amount is subject to a participation exemption system or other system which provides for the exclusion or deduction of a substantial portion of such amount,”

“(b) SPECIAL RULES FOR DISTRIBUTIONS FROM PREVIOUSLY TAXED EARNINGS AND PROFITS.—For purposes of this subpart—

“(1) IN GENERAL.—If any portion of a distribution from a controlled foreign corporation to another controlled foreign corporation is treated as subject to subsection (a) of section 950(c)(3) or section 953(a) with respect to which such domestic corporation is a United States shareholder, such domestic corporation shall be deemed to have paid so much of such foreign corporation’s foreign income taxes as are properly attributable to such item of income.

“(2) SPECIAL RULES FOR DISTRIBUTIONS FROM PREVIOUSLY TAXED EARNINGS AND PROFITS.—For purposes of this subpart—

“(1) IN GENERAL.—If any portion of a distribution from a controlled foreign corporation to another controlled foreign corporation is treated as subject to subsection (a) of section 950(c)(3) or section 953(a) with respect to which such domestic corporation is a United States shareholder, such domestic corporation shall be deemed to have paid so much of such foreign corporation’s foreign income taxes as are properly attributable to such portion, and

“(B) have not been deemed to have been paid by such domestic corporation under this section for the taxable year or any prior taxable year.

“(2) TIERED CONTROLLED FOREIGN CORPORATIONS.—If section 959(b) applies to any portion of a distribution from a controlled foreign corporation to another controlled foreign corporation, such controlled foreign
corporation shall be deemed to have paid so much of such other controlled foreign corporation's foreign income taxes as—

(A) are properly attributable to such portion.

(B) have not been deemed to have been paid by a domestic corporation under this section for any prior taxable year.

(2) and by inserting after subsection (d) (as added by section 14201) the following new subsections:

(e) FOREIGN INCOME TAXES.—The term 'foreign income taxes' means any income, war profits, or excess profits taxes paid or accredited to any foreign country or possession of the United States.

(f) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section.

(c) CONFORMING AMENDMENTS.—

(1) Section 78 is amended to read as follows—

"SEC. 78. GROSS UP FOR DEEMED PAID FOREIGN TAX CREDIT.

"If a domestic corporation chooses to have the benefits of part B of title III of subchapter N of part III of subchapter N of chapter 1 of subtitle A of title 26, it shall pay an amount equal to the foreign income tax paid with respect to amounts received which were included in the gross income of the domestic corporation for any taxable year.

"(2) Paragraph (4) of section 245(a) is amended to read as follows—

"(4) POST-1986 UNDISTRIBUTED EARNINGS.—The term 'post-1986 undistributed earnings' means the aggregate amount of the earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 988) accumulated in taxable years beginning after December 31, 1986.

"(A) as of the close of the taxable year of the foreign corporation in which the dividend is distributed, and

"(B) by apportionment by reason of dividends distributed during such taxable year.

(3) Section 245(a)(10)(C) is amended by striking "902, 907, and 960" and inserting "907 and 960".

(4) Sections 353(b)(1) and 545(b)(1) are each amended by striking "section 902(a) or 960(a)(1)" and inserting "section 902 or 960(a)(1)".

(5) Section 318(1)(A) is amended—

(A) by striking subparagraph (B), and

(B) by striking all that precedes "No income" and inserting the following:

"(1) TREATMENT OF FOREIGN TAXES.—

"(A) by striking subparagraph (B), and

"(B) by striking all that precedes "No income" and inserting the following:

"(1) TREATMENT OF FOREIGN TAXES.—

"(A) by striking paragraph (1)(B) and inserting "902, 907, and 960", and

"(B) by striking subparagraph (C) and inserting "902, 907, and 960".

(7) Section 901(a) is amended by striking "sections 902 and 960" and inserting "section 960".

(8) Section 901(c)(2) is amended by striking "but is not limited to—" and all that follows through "portion" and inserting "but is not limited to that portion;"

(9) Section 901(f) is amended by striking "sections 902 and 960" and inserting "section 960".

(10) Section 901(k)(1)A is amended by striking "902 or".

(11) Section 901(j)(1)(B) is amended by striking "sections 902 and 960" and inserting "section 960".

(12) Section 901(k)(2) is amended by striking "902".

(13) Section 901(k)(6) is amended by striking "902 or".

(14) Section 901(m)(1) is amended by striking "(A)" and inserting "(B)".

(15) Section 904(d)(6)(A) is amended by striking "902, 907," and inserting "907 and 909".

(16) Section 904(b)(10)(A) is amended by striking "section 960" and inserting "sections 907 and 960".

(17) Section 904(c) is amended to read as follows—

"(K) CROSS REFERENCES.—For increase of limitation under subsection (a) for taxes paid with respect to amounts received which were included in the gross income of the taxpayer for a prior taxable year as a United States shareholder with respect to a controlled foreign corporation, see section 960(c).

(18) Section 906(c)(1) is amended by striking the last sentence.

(19) Section 905(c)(2)(A)(1) is amended by striking paragraphs (4) and (5).

(22) Section 907(b)(2)(B) is amended by striking "902 or".

(23) Section 907(c)(3) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and

(B) by striking "section 960(a)" in subparagraph (A) (as so redesignated) and inserting "section 960(c)".

(24) Section 907(c)(5) is amended by striking "902 or".

(25) Section 907(l)(2)(A)(1) is amended by striking "902 or".

(26) Paragraph (a) is amended by striking "any distribution—" and all that follows through "portion" and inserting "any distribution", "any withholding tax imposed with respect to such distribution, but only if".

(33) Section 6038(c)(1)(B) is amended by striking "sections 902 (relating to foreign tax credit for a controlled foreign corporation) and 960 (relating to special rules for foreign tax credit)" and inserting "section 960".

(34) Section 6038(c)(4) is amended by striking subparagraph (C).

(35) The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by striking the item relating to section 902.

(36) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 960 and inserting the following:

"Sec. 960. Deemed paid credit for subpart F inclusion.

(4) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14302. SEPARATE FOREIGN TAX CREDIT LIMITATION BASKET FOR FOREIGN BRANCH INCOME.

(a) IN GENERAL.—Section 944(d)(1), as amended by section 14201, is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) foreign branch income.

(b) FOREIGN BRANCH INCOME.—

(1) IN GENERAL.—Section 944(d)(2) is amended by inserting after subparagraph (I) the following new subparagraph:

"(4) FOREIGN BRANCH INCOME.—

"(I) IN GENERAL.—The term 'foreign branch income' means the business profits of such United States person which are attributable to 1 or more qualified business units (as defined in section 909(a)) in 1 or more foreign countries. For purposes of the preceding sentence, the amount of business profits attributable to a qualified business unit shall be determined under rules established by the Secretary.

"(ii) EXCEPTION.—Such term shall not include any income which is passive category income.

(2) CONFORMING AMENDMENT.—Section 944(d)(2)(A)(II), as amended by section 14201, is amended by striking "income described in paragraph (I)(A) and foreign branch income", and inserting "foreign branch income", and—

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14303. ACCELERATION OF ELECTION TO ALLOW INTEREST, ETC., ON A WORLDWIDE BASIS.

(a) IN GENERAL.—Section 864(c)(6) is amended by striking "December 31, 2020" and inserting "December 31, 2017".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14304. SOURCE OF INCOME FROM SALES OF INVENTORY DETERMINED SOLELY ON BASIS OF PRODUCTION ACTIVITIES.

(a) IN GENERAL.—Section 863(b)(1) is amended by adding at the end the following: "Gains, profits, and income from the sale or exchange of inventory property described in paragraph (2) shall be allocated and apportioned between sources within and without the United States solely on the basis of the production activities with respect to the property.

(3) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.
(a) IN GENERAL.—Section 904(g) is amended by adding at the end the following new
paragraph:
"(5) ELECTION TO INCREASE PERCENTAGE OF TAXABLE INCOME TREATED AS FOREIGN SOURCE.—
(A) IN GENERAL.—If any pre-2018 unused overall domestic loss is taken into account under paragraph (1) for any applicable taxable year, the taxpayer may elect to have such paragraph applied to such loss by substituting a percentage greater than 50 percent (but not greater than 100 percent) for 10 percent in paragraph (2)(A) thereof.
(B) PRE-2018 UNUSED OVERALL DOMESTIC LOSS.—For purposes of this paragraph, the term ‘pre-2018 unused overall domestic loss’ means any overall domestic loss which—
(i) arises in a qualified taxable year beginning before January 1, 2018, and
(ii) has not been used under paragraph (1) for any taxable year beginning before such date.
(C) APPLICABLE TAXABLE YEAR.—For purposes of this paragraph, the term ‘applicable taxable year’ for any taxable year of the taxpayer beginning after December 31, 2017, and before January 1, 2028, means the taxable year in which such paragraph is first applied.

(b) INBOUND TRANSACTIONS.

PART II—INBOUND TRANSACTIONS

SEC. 14011. BASE EROSION AND ANTI-ABUSE TAX.

(a) Imposition of Tax.—Subchapter A of chapter 1 is amended by adding at the end the following new part:
"PART VII—BASE EROSION AND ANTI-ABUSE TAX.

Sec. 59A. Tax on base erosion payments of taxpayers with substantial gross receipts.

Sec. 59A. TAX ON BASE EROSION PAYMENTS OF TAXPAYERS WITH SUBSTANTIAL GROSS RECEIPTS.

(a) Imposition of Tax.—There is hereby imposed on each applicable taxpayer for any taxable year a tax equal to the base erosion minimum tax amount for the taxable year. Such tax shall be in addition to any other tax imposed by this title.

(b) BASE EROSION MINIMUM TAX AMOUNT.—For purposes of this section—
"(1) Except as provided in paragraphs (2) and (3), the term ‘base erosion minimum tax amount’ means, with respect to any applicable taxpayer for any taxable year, the excess (if any) of—
"(A) an amount equal to 10 percent of the modified taxable income of such taxpayer for the taxable year, over
"(B) an amount equal to the regular tax liability (as defined in section 26(b)) of the taxpayer for the taxable year, reduced (but not below zero) by the excess (if any) of—
"(i) the credit allowed under this chapter against such regular tax liability, over
"(ii) the credit allowed under section 38 for the taxable year which is properly allocable to the research credit determined under section 41(a).

(2) MODIFICATIONS FOR TAXABLE YEARS BEGINNING AFTER 2018.—In the case of any taxable year beginning after December 31, 2021, paragraph (1) shall be applied—
"(A) by substituting ‘12.5 percent’ for ‘10 percent’ in subparagraph (A) thereof, and
"(B) in the case of any taxable year beginning after December 31, 2023, by the aggregate amount of the credits allowed under this chapter against such regular tax liability rather than the excess described in such subparagraph.

(3) INCREASED RATE FOR CERTAIN TAXPAYERS WITH SUBSTANTIAL GROSS RECEIPTS.—

(A) IN GENERAL.—In the case of an applicable taxpayer described in subparagraph (B) for any taxable year, each of the following provisions shall apply—
"(i) paragraphs (1)(A) and (2)(A) shall each be applied by substituting ‘11 percent for ‘10 percent’, and
"(ii) paragraph (2)(B) shall be applied by substituting ‘13.5 percent’ for ‘12.5 percent’.

(B) TAXPAYER DESCRIBED.—An applicable taxpayer is described in this subparagraph if such taxpayer is a member of an expanded affiliated group (as defined in section 1504(a)(1)) which includes—
"(i) a bank (as defined in section 581), or
"(ii) a registered securities dealer under section 15(a) of the Securities Exchange Act of 1934.

(4) MODIFIED TAXABLE INCOME.—For purposes of this section—
"(1) IN GENERAL.—The term ‘modified taxable income’ means the taxable income of the taxpayer computed under this chapter for the taxable year, determined without regard to—
"(A) any base erosion tax benefit with respect to any base erosion payment, or
"(B) the base erosion percentage of any net operating loss deduction allowed under section 172 for the taxable year.

(5) BASE EROSION TAX BENEFIT.—

(A) IN GENERAL.—The term ‘base erosion tax benefit’ means—
"(1) any deduction described in subsection (d)(1) which is allowed under this chapter for the taxable year with respect to any base erosion payment,

(B) BASE EROSION TAX BENEFIT.—

(A) IN GENERAL.—The term ‘base erosion tax benefit’ means—
"(1) any deduction described in subsection (d)(1) which is allowed under this chapter for the taxable year with respect to any base erosion payment,

(C) DEFINITIONS.—For purposes of this paragraph—
"(1) IN GENERAL.—Except as provided in clause (ii), any tax benefit attributable to any base erosion payment—

(2) TAX BENEFITS DISREGARDED IF TAX WITHHELD ON BASE EROSION PAYMENT.—

(3) SUBROGATION FOREIGN CORPORATION.—

(4) EXCEPTIONS.—

(5) INTEREST.—
(2) Gross receipts.—

(A) Special rule for foreign persons.—In the case of a foreign person the gross receipts of which are taken into account for purposes of paragraphs (1) and (2), only those gross receipts of which are taken into account in determining income which is effectively connected with the conduct of a trade or business within the United States shall be taken into account. In the case of a taxpayer which is a foreign person, the preceding sentence shall not apply to the gross receipts of any United States person which are aggregated with the taxpayer's gross receipts by reason of paragraph (3).

(B) Other rules made applicable.—Rules prescribed pursuant to the rules of subparagraphs (B), (C), and (D) of section 48(c)(3) shall apply in determining gross receipts for purposes of this section.

(3) Aggregation rules.—All persons treated as a single employer under subsection (a) of section 52 shall be treated as 1 person for purposes of this subsection and section 48(c)(4), except that in applying section 1563 for purposes of section 52, the exception for foreign corporations under section 1563(b)(2)(C) shall be disregarded.

(g) RELATED PARTY.—For purposes of this section—

(1) IN GENERAL.—The term ‘related party’ means, with respect to any applicable tax transaction—

(A) the name, principal place of business, and any payment or other transfer to which any payment or other transfer from which with which any interest, royalty, or service payment, or

(B) in the case of a contract which has derivative and nonderivative components, the payment is properly allocable to the non-derivative component.

(2) INCREASE IN PENALTY.—Paragraphs (1) and (2) of section 6655(e)(2) are each amended by striking ‘$10,000’ and inserting ‘$25,000’.

(3) Disallowance of credits against base erosion tax.—Paragraph (2) of section 6425(c), as amended by section 13001, is amended to read as follows:

(a) REQUIREMENTS AND PENALTIES.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations—

(1) providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including through—

(A) the use of unrelated persons, conduit transactions, or other intermediaries, or

(B) transactions or arrangements described in subsection (b) to characterize payments otherwise subject to this section as payments not subject to this section, or

(2) for the application of subsection (b), including rules to prevent the avoidance of the exceptions under subsection (g)(3).

(b) REPORTING REQUIREMENTS.—

(A) IN GENERAL.—Subsection (b) of section 6038A is amended to read as follows:

(b)(1) REQUIRED INFORMATION.—

(1) IN GENERAL.—For purposes of subsection (a), the information described in this subsection is such information as the Secretary prescribes by regulations relating to—

(A) the name, principal place of business, nature of business, and country or countries in which organized or resident, of each person which—

(i) is a related party to the reporting corporation, and

(ii) had any transaction with the reporting corporation during its taxable year,

(2) for the application of subsection (g), including rules to prevent the avoidance of the exceptions under subsection (g)(3).

(B) DERIVATIVE DEFINED.—For purposes of this section—

(1) IN GENERAL.—The term ‘derivative’ means any contract (including any option, future contract, short position, or other transaction having a notional value of, or any payment or other transfer with respect to which, directly or indirectly) determined by reference to one or more of the following—

(A) any share of stock in a corporation,

(B) any evidence of indebtedness,

(C) any commodity which is actively traded,

(D) any currency,

(E) any price, rate, amount, index, formula, or algorithm.

(2) INCREASE IN PENALTY.—Paragraph (2) of section 6425(c), as amended by section 13001, is amended to read as follows:

(a) REQUIREMENTS AND PENALTIES.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations—

(1) providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including through—

(A) the use of unrelated persons, conduit transactions, or other intermediaries, or

(B) transactions or arrangements described in subsection (b) to characterize payments otherwise subject to this section as payments not subject to this section, or

(2) for the application of subsection (b), including rules to prevent the avoidance of the exceptions under subsection (g).

(b) REPORTING REQUIREMENTS.—

(A) IN GENERAL.—Subsection (b) of section 6038A is amended to read as follows:

(b)(1) REQUIRED INFORMATION.—

(1) IN GENERAL.—For purposes of subsection (a), the information described in this subsection is such information as the Secretary prescribes by regulations relating to—

(A) the name, principal place of business, nature of business, and country or countries in which organized or resident, of each person which—

(i) is a related party to the reporting corporation, and

(ii) had any transaction with the reporting corporation during its taxable year,

(2) for the application of subsection (g), including rules to prevent the avoidance of the exceptions under subsection (g)(3).

(B) DERIVATIVE DEFINED.—For purposes of this section—

(1) IN GENERAL.—The term ‘derivative’ means any contract (including any option, future contract, short position, or other transaction having a notional value of, or any payment or other transfer with respect to which, directly or indirectly) determined by reference to one or more of the following—

(A) any share of stock in a corporation,

(B) any evidence of indebtedness,

(C) any commodity which is actively traded,

(D) any currency,

(E) any price, rate, amount, index, formula, or algorithm.

(2) INCREASE IN PENALTY.—Paragraph (2) of section 6425(c), as amended by section 13001, is amended to read as follows:

(a) REQUIREMENTS AND PENALTIES.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations—

(1) providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including through—

(A) the use of unrelated persons, conduit transactions, or other intermediaries, or

(B) transactions or arrangements described in subsection (b) to characterize payments otherwise subject to this section as payments not subject to this section, or

(2) for the application of subsection (b), including rules to prevent the avoidance of the exceptions under subsection (g).

(b) REPORTING REQUIREMENTS.—

(A) IN GENERAL.—Subsection (b) of section 6038A is amended to read as follows:

(b)(1) REQUIRED INFORMATION.—

(1) IN GENERAL.—For purposes of subsection (a), the information described in this subsection is such information as the Secretary prescribes by regulations relating to—

(A) the name, principal place of business, nature of business, and country or countries in which organized or resident, of each person which—

(i) is a related party to the reporting corporation, and

(ii) had any transaction with the reporting corporation during its taxable year,
"(f) QUALIFYING INSURANCE CORPORATION.— For purposes of subsection (b)(2)(B)—

"(1) IN GENERAL.—The term ‘qualifying insurance corporation’ means, with respect to any taxable year, the corporation—

"(A) which would be subject to tax under subchapter L if such corporation were a domestic corporation, and

"(B) with respect to the applicable insurance liabilities of which constitute more than 25 percent of its total assets, determined on the basis of such liabilities and assets as reported on the corporation’s applicable financial statement for the last year ending with or within the taxable year.

"(2) ALTERNATIVE FACTS AND CIRCUMSTANCES.—If a corporation fails to qualify as a qualifying insurance corporation if—

"(A) the percentage so determined for the corporation is at least 10 percent, and

"(B) under regulations provided by the Secretary based on the applicable facts and circumstances—

"(i) the corporation is predominantly engaged in an insurance business, and

"(ii) the corporation is not solely to run-off-related or rating-related circumstances involving such insurance business.

"(3) APPLICABLE INSURANCE LIABILITIES.—For purposes of this subsection—

"(A) IN GENERAL.—The term ‘applicable insurance liabilities’ means, with respect to any life or property and casualty insurance business—

"(i) loss and loss adjustment expenses, and

"(ii) reserves (other than deficiency, contingency, or unearned premium reserves) for life and health insurance claims with respect to contracts providing coverage for mortality or morbidity risks.

"(B) LIMITATIONS ON AMOUNT OF LIABILITIES.—Any amount determined under clause (i) or (ii) of subparagraph (A) shall not exceed the lesser of the amount—

"(i) as determined under subparagraph (A), and

"(ii) as determined under regulations prescribed by the Secretary.

"(4) OTHER DEFINITIONS AND RULES.—For purposes of this section—

"(A) APPLICABLE FINANCIAL STATEMENT.—The term ‘applicable financial statement’ means a statement for financial reporting purposes which—

"(i) is made on the basis of generally accepted accounting principles,

"(ii) is made on the basis of international financial reporting standards, but only if there is no statement that meets the requirement of clause (i), or

"(iii) as otherwise provided by the Secretary in regulations, is the annual statement which is required to be filed with the applicable insurance regulatory body, but only if there is no statement which meets the requirements of clause (i) or (ii).

"(B) APPLICABLE INSURANCE REGULATORY BODY.—The term ‘applicable insurance regulatory body’ means, with respect to any insurance business, the entity established by law to license, authorize, or regulate such business and to which the statement described in clause (A) is provided.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14502. REPEAL OF FAIR MARKET VALUE METHOD OF INTEREST EXPENSE APPORTIONMENT.

(a) IN GENERAL.—Paragraph (2) of section 86(e) is amended to read as follows:

"(2) GROSS INCOME AND FAIR MARKET VALUE METHODS MAY NOT BE USED FOR INTEREST.—

"(B) All allocations of interest expense shall be determined using the adjusted bases of assets rather than on the basis of the fair market value of the assets or gross income.

"(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14503. MODERNIZATION OF APPLICABLE RULES INVOLVING LIABILITIES.

(a) IN GENERAL.—Subsection (b)(2) of section 837 of the Internal Revenue Code of 1986 is amended by inserting ‘‘before the end of’’ before the period at the end.

(b) SOURCE RULES FOR PERSONAL PROPERTY SALES.—Subsection (j)(3) of section 866 of the Internal Revenue Code of 1986 is amended by inserting ‘‘932,’’ after ‘‘931.’’.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

TITLE II

SEC. 20001. OIL AND GAS PROGRAM.

(a) DEFINITIONS.—In this section:

"(1) COASTAL PLAIN.—The term ‘Coastal Plain’ means the area identified as the 1002 Area on the plates prepared by the United States Geological Survey entitled ‘‘ANWR Map—Plate 1’’ and ‘‘ANWR Map—Plate 2’’, dated October 24, 2017, and on file with the United States Geological Survey and the Office of the Solicitor of the Department of the Interior.

"(2) SECRETARY.—The term ‘Secretary’ means the Secretary of the Interior, acting through the Bureau of Land Management.

"(b) OIL AND GAS PROGRAM.—

"(1) IN GENERAL.—Section 1003 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3143) shall not apply to the Coastal Plain.

"(2) ESTABLISHMENT.—

"(A) IN GENERAL.—The Secretary shall establish and administer a competitive oil and gas program for the leasing, development, production, and support facilities (including airfields and any gravel berms or piers for support of pipelines) during the term of the leases under the oil and gas program under this section.

"(C) $500,000,000 for each of fiscal years 2022 through 2025.

"(d) ADMINISTRATION.—

"(1) REQUIREMENT.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall conduct not fewer than 400 acres-area-wide in each lease sale; and

"(B) SALE ACREAGES; SCHEDULE.—

"(i) ACREAGES.—The Secretary shall offer for lease under and oil and gas program under this section—

"(A) the initial lease sale under the oil and gas program under this section not later than 4 years after the date of enactment of this Act; and

"(B) a second lease sale under the oil and gas program under this section not later than 7 years after the date of enactment of this Act.

"(2) RIGHTS-OF-WAY.—The Secretary shall issue any rights-of-way or easements across the Coastal Plain for exploration, development, production, or transportation necessary to carry out this section.

"(3) SURFACE DEVELOPMENT.—In administering this section, the Secretary shall authorize up to 2,000 surface acres of Federal land on the Coastal Plain to be covered by production and support facilities (including airports and any gravel berms or piers for support of pipelines) during the term of the leases under the oil and gas program under this section.

"(1) REQUIREMENT.—

"(A) 50 percent shall be paid to the State of Alaska; and

"(B) the balance shall be deposited into the Treasury as miscellaneous receipts.

"(2) LEASE SALES WITHIN 10 YEARS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall conduct not fewer than 400 acres-area-wide in each lease sale; and

"(B) SALE ACREAGES; SCHEDULE.—

"(i) ACREAGES.—The Secretary shall offer for lease under the oil and gas program under this section—

"(A) the initial lease sale under the oil and gas program under this section not later than 4 years after the date of enactment of this Act; and

"(B) a second lease sale under the oil and gas program under this section not later than 7 years after the date of enactment of this Act.

"(2) RIGHTS-OF-WAY.—The Secretary shall issue any rights-of-way or easements across the Coastal Plain for exploration, development, production, or transportation necessary to carry out this section.

"(3) SURFACE DEVELOPMENT.—In administering this section, the Secretary shall authorize up to 2,000 surface acres of Federal land on the Coastal Plain to be covered by production and support facilities (including airports and any gravel berms or piers for support of pipelines) during the term of the leases under the oil and gas program under this section.

"(1) REQUIREMENT.—

"(A) 50 percent shall be paid to the State of Alaska; and

"(B) the balance shall be deposited into the Treasury as miscellaneous receipts.

"(2) LEASE SALES WITHIN 10 YEARS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall conduct not fewer than 400 acres-area-wide in each lease sale; and

"(B) SALE ACREAGES; SCHEDULE.—

"(i) ACREAGES.—The Secretary shall offer for lease under the oil and gas program under this section—

"(A) the initial lease sale under the oil and gas program under this section not later than 4 years after the date of enactment of this Act; and

"(B) a second lease sale under the oil and gas program under this section not later than 7 years after the date of enactment of this Act.

"(2) RIGHTS-OF-WAY.—The Secretary shall issue any rights-of-way or easements across the Coastal Plain for exploration, development, production, or transportation necessary to carry out this section.

"(3) SURFACE DEVELOPMENT.—In administering this section, the Secretary shall authorize up to 2,000 surface acres of Federal land on the Coastal Plain to be covered by production and support facilities (including airports and any gravel berms or piers for support of pipelines) during the term of the leases under the oil and gas program under this section.
SA 1856. Mr. MERKLEY proposed an amendment to (a) amendment SA 1819 proposed by Mr. McCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table, as follows:

On page 289, strike line 7 and all that follows through page 48, line 20 and insert the following:

"(1) the cost-of-living adjustment determined under section 152(b)(3) were applied without regard to all subparagraphs of the preceding sentence, the term 'social security number' means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued to a citizen of the United States or is issued pursuant to subsection (a) of section 318(b)(2)(A) of title II of the Social Security Act."

"(2) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting '$2,000' for '$1,000'."

"(3) LIMITATION.—In lieu of the amount determined under subsection (b)(2), the threshold amount shall be $500,000."
agreed to, the preamble be agreed to, and the motions to reconsider be consid-
ered made and laid upon the table with no intervening action or debate. The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 347) was agreed to. The preamble was agreed to. (The resolution, with its preamble, is printed in today’s RECORD under “Submitted Resolutions.”)

ORDERS FOR MONDAY, DECEMBER 4, 2017

Mr. ENZI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 3 p.m., Monday, December 4; further, that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and morning business be closed; finally, that following leader remarks, the Senate proceed to executive session and resume consideration of the Nielsen nomination as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL MONDAY DECEMBER 4, 2017, AT 3 P.M.

Mr. ENZI. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order.

There being no objection, the Senate, at 2:06 a.m., adjourned until Monday, December 4, 2017, at 3 p.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF DEFENSE

Phyllis L. Bayer, of Mississippi, to be an Assistant Secretary of the Navy, Vice Dennis V. McGinn.

The following named officer for appointment:

Jeffrey W. Workman, of New York, to be a Member of the Financial Stability Oversight Council, for a term of six years, Vice S. Roy Woodall, Jr., term expired.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

J. Jeffrey Dewitt, of Arizona, to be Chief Financial Officer, National Aeronautics and Space Administration, Vice David Radzianowski.

Morris K. Udall and Stewart L. Udall Foundation

Tad M. Johnson, of Minnesota, to be a Member of the Board of Trustees of the Morris K. Udall and Stewart L. Udall Foundation, for a term expiring October 6, 2022, Vice Thelma B. Bracy, term expired.

Lisa Johnson-Billy, of Oklahoma, to be a Member of the Board of Trustees of the Morris K. Udall and Stewart L. Udall Foundation, for a term expiring August 23, 2018, Vice Diana Humitz, term expired.

Lisa Johnson-Billy, of Oklahoma, to be a Member of the Board of Trustees of the Morris K. Udall and Stewart L. Udall Foundation, for a term expiring August 23, 2018, (reappointment).

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Erik Byrehill, of Florida, to be United States Alternate Executive Director of the Inter-

NATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For a term of two years, Vice Sarah Margaret Avel, (reappointment).

DEPARTMENT OF STATE

David T. Fischer, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Mo-

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Judith Lynn Shenkman, of Virginia, to be United States Director of the European Bank for Recon-

DEPARTMENT OF LABOR

James Edwin Williams, of Utah, to be Chief Financial Officer, Department of Labor, Vice James L. Taylor.

DEPARTMENT OF EDUCATION

Mark Schneider, of the District of Columbia, to be Director, National Institute of Education Science, Department of Education for a term of six years, Vice John Q. Easton, term expired.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Barbara Stewart, of Illinois, to be Chief Executive Officer of the Corporation for National and Community Service, Vice Wendy M. Spencer, (reappointment).

IN THE AIR FORCE

The following named officer for appointment as the Judge Advocate General, United States Air Force and for appointment in the United States Air Force to the grade indicated while serving as the Judge Advocate General under Title 10, U.S.C., Sections 610 and 617.

To be lieutenant colonel

Ariane R. Morrison

To be major

Richard A. Banahan

To be major

Aleck A. Brown

John D. Bittner

To be colonel

Amy N. Prosansa

IN THE ARMY

The following named officer for appointment to the grade indicated in the United States Army Air Force under Title 10, U.S.C., Section 624:

To be captain

Sharif H. Calfee

To be captain

John A. Mills

The following named officer for appointment in the grade indicated in the United States Army Navy under Title 10, U.S.C., Section 624:

To be lieutenant commander

Nicholas H. Steging

To be lieutenant commander

Jonathan B. Dupree

FEDERAL DEPOSIT INSURANCE CORPORATION

Jelena McWilliams, of Ohio, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of six years, Vice Jeremiah O’Hara, (reappointment).

DEPARTMENT OF JUSTICE

Matthew D. Harris, of Utah, to be United States Marshal for the District of Utah for the term of four years, Vice James Alfred Thompson, term expired.

The following named officer for appointment in the grade indicated in the United States Marshal, for the Southern District of Iowa for the term of four years, Vice Michael Robert Bladel, term expired.

Joseph F. Kelly, of Nebraska, to be United States Attorney for the District of Nebraska for the term of four years, Vice Deborah K. Gil, (reappointment).

Joseph D. McClain, of Indiana, to be United States Marshal for the Southern District of Indiana for the term of four years, Vice Kirby Joseph, (reappointment).

Scott W. Murray, of New Hampshire, to be United States Marshal for the District of New Hamp-

IN THE NAVY

The following named officer for appointment in the grade indicated in the United States Navy to the grade indicated under Title 10, U.S.C., Section 624:

To be rear admiral (lower half)

Capt. Michael R. Boyer

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., Section 610.

To be vice admiral

Rear Adm. Lisa M. Franchetti

CONFIRMATIONS

Executive nominations confirmed by the Senate December 1, 2017:

In the Army

The following named officers for appointment in the United States Army to the grade indicated under Title 10, U.S.C., Section 624:

To be major general


The following named officer for appointment in the Reserve of the Air Force to the grade indicated under Title 10, U.S.C., Section 624:

To be major general

Brig. Gen. Joseph F. Schimmi

The following named officer for appointment in the United States Air Force to the grade indicated under Title 10, U.S.C., Section 624:

To be major general

Col. John M. Breazeale

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated under Title 10, U.S.C., Section 624:

To be rear admiral (lower half)

Capt. Michael R. Boyer

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., Section 610.

To be vice admiral

Rear Adm. Lisa M. Franchetti

IN THE AIR FORCE

The following named officer for appointment in the Reserve of the Air Force to the grade indicated under Title 10, U.S.C., Section 624:

To be major general


The following named officer for appointment in the United States Air Force to the grade indicated under Title 10, U.S.C., Section 624:

To be major general

Brig. Gen. Joseph F. Schimmi

The following named officer for appointment in the United States Air Force to the grade indicated under Title 10, U.S.C., Section 624:

To be major general

Col. John M. Breazeale

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated under Title 10, U.S.C., Section 624:

To be rear admiral (lower half)

Capt. Michael R. Boyer

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under Title 10, U.S.C., Section 610.

To be vice admiral

Rear Adm. Lisa M. Franchetti

IN THE AIR FORCE

The following named officer for appointment in the Reserve of the Air Force to the grade indicated under Title 10, U.S.C., Section 624:

To be major general


The following named officer for appointment in the United States Air Force to the grade indicated under Title 10, U.S.C., Section 624:
December 1, 2017

CONGRESSIONAL RECORD — SENATE

COL. JEFFREY T. PENNINGTON
COL. JOHN N. TREE
COL. AARON G. VANGELISTI
COL. WILLIAM W. WHITTENBERGER, JR.
COL. CHRISTOPHER F. YANCY

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

COL. JAMES P. ROWLETT
COL. MARK D. PIPER
COL. SUELLEN OVERTON
COL. MAURICE M. MCKINNEY
COL. JAMES C. MCEACHEN
COL. JEFFREY W. MAGRAM
COL. GREGORY W. LAIR
COL. CHARLES G. JEFFRIES
COL. EMMANUEL I. HALDOPOULOS
COL. TERESA S. EDWARDS
COL. MATTHEW D. DINMORE
COL. MONIQUE J. DESPAIN
COL. MICHAEL A. COOPER
COL. Michael J. Regan, Jr.

UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:
RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNITED STATES OFFICERS FOR APPOINTMENT IN THE

COL. CHRISTOPHER E. FINERTY
COL. STEVEN J. DEMILLIANO

UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:
RESERVE OF THE AIR FORCE TO THE GRADE INDICATED

COL. CHRISTOPHER F. YANCY
COL. WILLIAM W. WHITTENBERGER, JR.
COL. AARON G. VANGELISTI
COL. JOHN N. TREE
COL. JEFFREY T. PENNINGTON

December 1, 2017

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE

CONGRESSIONAL RECORD — SENATE

SERVE OF THE AIR FORCE TO THE GRADE INDICATED UNITED STATES OFFICER FOR APPOINTMENT IN THE RE-

COL. FRANK Y. YANG
COL. SHANNA M. WOYAK
COL. TERRY L. WILLIAMS
COL. DAVID W. WALTER
COL. CHRISTAN L. STEWART
COL. MICHAEL D. SPROUL

COL. MICHAEL J. REGAN, JR.
COL. MICHELE K. LAMONTAGNE

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12212:

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COL. WILLIAM W. WHITTENBERGER, JR.
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COL. JOHN N. TREE
COL. JEFFREY T. PENNINGTON

December 1, 2017

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COL. JOHN N. TREE
COL. JEFFREY T. PENNINGTON

December 1, 2017

THE FOLLOWING NAMED AIR NATIONAL GUARD OF THE
CONGRATULATIONS TO STEVE AND DONNA KRAUS ON 50 YEARS OF MARRIAGE

HON. ADAM B. SCHIFF
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. SCHIFF. Mr. Speaker, I rise to congratulate Steve and Donna Kraus on 50 years of marriage. Longtime Southern California residents, Steve and Donna have contributed immeasurably to their community.

Steve was a 21-year-old signalman aboard the USS Frank E Evans on June 2, 1969 when it collided with an Australian vessel off the coast of Vietnam. While Steve was able to escape, 74 sailors lost their lives. In the years since that terrible day, Steve and Donna have become leaders in the USS Frank E Evans Association, with Steve serving as Chairman and President and Donna as Treasurer. The Evans Association has organized the survivors of the disaster and their families, as well as the loved ones of those who lost. They have advocated that their sacrifice be fully and properly recognized, including through inclusion on the Vietnam Veterans Memorial. In working closely with the Evans Association to secure that long overdue recognition, I have been deeply impressed by Steve and Donna’s hard work and advocacy, and all they have done to keep the memories of Evans Sailors alive.

I thank Steve and Donna for their service. Happy anniversary, and I wish them many more years of happiness and health.

HONORING REGINALD F. LEWIS

HON. ELIJAH E. CUMMINGS
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. CUMMINGS. Mr. Speaker, deeply embedded in our character as Americans is the vision that ours should be a nation that offers opportunity to all of our people. Even as we continue to work toward making this shared aspiration a reality, we must also recognize that the pathways to a better life are far more difficult for far too many of our citizens.

This is why I addressed my colleagues on December 1. I rose on the floor of the House to celebrate a milestone in our nation’s financial history.

I spoke of an event 30 years ago when Reginald Francis Lewis tore down long-standing social and political stereotypes in our nation’s financial industry.

On November 30 and December 1 in 1987, Mr. Lewis negotiated the $985 million leveraged buyout of Beatrice International Foods—a transaction that was heard in financial circles around the world.

At the time, this was the largest offshore transaction in the country—a breakthrough moment orchestrated by a son of Baltimore, who became the first African-American, billion-dollar business tycoon.

The 30th anniversary of this step toward realizing our dream of universal economic opportunity deserves celebration both for all that it accomplished and as a reminder of the challenges that we have yet to overcome.

Mr. Lewis’ acquisition led to the founding of TLC Beatrice International Holdings, Inc., the first African-American owned enterprise to break through the billion-dollar mark when it today, Reginald passed $1.8 billion in sales during its first year.

That landmark, in turn, helped to change the landscape of American business forever, paving the way for more Americans of Color to succeed in the billion-dollar-business league.

This, however, is only the most apparent reason that I rose in the House to celebrate that moment.

Equally important, I reminded my colleagues that Mr. Lewis’ character as a human being of African heritage is more representative of our character and ambitions than the negative stereotypes that continue to present barriers to success in our country.

Reginald Lewis was not an overnight success, as many of his peers and family would point out.

Even as a young person growing up in Baltimore, Mr. Lewis developed a strong work ethic and showed great ambition. His passion to succeed carried him from Baltimore to Virginia State University and Harvard Law School. Although he “mastered the art of the deal,” he did so with integrity and tenacity.

This was the man I was fortunate to call my friend, and his untimely death in 1993 left a void in our nation’s financial industry that is palpable today.

Because of his success in business, the doors to economic opportunity have opened somewhat for other young Americans of color, who now are inspired to dream as big as Reginald F. Lewis dreamed—and to “keep on going, no matter what”—until they achieve their own visions for themselves and their communities.

Today, Reginald’s name will forever be remembered in our hometown of Baltimore through the Reginald F. Lewis Museum of Maryland African American History and Culture, and highlights of his life are also permanently displayed at the Smithsonian National African American Museum of History and Culture.

Before Mr. Lewis died, he gave back to the institution that gave him the tools he needed to change Wall Street: as a testament to his generosity, The Reginald F. Lewis International Law Center stands at Harvard Law School.

To carry on his spirit of philanthropy and his belief that a good education is key to one’s success, the Lewis family has continued to “give back” to our society.

They created the Reginald F. Lewis Foundation, and partnered with others to create the Reginald F. Lewis High School of Business & Law in Baltimore, the Reginald F. Lewis College of Business at Virginia State University, and The Lewis College in Sorsogon City, Philippines, his widow’s hometown.

In loving memory of their father, his daughters continue to make lasting contributions to American society.

For example, Leslie Lewis was recently recognized for her moving one-woman show called “Miracle In Rwanda,” based on a true story of surviving violence, overcoming odds and the power of forgiveness. Christina Lewis-Halpern founded All Star Code, a not-for-profit organization that seeks to equip young men of color with the tools they need to become a new generation of entrepreneurs, who will create even broader economic opportunity for us all.

By breaking a barrier in American business, Reginald Lewis also affirmed our core values of diversity, equality, and the liberty to pursue happiness—values that transcend color and race, nationality and gender.

As Americans, we all have good reason to recognize the milestones and successes of our sons and daughters. They will continue to protect us as a nation and celebrate us as a great people.

HONORING LISA SWEENEY

HON. DANIEL M. DONOVAN, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. DONOVAN. Mr. Speaker, I rise today to recognize the remarkable and honorable actions of Staten Island’s Lisa Sweeney.

As a letter carrier for the U.S. Postal Service for 30 years, Lisa Sweeney is devoted to doing her job well. For the past thirteen years on the job, she has been delivering mail on the same route in the Westerleigh section of Staten Island. She does not simply deliver mail, but makes an effort to know everyone on her mail route. Her selflessness was on full display on August 7, 2017, when Lisa’s compassion saved a life.

Marie Boyer, a senior citizen on Lisa Sweeney’s route, had fallen four days prior and was not able to get up on her own. Ms. Boyer did not have access to food or water and therefore, would not be able to survive without assistance. However, Lisa had focused on knowing the patterns and tendencies of each person along her mail route throughout her entire career. She was able to identify that there was a problem when old mail had collected in her mailbox and her trash cans were still on the street, leading her to contact the police. Her thoughtfulness was thankfully enough to save the life of Ms. Boyer, who would have died had it not been for Lisa’s actions.

Mr. Speaker, I would like to commend Lisa Sweeney not only for her actions on that day, but also for her long career of caring about her job and the people of Staten Island. This dedication makes a positive impact on their
lives, proven through the quick thinking that saved Marie Boyer’s life. She has truly proven to be a role model and the true essence of a model citizen.

CONGRATULATING THE LATINA LEADERSHIP INSTITUTE IN SAN ANTONIO, TEXAS

HON. LAMAR SMITH
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. SMITH of Texas. Mr. Speaker, I would like to congratulate the Latina Leadership Institute (LLI) in San Antonio, Texas, for the good work they are doing in San Antonio to train, educate, and encourage the next generation of Hispanic women who aspire to public office.

LLI’s mission is to increase the number and influence of Hispanic Women in elected and appointed office positions in the United States. This is a noble and worthwhile mission and I am proud that this organization is located in my hometown of San Antonio.

The LLI program is highly personalized to each woman’s individual goals and endeavors. Program participants are encouraged to get outside their comfort zones and build key leadership skills and experiences that will equip them for public office in the future. It is an excellent model for other cities around the country to emulate as they seek to elevate young women into political leadership roles.

The local governments of San Antonio and Texas, as well as the federal government, will benefit from the aspiring leaders being trained and encouraged by the Latina Leadership Institute.

NDAA SUPPORTS GOLD STAR WIDOWS

HON. JOE WILSON
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. WILSON of South Carolina. Mr. Speaker, as Chairman of the House Armed Services Readiness Subcommittee and a coleader for the FY2018 National Defense Authorization Act, I am grateful for the continued support of Gold Star Widows included in the FY2018 NDAA. The bill includes a permanent extension of the Special Survivor Indemnity Allowance under the Survivor Benefit Plan. The more than 60,000 Americans whose spouses died either on active duty or during retirement will continue to receive $310 per month plus a Cost of Living Allowance indefinitely. My predecessor, the late Chairman of the House Armed Services Committee, Floyd Spence, championed this kind of relief for our military families, and I have continued that fight because our military personnel risk their lives to defend our nation and they should be able to trust that the benefits they designate for their spouses and families will always be there.

PERSONAL EXPLANATION

HON. BETO O’ROURKE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. O’ROURKE of Texas. Mr. Speaker, I was unavoidably absent from the Chamber on Monday, November 13. Had I been present, I would have voted Yea on Roll Call votes 623, 624, and 625.

CELEBRATING 36 YEARS OF DISTINGUISHED SERVICE—KEITH S. PARKER

HON. TED LIEU
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. TED LIEU of California. Mr. Speaker, I rise to celebrate the retirement of Keith S. Parker—public servant; force education advocate; public servant, and community leader, after 36 years of service.

Keith began his career with the University of California, Los Angeles (UCLA) in 1981 and has held numerous positions since that time including Senior Consultant in the Staff Affirmative Action Officer, Staff Affirmative Action Officer, and Executive Officer in the Administrative Services division. He has held the position of Assistant Vice Chancellor, Government & Community Relations since 1998 and has devoted his career to advocating for important issues for UCLA. Keith is the true embodiment of a public servant.

During his impressive career that spans over three-and-a-half decades, he has worked on many important issues affecting students and faculty, including building relationships with community leaders, organizations, and elected officials at the local, state and federal government throughout the Greater Los Angeles area, integrating community service projects into advocacy activities, and UC systemwide Advocacy Days in Los Angeles and Washington, D.C.

Prior to his service with UCLA, Keith worked at the Minnesota Department of Education in the area of staff development and as an Instructor in the Afro-America Studies Department at the University of Minnesota. Keith has truly been a champion for UCLA and has devoted his life to helping others and the greater Los Angeles community.

UCLA has been extremely fortunate to benefit from his experience, leadership and kindness. I ask my colleagues to join me in celebrating Keith’s 36 years of distinguished service to the University of California, Los Angeles and wish him peace, happiness, and joy in his retirement.

PERSONAL EXPLANATION

HON. JOHN K. DELANEY
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. DELANEY of Maryland. Mr. Speaker, I am unable to cast my vote on Roll Call No. 646, No. 647, No. 648, and No. 649. Had I been present to vote on Roll Call No. 646, I would have voted AYE; had I been present to vote on Roll Call No. 647, I would have voted AYE; had I been present to vote on Roll Call No. 648, I would have voted NO; and had I been present to vote on Roll Call No. 649, I would have voted YEA.

BICENTENNIAL OF PERRY COUNTY, OHIO

HON. STEVE STIVERS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. STIVERS. Mr. Speaker, I rise today on behalf of the people of Ohio’s 15th Congressional District to recognize the bicentennial of Perry County, Ohio. Since German settlers first made their way to Southeastern Ohio from Pennsylvania, Perry County has exemplified many of our nation’s core values.

From its foundation, Perry County has preserved our proud tradition of military service, its first residents choosing to name the area for Oliver H. Perry, a hero of the War of 1812. Today, there are over 2,700 veterans living in Perry County, all of whom have made tremendous sacrifices to preserve our freedoms.

For the past 200 years, the overwhelming characteristic of the people of Perry County is the compassion they hold for one another and their determination to do what is right and just. In the 19th century, residents worked diligently in support of the Underground Railroad. Today, the people of Perry County refuse to have their communities destroyed by the opioid epidemic, and are uniting to support their neighbors and find paths to healthy, productive lives.

Much like the kindness of its citizens, the natural beauty of Perry County is unparalleled. From the picturesque landmark of Buckeye Lake, to the foothills of the Appalachian Mountains, there is a steep appreciation for the scenic landscape of the County, as described in Clement L. Martzolf’s poem, “The Beauty of Our Hills.”

There is beauty in these hills of ours for him with eyes to see; There is beauty smiling at us from the meadows broad and free; There is beauty in the woodlands; there is beauty long the brooks; There’s beauty in the violet light as it gleams through leafy nooks. And a beauty out of heaven over all the landscape rills.

When the sun shines down upon these Perry county hills.

Today, Perry County remains a beautiful place to work, live, and raise a family. I am grateful for the leadership of the County Commissioners, James O’Brien, Ben Carpenter, and Dave Freiks, and all of the neighbors and friends who have maintained Perry County’s beauty and history.

I am honored to represent this county, where community, faith, and freedom are celebrated not just in recognition of the 200th anniversary of its founding, but each and every day.
RECOGNIZING THE IMPACTFUL CAREER OF ED BONACH

HON. SUSAN W. BROOKS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mrs. BROOKS of Indiana. Mr. Speaker, I rise today in recognition of Ed Bonach’s retirement from an illustrious business career. Ed is a native of Minnesota who went to St. John’s College, an all-male Catholic college in Collegeville, Minnesota. Ed has had a 41-year career in life and health insurance, and most recently served as chief executive officer of CNO Financial in Carmel, Indiana. Ed joined CNO Financial Group as Chief Financial Officer in 2007 from National Life Group, where he served as executive vice president and chief financial officer.

Upon Ed’s arrival, CNO Financial found itself in a time of severe economic struggle. Following the recession, CNO stock had plummeted to under 30 cents a share. Today, CNO stock trades at more than $25 dollars a share. Additionally, in his time at CNO Financial, the company saw enhanced shareholder value, extended customer reach, and delivered strong financial and operational performance. Specifically, Ed oversaw 17 ratings upgrades as CEO/CFO, a total shareholder return of over 350 percent, increased gender and ethnic diversity to the board at CNO Financial, and the implementation of a common stock dividend in 2012, which resulted in five subsequent increases.

Ed’s professional accomplishments are second only to his positive influence on our community. After relocating to Carmel from Vermont, he immediately set out to find organizations to support along the way making connections with key community leaders to reassure them about the company’s future and make himself accessible. Specific achievements include helping launch the Boys Scout’s Growing Future Leaders capital campaign to fundraise for scouting and using the CNO Indy Monumental Marathon as a pipeline for short-term donations to the Boy Scouts’ Soles 4 Souls program for needy children. Ed also served as Board and Executive Committee Member for Greater Indianapolis Chamber of Commerce, Board Member and President of Boy Scouts of America—Crossroads of America Council, and a Board Member for Marion University to name a few.

CNO Financial prides itself on being a valued financial security partner of middle-income America—Crossroads of America Council, and a Board Member for Marion University to name a few.

CNO Financial prides itself on being a valued financial security partner of middle-income America, and Ed embodied that to the fullest. He understood that he didn’t just oversee an organization, he and the thousands of employees at CNO Financial provided clients and their families services and products that provide peace of mind. I want to extend my best wishes to Ed, his wife of 40 years, Peggy, his two children, and five grandchildren on this next step in their lives. On behalf of all Hoosiers, I thank Ed for his professional contributions as well as his exemplary service and leadership in our community.

PERSONAL EXPLANATION

HON. JOHN H. RUTHERFORD
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. RUTHERFORD. Mr. Speaker, I was unavoidably absent in the House chamber for Roll Call vote 642 on Thursday, November 30, 2017. Had I been present, I would have voted Yeas on Roll Call vote 642.

COMMEMORATING THE 90TH ANNIVERSARY OF THE METHODIST DALLAS MEDICAL CENTER

HON. EDDIE BERNICE JOHNSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to honor the Methodist Dallas Medical Center for its 90 years of service in the Dallas community. The medical services provided by the United Methodist Church in the greater North Texas region have played a major role as our community continues to grow.

In 1924, a group of Methodist ministers and civic leaders came together to bring quality healthcare to the city of Dallas. With the help of many donations from the Methodist Church, local congregations, and others, the Methodist Dallas Medical Center, a 100-bed facility, was opened in 1927.

The hospital persevered through the Great Depression and started to thrive in the middle of the century. The construction of new facilities, including a three-story student nurse’s residence provided classroom space for nursing education and community programs. Additionally, the hospital itself grew to include 420 beds, expanding to more than four times its original size.

In 1995, Methodist hospitals expanded to opening the Family Health Centers. Currently there are 24 centers located across north Texas including locations in Arlington, Cedar Hill, Grand Prairie, Mansfield, Midlothian, Richardson, Waxahachie, and Wylie.

The Methodist Dallas Medical Center is now the main teaching and referral center for the Methodist Health System and one of the leading teaching and referral hospitals in all of Texas. The Medical Center now features 585 beds and 250 physicians that specialize in more than 60 medical specialties. It has been recognized among the top performers on key quality measures by The Joint Commission because of its evidence-based clinical processes that have been shown to improve care for heart attack, heart failure, pneumonia, and strokes.

Its presence in the community is grounded in faith, and the hospital’s ties to the United Methodist Church is strengthened by the presence of Methodist ministers and church members on governing boards, and its commitment to pastoral education, 24-hour chaplain services, and health ministries at local churches. Additionally, its wide variety of outreach activities, including mobile health screenings and local clinics help bring its services even closer to the community. I want to recognize the Methodist Health System, specifically the
Methodist Dallas Medical Center, for its remarkable service to the Dallas community by improving the community’s member’s health and well-being.

RECOGNIZING THE LIFE OF FALLEN ARMY SPECIALIST (SPC) JAVIER ANTONIO VILLANUEVA

HON. TRENT KELLY
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. KELLY of Mississippi. Mr. Speaker, today I rise in memory of fallen Army Specialist (SPC) Javier Antonio Villanueva who gave his life while in service to our nation on November 24, 2005, during Operation Iraqi Freedom. SPC Villanueva died from injuries he sustained when an improvised explosive device detonated near his dismounted patrol during combat operations in Hit, Iraq. SPC Villanueva was assigned to the 2nd Squadron, 11th Armored Cavalry Regiment, Fort Irwin, California, while serving with the 155th Armored Brigade Combat Team from Mississippi.

According to the Associated Press, SPC Villanueva, a Waco, Texas native, graduated in 1998 from La Vega High School. He then attended Texas State Technical College for two years. In 2003, SPC Villanueva married his wife, Felicia Owens, in Temple, Texas. Later that year, he joined the U.S. Army. SPC Villanueva received advanced individual training as a 91W (healthcare specialist) at Fort Sam Houston in Texas. His first duty station was Fort Irwin, California. SPC Villanueva was assigned to Iraq in January 2005 as a combat medic.

Taliyah Villanueva, SPC Villanueva’s daughter, posted a tribute to her dad on a memorial website. “I love you with all my heart,” Taliyah said. “I wish you were here right now because I would get to see you every day of my life. Even when I am little, I still can see you, me and my mommy together as a family. We love you.” Felicia Villanueva, SPC Villanueva’s wife, also posted a tribute on the memorial website. “I can’t put into words the pain I feel,” Mrs. Villanueva said. “I hurt every day I look at your daughter’s face and I see you. I feel,” Mrs. Villanueva said. “I hurt every day I look at your daughter’s face and I see you. I feel.” Mrs. Villanueva said. “I hurt every day I look at your daughter’s face and I see you. I feel.”

Gus raised $17,000 from the state and the Chiles Foundation to create a Massachusetts pilot program that gave $10 in worth of produce coupons to WIC recipients to use at area farmers markets.

USDA UNDERSECRETARY OF AGRICULTURE

USDA undersecretary of agriculture for farm and foreign agricultural services from 1997 to 2001.

Gus found that the commodity Credit Corporation Charter Act of 1935 (CCC) stated purpose was the “promotion and marketing of American agricultural products,” not just large commodity crops. Gus told the USDA lawyers that he wanted to create a market nutrition program for seniors using the authority of the CCC. “They looked at me like I just jumped off the fifth floor,” he recalled. “They said, no, that’s not normal. I said, guys, it doesn’t say wheat, corn, and cotton. ‘Just write me a memo so I don’t get indicted’.”

In 2000, the program began with $10 million in funding, and is now funded at $22 million annually.

In 1997 he became U.S. Undersecretary for Foreign, Agricultural and Food Services in the Clinton Administration, and he wanted to try to install a program for low-income seniors at the federal level like the WIC Market Nutrition Program.

On his watch the state Agriculture Department launched “The Fresh Connection,” a newsletter and free service that listed the sources and seasonal availability of foods.

SENIOR ADVISOR—WORLD BANK

Schumacher directed World Bank teams involved in major agricultural and forest sector re-structuring of post-Communist Poland. Project funding of $650 million was disbursed under Poland Agricultural Sector Adjustment Loan ($300 million) and Forest Development Project ($150 million). He also led the World Bank’s $5 billion program, which enabled developing countries to start school meals programs. When the stakes were high for people in need, Gus didn’t take ‘no’—even repeatedly—for an answer. He kept pushing for new ways to get bureaucracies to aid people in need. Perhaps his most important legacy was pioneering ways to reduce hunger and child malnutrition systems and, at the same time, transcending the stale debate over whether we should focus on just one of those goals. After leaving government service, he could hear himself retire. Instead he taught his work to make fresh, healthy food affordable and available for everyone. As a person, he will be deeply missed. But his legacy has improved the world forever.”

WORLD BANK

Took a job in the mid-1960s as a food project manager and agriculture development officer for the World Bank.

He spent the next two decades concentrating on technical appraisals for agricultural-related loans in countries including China, Egypt, Kenya, Tanzania, and Uganda.

Developed livestock operations in Western Brazil, lent assistance to herders in Kenya and projects in the Asosovo Province of what was then Yugoslavia.

After more than five years as agriculture commissioner, he returned to the World Bank to help restructure the farm sector in Central Europe after the breakup of the Soviet Union.

COMMISSIONER OF FOOD AND AGRICULTURE FOR MASSACHUSETTS

Between 1972 and 1979, when Mr. Schumacher was agriculture chief for Massachusetts, he created market coupon programs for seniors and low-income families with children.

Also served as the Massachusetts commissioner of food and agriculture; he was appointed agriculture commissioner in Massachusetts by Governor Michael Dukakis.

In 1992, Sen. John Kerry and Rep. Chet Atkins, of Massachusetts, authorized the WIC Farmers Market Nutrition Program into the federal budget, and today it is a almost a $6 billion program that allows every WIC mother and child to get vouchers for fresh produce at farmers markets and supermarkets. Gus raised $17,000 from the state and the Chiles Foundation to create a Massachusetts pilot program that gave $10 in worth of produce coupons to WIC recipients to use at area farmers markets.

WHOLESAVE (WW)

Since 2008 he had served as founding board chairman of Wholesome Wave in Bridgeport, Conn., which seeks to increase access to affordable, locally grown fruits and vegetables. In 2012, Wholesome Wave funding jumped to $2.38 million for 306 markets and 54 partners in 24 states and D.C.—money WW uses to match the SNAP benefits that farmers markets would receive were they able to register themselves for EBT card use. Unlike EBT, which functions as a debit card, SNAP cannot be used at many farmers markets; most lack the equipment to process EBT purchases. Due to this, by 2004, SNAP spending at farmers markets had plummeted to $2 million annually, from $82 million in 1990. In order to accept electronic benefits, a retailer—whether it was a grocery store or a farmers market—needed authorization from the USDA’s Food and Nutrition Service (FNS), which authorization is hard for small businesses like farmers markets to receive. However, this authorization is required for its success in preventing EBT voucher fraud. WW circumvents this bureaucracy by using the aforementioned funds to create a match program for farmers markets similar to that used by the government through the SNAP program.
Mr. DUFFY. Mr. Speaker, I rise today to honor an incredible young man, Tha Ying Xiong of Weston, Wisconsin, and congratulate him on receiving this year's Paul Bunyan’s “larger than life” award. Tha Ying, with his trusty blue ox, Babe, was a larger-than-life figure in Wisconsin. And through his dedicated work in the Wausau region community, Tha Ying certainly exemplifies the term “larger than life.” Tha Ying serves his community as a member of the Help Making Our Next Generation (H.M.O.N.G.) Youth Program, a member of the ReUnited Dance Group, coordinator for the first Mr. Hmong Royalty competition, and has spent countless hours on behalf of the Hmong American Center fundraising and helping to fulfill the day-to-day operations that the organization needs. He is described as a leader among his peers, even by those who are much older than him. His selfless acts to improve the community around him serve as a true inspiration to us all and as a credit to the legacy of Paul Bunyan. Congratulations, Tha Ying.

RECOGNIZING JIM SACKETT FOR HIS SERVICE

HON. JOHN J. FASO
OF NEW YORK IN THE HOUSE OF REPRESENTATIVES

Friday, December 1, 2017

Mr. FASO. Mr. Speaker, it is with great respect and admiration that I rise today to recognize the illustrious career of James “Jim” Sackett on the occasion of his retirement. Jim is retiring this December after twenty years of dedicated service to Schoharie County as District Attorney.

Originally from Pennsylvania, Jim has resided in Schoharie, New York for over sixty years. From a young age, he exhibited a rare diligence and a community-driven spirit. While attending Schoharie Central School, Jim was an Eagle Scout and an active participant in the National Honor Society as well as in many athletic programs.

In 1984, he received his Bachelor of Arts Degree from Suffolk University. He then went on to obtain his Juris Doctor degree in 1987, and later clerked for Attorney Paul Callahan in Duanesburg, New York. In 1990, Jim was admitted to the New York State Bar, and established his own practice shortly thereafter. Jim’s legacy of hard work is a source of inspiration, instilling the values of determination, confidence, and civility in his community.

In 1997, Jim was elected Schoharie County District Attorney and has proudly served as the county’s Chief Law Enforcement Officer since. In this capacity, through his effective prosecuting, Jim has demonstrated his unwavering commitment to preserving the safety and security of Schoharie County. Jim is a man of uncommon judgement with a fierce loyalty to the integrity of our judicial system.
As District Attorney, Jim served as a respected leader of the Schoharie community, and I thank him for his commitment to the State of New York. I wish him, his wife Rhonda, and their two children, James and Anne, every happiness as they embark on this new chapter.

RECOGNIZING THE LIFE OF FALLEN U.S. NAVY ENGINEERMAN PETTY OFFICER FIRST CLASS (PO1) VINCENT E. PARKER, SR.

HON. TREAT KELLY OF MISSISSIPPI IN THE HOUSE OF REPRESENTATIVES Friday, December 1, 2017

Mr. KELLY of Mississippi. Mr. Speaker, today I rise in memory of fallen U.S. Navy Engineman Petty Officer First Class (PO1) Vincent E. Parker, Sr. who paid the ultimate sacrifice while defending our nation on November 18, 2001, during Operation Enduring Freedom. PO1 Parker drowned aboard Samra, an Iraqi freighter, which capsized in the Persian Gulf. Petty Officer Third Class (PO3) Benjamin Johnson also died. PO1 Parker was part of a security team from the USS Peterson (DDG 95). He was based at Norfolk Naval Station, Virginia.

United States Representative Charles W. “Chip” Pickering, Jr. submitted details of PO1 Parker’s service into the CONGRESSIONAL RECORD on Thursday, December 13, 2001. PO1 Parker, a native of Preston, Mississippi, joined the U.S. Navy in 1982 after graduating from Nanih Wiya High School in Louisville, Mississippi. In the document, Rep. Pickering described PO1 Parker as a devout member of the Assembly of God Church in Columbus, Mississippi, and he grew up in a loving, well-respected family with five siblings. PO1 Parker’s mission on the day he died was to enforce the United Nations sanctions imposed upon Iraq following the Gulf War. He boarded Samra, a ship believed to be smuggling oil for Saddam Hussein. Rep. Pickering commended PO1 Parker for his lifelong devotion as a son, husband, brother, father, and citizen. Rep. Pickering also said that while serving on board the USS Peterson, PO1 Parker was known not only for his naval leadership, but also for the example he set as a citizen and a man of God.

Stephnie Parker Ybara, PO1 Parker’s niece from Columbus, Mississippi, paid tribute to her uncle in a post on a memorial website. “Uncle Butch, you were loved by the whole family,” Stephnie wrote. “You were one of our family, our friend, our mentor. All the nieces and nephews adored you. I can’t tell you how much you are missed, but I can tell you I am extremely proud to have been your niece. Your ultimate sacrifice is only a small reflection of the type of person you were. I can’t wait to one day see you again, and again and again and recap on all the stories you have missed. I love you and miss you!” Another niece of PO1 Parker, Jessica Owen of Amory, posted a tribute on the same memorial website. “I am so proud of you,” Jessica wrote. “You are the bravest man I have ever known, and your courage has not only impacted upon your family. We are better people because we have loved, and have been loved by you. The sacrifice you made for the family and country you loved will never be forgotten. I carry your memory in my heart every day. Like Steph, I look forward to the day when I can talk to you again and to the day when we can look back at all you have missed and smile together.”

PO1 Parker is survived by his wife, Charlotte Parker; their two children, Vincent Parker and Rachel Parker; his sister Ruth Marie Parker; and his four brothers, Glenn Parker, Andy Parker, Steven Parker, and John Parker. PO1 Parker proudly served in the U.S. Navy for 19 years. His commitment to protect America will always be remembered.

RECOGNIZING THE SESQUICENTENNIAL ANNIVERSARY OF UPLAND, INDIANA

HON. SUSAN W. BROOKS OF INDIANA IN THE HOUSE OF REPRESENTATIVES Friday, December 1, 2017

Mrs. BROOKS of Indiana. Mr. Speaker, I rise today to commemorate the 150th anniversary of the incorporation of the town of Upland, Indiana. Upland has played an integral role in the industrial and educational development of Indiana and Hoosiers from every part of the state are thankful for the contributions of the men and women of Upland.

The town of Upland is celebrating 150 years, but the history of Upland dates back further. Settlers came to the area in 1828, clearing the land and trapping wild game for food and fur. In 1867, settler Jacob Buggher gave a right of way to the Central Railroad of Indiana in exchange for a promise that all passenger rail would stop in the soon-to-be-formed town. Central Railroad of Indiana agreed, the railroad was built, and Upland was officially incorporated.

In the years since it gained its name as the highest point on the Central Railroad of Indiana rail line, Upland has developed into a lively and thriving community, serving as a home for generations to families, businesses, professionals, churches, schools, and other organizations.

In 1887, the town saw a great influx in business due to the discovery of natural gas. Just a few years later, in 1893, Taylor University moved to Upland. The University was founded on the belief that education should be available to women as well as men, and Taylor University is now regularly ranked in the top three colleges in the Midwest by U.S. News & World Report. The arrival of Taylor University gave students across the country the opportunity to receive a first-class liberal arts education in a special town.

In recent years there has been an influx of business developments in Upland, which has been great for the economic growth of the town. The town of Upland has a unique balance between established favorites like Ivanhoe’s Drive-In, a drive-in restaurant established in 1965 famous for its ice cream and burgers, and attracting new businesses, like coffee shops and clothing stores.

Upland, Indiana exemplifies the best of small-town America. The citizens have a clear passion and love for their town, and are also proud of the town around the world. I am proud to represent such an amazing town, one with a history of growth and success as well as the promise of a prosperous future. Please join me in celebrating the sesquicentennial anniversary of the incorporation of the great town of Upland, Indiana.

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize Kevin Strickler from Belgrade for the Montana Congressional Veteran Commemoration for his service to his country and leadership in his community.

Mr. Strickler joined the United States Marine Corps in 1983 and served until 1986 when he was honorably discharged as a corporal. Those closest to Mr. Strickler describe him as “always a Marine,” professional in action, appearance, and bearing.

Mr. Strickler’s service extends beyond his military career. He is involved with several veteran, civic, and youth organizations. He is the Commander of the local Honor Guard and a member of the Gallatin Valley Memorial Day Parade Committee, where he instituted a program to honor Gold Star family members in the annual parade.

I ask my colleagues to join me today in commending Kevin Strickler for his dedication and service.

TRIBUTE TO SABARISH MOGALLAPALLI

HON. DAVID YOUNG OF IOWA IN THE HOUSE OF REPRESENTATIVES Friday, December 1, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Sabarish Mogallapalli. Sabarish and his fellow teammates created the winning app, City Recycle Day, as part of the 2017 Congressional App Challenge. Their team is comprised of students who attend Waukee High School and PrairieView Middle School in Waukee, Iowa.

The Congressional App Challenge encourages students to learn how to code through annual district-wide competitions hosted by Members of Congress from their home district. The team’s app is entitled “City Recycle Day”. It is designed to alert members of a community as to the date of their next trash/recycle pickup day. It also alerts users of special pickup day. It also alerts users of special pickup and delays.

Mr. Speaker, I am honored to recognize Sabarish and his teammates for creating the winning app, and I am proud to represent them in the United States Congress. I ask that my colleagues in the United States House of Representatives join me in congratulating Sabarish and his teammates on this outstanding accomplishment and in wishing them all nothing but continued success.
RECOGNIZING THE LIFE OF FALLEN MISSISSIPPI SOLDIER ARMY SERGEANT (SGT) GREGORY LEROY TULL

Mr. KELLY of Mississippi. Mr. Speaker, today in memory of Army Sergeant (SGT) Gregory Leroy Tull who paid the ultimate sacrifice while defending our nation on November 25, 2005, during Operation Iraqi Freedom. SGT Tull was killed when an improvised explosive device detonated near the armored Humvee he was riding in during combat operations in Anbar Province, Iraq. SGT Tull was the gunner on the Humvee. SGT Tull was assigned to the 1st Battalion, 194th Field Artillery, Iowa Army National Guard, Storm Lake, Iowa. At the time of his death, SGT Tull was temporarily assigned to the 2nd Battalion, 114th Field Artillery, Mississippi Army National Guard.

According to the Associated Press, SGT Tull enlisted in the Iowa Army National Guard in 2002 and graduated from Pocahontas Area High School the following year. He then attended South Dakota State University before volunteering for Operation Iraqi Freedom in November 2004.

Lieutenant Colonel (LTC) Gregory Q. Hapgood, a National Guard spokesman, said SGT Tull was proud of his service. “He was a very bright young man and he really was a go-to guy in his unit,” LTC Hapgood said. “He was a guy who didn’t shrink his duty. He wanted to be where it was happening.”

Jeff Tull, a high school friend of SGT Tull, paid tribute to him in a post on a memorial website. “I have been a personal witness to his good deeds for many years,” Jeff said. “He had tremendous character and strength and I don’t ever remember him getting into any sort of trouble whatsoever. I carry a picture of him in my wallet and will do so for the rest of my life, to be reminded of his bravery for inspiration. He is greatly missed, especially by his parents and brother who handled this hardship with tremendous dignity and class.”

Greg Tull, SGT Tull’s father, thanked more than 100 people who posted tributes to his son on a memorial website. “I want to thank everybody for their support and for having Greg as a friend,” Mr. Tull said. “I never knew how many lives Greg touched. He is a very special person and his mom and I miss him every day and every minute of every day. God bless you and pray for the rest of the soldiers killed in action or wounded or still over there fighting to keep us safe. God bless America.”

SGT Tull’s funeral was held at Faith Lutheran Church in Pocahontas, Iowa. It was attended by hundreds of people including family, friends, and fellow soldiers. Law enforcement officers from each of the Pocahontas County law enforcement agencies stood watch outside of the church in front of the church, south of Humboldt.

SGT Tull is survived by his parents, Gary and Eileen Tull; his brother, Bryan Tull; his grandparents, Bill and Janet Velau and Erland and Phyllis Nelson.

SGT Tull was awarded the Bronze Star, the Purple Heart, the Army Good Conduct Medal, the Combat Action Badge, and the Mississippi Medal of Valor.

SGT Tull demonstrated courage and bravery while proudly serving our nation. His sacrifice will always be remembered.

RECOGNIZING KYLE SUKBHIR FOR THE MONTANA CONGRESSIONAL VETERAN COMMENDATION

Mr. GIANFORTE, Mr. Speaker, I rise today to recognize Kyle Sukbhir of Livingston for his service to his country and leadership in his community.

Mr. Sukbhir joined the United States Army in 2008 and served during Operation Enduring Freedom in Afghanistan. He was injured during combat in June 2009 and was later awarded the Army Commendation Medal with Valor. After his retirement in 2012, Mr. Sukbhir’s continued to serve veterans and others in his community.

Mr. Sukbhir owns a gunsmith business in Livingston. He donates customized firearms to the Montana Wounded Warriors program and to other service organizations. Mr. Sukbhir also volunteers to take veterans on hunting trips to enjoy Montana’s great outdoors.

I ask my colleagues to join me today in commending Kyle Sukbhir for his dedication and service.

GOP TAX SCAM

Ms. JACKSON LEE of Texas. Mr. Speaker, it is not enough to subject the GOP tax plan to the test of fiscal responsibility.

To keep faith with the nation’s past, to be fair to the nation’s present, and to safeguard the nation’s future, the plan must also pass a moral test.

This tax plan fails both the fiscal responsibility test and the moral responsibility test.

This tax cut package is a return to trickle-down economics.

This tax bill is a thoughtless and immoral GOP tax scam that will explode our nation’s deficit and hurt poor, working, and middle class families.

It will explode the deficit by $2.2 trillion over 10 years.

The non-partisan Congressional Budget Office has concluded that the Senate bill would, on average, raise taxes or reduce federal expenditures for households with incomes below $75,000 by about $60 billion.

This tax cut bill is a repudiation of the social contract that F.D.R. announced in the New Deal.

The overwhelming portion of the bill is a lowering of the estate tax rate, from the current 35 percent down to 20 percent.

In my home state of Texas, more than 1.7 million households earning less than $127,000 would see a tax hike.

The proposed elimination of the personal exemption will harm millions of Texans by taking away the $4,050 deduction for each taxpayer and claimed dependent; in 2015, roughly 9.3 million dependent exemptions were claimed in the Lone Star State.

This tax bill, by taking away the student loan interest and educator expense deductions, more than 876,000 Texas students will lose an average credit of $1,063, while nearly 354,000 Texas teachers who buy notebooks and erasers for their classrooms will lose an average credit of $261.

The Republicans in Congress ASSUME that corporations will pass down savings to consumers.

But this never works. Corporations simply stash their money in tax havens.

According to the Bureau of Labor Statistics, the last time the GOP cut taxes for corporations, they spent as much as 90 percent of their windfall buying back shares, giving dividends to shareholders, stock options and executives.

This “tax bill” would lift a 1954 ban on political activism by churches, further blurring the line between church and state.

The House and Senate bills would circumscribe the ability of states and local governments to levy own taxes, which would force states to cut spending on health, care education, public transportation and social services.

The full 10-year plan for the bill reveals how bad it is: by 2027, individuals making between $40,000 and $50,000 would pay a combined $5.3 Billion more in taxes, while those earning more than $1 billion or more would get a $5.8 billion cut.

To quote the former Chief of Staff of the congressional Joint Committee on Taxation: “[This tax bill] is not aimed at growth. It is not aimed at the middle class.”

According to the New York Times, in a recent survey of from the University of Chicago, only one of 38 prominent economists said the proposed tax cuts would yield substantial growth.

The proposed tax cuts would add to the long term federal debt burden.

This bill would also alter healthcare in America.

Health Coverage would shrink in the United States, while wealthy estates would not pay at all.

The Senate version of the tax bill would cause 13 million people to lose health care and insurance premiums overall could rise by up to 10 percent.

This would result in savings of about $53 billion, which the GOP will use to fund corporate tax cuts.

America will not be made great by financing a $1.7 trillion tax cut for the rich by stealing $1.8 trillion from Medicare and Medicaid, abandoning seniors and families in need, denying students of realizing a dream to attend college without drowning in debt, or disinvesting in the working families.

This bill is opposed by colleges and universities, too.

The tax cut proposal would end the deductibility of tuition waivers for graduate students, repealing the deduction for interest paid on student loans and taxing university endowments.
According to the Brookings Institution, the endowment tax in particular, threatens the ability of low-income students to pursue college and graduate studies.

This is because endowments subsidize students from lower-income families, while allowing students across the board to graduate with less debt.

This bill is beyond sinister: the GOP tax bill is written so that in just 10 years, certain tax cuts (benefitting the wealthy) would remain permanent and paid for with other permanent measures that raise revenues or reduce program spending, while let ting lower priority tax cuts (typically benefiting lower-income folks) expire.

That is why Americans reject this Republican tax give-away by an overwhelming 2:1 margin according to a poll released yesterday by Quinnipiac.

Specifically, 61 percent think the Republican tax scam will benefit the wealthy the most; only 16 percent say the plan will reduce their taxes.

59 percent think it a very bad idea to eliminate the deduction for state and local income taxes.

Nearly half of respondents (49 percent) think it a bad idea to lower the corporate tax rate from 35 percent to 20 percent.

In fact, the average annual tax cut for the top one percent is $320,000; for the top one percent it is $62,000, and for those earning $1 million a year it is $68,000.

Nearly 25 percent of the tax cut goes to households in just the top one-tenth of one percent, who make at least $5 million a year (2027).

While super-wealthy corporations and individuals are reaping windfalls, millions of middle-class and working families will see their taxes go up:

13 million households face a tax increase next year.

45 million households face a tax increase in 2027.

29 million households (21 percent) earning less than $100,000 a year see a tax increase.

On average, families earning up to $86,000 annually will see a $794 increase in their tax liability, a significant burden on families struggling to afford child care and balance their checkbook.

It is shocking, but not surprising, that under this Republican tax scam, the total value of tax cuts for just the top one percent is more than the entire tax cut for the lower 95 percent of earners.

Put another way, those earning more than $912,000 a year will get more in tax cuts than 180 million households combined.

Mr. Speaker, an estimated 2.8 million Texas households deduct state and local taxes with an average deduction of $7,823 in 2015.

But this is not the end of the bad news that will be delivered were this tax scam to become law, not by a long shot.

Equally terrible is that this Republican tax scam drastically reduces the Earned Income Tax Credit, which encourages work for 2.7 million low-income individuals in Texas, helping them make ends meet with an average credit of $2,689.

The EITC and the Child Tax Credit lift about 1.2 million Texans, including 663,000 children, out of poverty each year.

So to achieve their goal of giving more and more to the haves and the “have mores,” our Republican friends are willing to betray seniors, children, the most vulnerable and needy, and working and middle-class families.

The $5.4 trillion cuts in program investments that will be required to pay for this tax give-away to wealthy corporations and individuals will fall most heavily on low-income families, students struggling to afford college, seniors, and persons with disabilities.

RECOGNIZING LOICE TROTTER FOR THE MONTANA CONGRESSIONAL VETERAN COMMEMORATION

HON. GREG GIANFORTE
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. GIANFORTE. Mr. Speaker, I rise today to recognize Loice “LA” Trotter of Libby for the Montana Congressional Veteran Commendation for his service to his country and leadership in his community.

Mr. Trotter joined the United States Army Air Corps at the outbreak of World War II. He was captured by the Japanese during their invasion of the Philippine Islands. During his 40-month captivity, Mr. Trotter endured extreme malnutrition and abuse and witnessed many atrocities. He was repatriated in 1945, shortly before the Japanese formally surrendered.

Stateside, Mr. Trotter continued his service as a member of the VFW, a volunteer for the Meals on Wheels program, and a builder helping to construct a church. At 99 years old, he remains extremely proud of his country.

I ask my colleagues to join me today in commending LA Trotter for his dedication and service.

TRIBUTE TO SANKALP YAMSANI

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize Sankalp Yamsani. Sankalp and his fellow teammates created the winning app, City Recycle Day, as part of the 2017 Congressional App Challenge. Their team is combined of students from lower-income families, while allowing students across the board to graduate with less debt.

Mr. Speaker, I am honored to recognize Sankalp and his teammates for creating the winning app, and I am proud to represent them in the United States Congress. I ask that my colleagues in the United States House of Representatives join me in congratulating Sankalp and his teammates on this outstanding accomplishment and in wishing them all nothing but continued success.

RECOGNIZING RICHARD GALE FOR THE MONTANA CONGRESSIONAL VETERAN COMMEMORATION

HON. GREG GIANFORTE
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. GIANFORTE. Mr. Speaker, I rise today to recognize Richard Gale of Bozeman for his service to his country and leadership in his community.

Mr. Gale served with honor during the Vietnam War as a United States Marine. His service to the nation continued following his military career.
Richard Gale is a pillar of the Bozeman community. He was awarded the President’s Lifetime Achievement Award in 2015 for his strong commitment to volunteerism.

Mr. Gale is an active member of the Bozeman American Legion, Vietnam Veterans of America, and eight other organizations. His civic service includes positions on the Bozeman Police Commission and the Gallatin County 9–1–1 Advisory Committee. The Bozeman Elks honored him as the 2017 Veteran of the Year.

I ask my colleagues to join me in commending Richard Gale for his dedication and service.

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PERSONAL EXPLANATION

HON. DOUG COLLINS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. COLLINS of Georgia. Mr. Speaker, on November 30, 2017, I was not present for votes because I was unavoidably detained due to a death in the family. Had I been present, I would have voted: Nay on Roll Call No. 642; Yea on Roll Call No. 643, passage of H.R. 3905, Minnesota’s Economic Rights in Superior National Forest Act; Yea on Roll Call No. 644; Yea on Roll Call No. 645; Nay on Roll Call No. 646; Nay on Roll Call No. 647; Yea on Roll Call No. 648; and Yea on Roll Call No. 649.

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TRIBUTE TO SRIYA MAGATAPALLI

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Shriya Magatapalli. Shriya and her fellow teammates created the winning app, City Recycle Day, as part of the 2017 Congressional App Challenge. Their team is combined of students who attend Waukee High School and Prairie View Middle School in Waukee, Iowa.

The Congressional App Challenge encourages students to learn how to code through annual district-wide competitions hosted by Members of Congress from their home district. The team’s app is entitled “City Recycle Day.” It is designed to alert members of a community as to the date of their next trash/recycle pickup day. It also alerts users of special pickups and delays.

Mr. Speaker, I am honored to recognize Shriya and her teammates for creating the winning app, and I am proud to represent them in the United States Congress. I ask that my colleagues in the United States House of Representatives join me in congratulating Shriya and her teammates on this outstanding accomplishment and in wishing them all nothing but continued success.

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RECOGNIZING FRANK STOLTZ FOR THE MONTANA CONGRESSIONAL VETERAN COMMENDATION

HON. GREG GIANFORTE
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. GIANFORTE of Montana. Mr. Speaker, I rise today to recognize Frank Stoltz of Miles City for the Montana Congressional Veteran Commendation for his service to his country and leadership in his community.

Mr. Stoltz joined the United States Army Air Corps in 1943 and fought overseas during World War II. He was awarded numerous medals including the Purple Heart and the Prisoner of War Medal. His service to his community, however, did not stop after his discharge in 1945.

Upon his return to Miles City, Mr. Stoltz started his own auto body repair shop and became active in supporting Montana communities through local and statewide business organizations. He also participated in the VFW and ExPOW organizations.

I ask my colleagues to join me today in commending Frank Stoltz for his dedication and service.

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BROWNFIELDS ENHANCEMENT, ECONOMIC REDEVELOPMENT, AND REAUTHORIZATION ACT OF 2017

SPEECH OF
HON. PETER A. DeFazio
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 30, 2017

Mr. DeFazio. Mr. Speaker, I include in the Record the following letter:

THE UNITED STATES CONFERENCE OF MAYORS, NATIONAL ASSOCIATION OF COUNTIES, NATIONAL LEAGUE OF CITIES, AND NATIONAL ASSOCIATION OF REGIONAL COUNCILS,

HON. GREG WALDEN,
Chairman, Energy and Commerce Committee, House of Representatives, Washington, DC.
HON. FRANK J. PALLONE, JR.,
Ranking Member, Energy and Commerce Committee, House of Representatives, Washington, DC.
HON. BILL SHUSTER,
Chairman, Transportation and Infrastructure Committee, House of Representatives, Washington, DC.
HON. PETE spite,
Ranking Member, Transportation and Infrastructure Committee, House of Representatives, Washington, DC.

DEAR CHAIRMAN WALDEN, RANKING MEMBER PALLONE, CHAIRMAN SHUSTER AND RANKING MEMBER DEFAZIO: On behalf of the nation’s mayors, cities, counties and regions, we strongly encourage you to reauthorize and improve the U.S. Environmental Protection Agency (EPA) Brownfields program, which is key for both economic development and job creation in local communities across the country.

Since its creation, the EPA Brownfields program has provided crucial assistance to local governments for reclaiming hazardous, polluted, and underutilized properties. To date, there have been over 26,000 brownfields assessments and 1,200 brownfields cleanup nationally, which has led to over 123,000 jobs. Each of the $22 billion federal dollars that has been invested since the program was established in 2002 has leveraged approximately $16 in other investments, close to $400 billion in total.

While many communities have benefited from brownfields recovery efforts under this program, the U.S. Government Accountability Office estimates there are between 400,000 and 600,000 remaining brownfields sites throughout the United States. To build upon these past successes and assist in the cleanup, reuse and redevelopment of remaining sites, some key improvements to the program are:

- **INCREASE OR MAINTAIN AUTHORIZATION AMOUNTS**

While we understand the fiscal challenges and constraints faced by the U.S. Congress, the Brownfields program has a proven track record of leveraging additional investments, creating new jobs, and redeveloping new properties, while creating additional tax revenues.

At current appropriation levels, EPA has had to turn away many highly qualified applicants due to a lack of funding. EPA estimates that for the past 5 years, over 400 requests for viable projects were not awarded money because of limited funding. EPA estimates that if they were able to provide funding for those turned away, additional 50,000 jobs would have been created along with $12 billion of leveraged funding.

Additionally, President Trump has made reinvesting in America and putting people back to work as key priorities for his administration. In order to make this happen and to do so quickly, Congress should utilize existing programs, and we believe that the Brownfields program would be a strong candidate for any type of reinvestment initiative. That is why we urge Congress to increase or at least maintain the current authorization levels for EPA’s brownfields program.

**INCREASE OVERALL GRANT FUNDING TO ALLOW COMMUNITIES TO CLEANUP MORE DIFFICULT SITES**

Although many brownfield sites have been redeveloped, what remains are brownfield sites that are more difficult to redevelop due to their level of contamination or marketplace conditions. Communities would like the EPA program to be expanded to address the cleanup challenges at these more complex sites.

We suggest the following:

- **Increase Cleanup Grant Amounts—** Congress should recognize the complexity of the cleanup process for larger or more complicated sites by increasing the funding limit for cleanup of a single site to $1 million. Under special circumstances, EPA could waive the limit, up to $2 million per site.
- **Establish Multi-Brownfields Grants—** Congress should allow local governments to have the option to apply for multi-purpose grants that can be used for the full range of brownfields-funded activities (assessment, cleanup, reuse planning, etc.) on a community-wide basis. Applicants should be required to demonstrate a plan and the capacity for using this multi-purpose funding within a set timeline in order to qualify for such funding.
- **Allow Funding for Reasonable Administrative Costs for Local Brownfields Programs—** Congress should allow brownfields grant recipients to use a small portion (10 percent) of their grant to cover reasonable administration costs such as rent, utilities and other costs necessary to carry out a brownfields project.
BROWNFIELDS LIABILITY CONCERNS ARE A DISINCENTIVE FOR LOCAL GOVERNMENTS

Local governments face enormous challenges in brownfields redevelopment. One of the most significant challenges is the potential liability for cleaning up brownfields, which creates a disincentive to acquire contaminated property. We encourage Congress to revise the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) to encourage and protect local communities who choose to take ownership of blighted properties for the purpose of brownfields redevelopment where the local government had no role in creating the contamination. These changes should include:

Clarify Eligibility of Publicly-Owned Sites

Before 2002—Congress should allow local governments to be eligible for grant funding for properties that were acquired prior to the January 11, 2002 enactment of the Brownfields Revitalization Act—when there was no required standard for “all appropriate inquiries”—provided that the applicant did not cause or contribute to the contamination and performed “appropriate care.” For these sites, applicants would not have to demonstrate that they performed all appropriate inquiry.

Remove Barriers to Local and State Governments

Congress should exempt local and state governments from CERCLA liability if the government unit (a) owns a brownfields property as defined in section 101(39); (b) did not cause or contribute to contamination on the property; and (c) exercises due care with regard to any known contamination at the site. We suggest replacing language from section 101(10)(D) that clarifies that properties acquired through eminent domain qualify for the CERCLA exemption for local governments involved in “Involuntary Acquisition of Property.” Alternatively, we would suggest language that establishes a simplified and clear exemption from CERCLA liability for local governments that acquire brownfields sites.

Eliminate Eligibility Barriers for Petroleum Brownfields Sites

Grantees that seek to use assessment, cleanup or multi-purpose grants on sites with petroleum contamination should not be required to make the difficult demonstrations that the site is “low risk” and that there is “no viable responsible party” connected with the site. We recommend replacing the “No Viable Responsible Party” language in section 101(39)(D) with a prohibition on using funds to pay for cleanup costs at a brownfields site for which the recipient of the grant is potentially liable under the petroleum statutes. This would parallel the language for non-petroleum brownfields sites.

RECOGNIZING COMMANDER BRIAN “BEEF” DRECHSLER

HON. DUNCAN HUNTER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. HUNTER. Mr. Speaker, I rise, along with my colleague Representative SCOTT PETERS, to recognize Commander Brian “BeeF” M. Drechsler as a recipient of the 2017 Vice Admiral James Bond Stockdale Leadership Award. Established in honor of Vice Admiral Stockdale, this award symbolizes the highest standard of excellence in both personal conduct and leadership. According to VADM Stockdale, there are five roles of a leader—moralist, jurist, teacher, steward, and philosopher. CMDR Drechsler embodies these standards.

Hailing from Pittsburgh, PA, CMDR Drechsler is a 1998 United States Naval Academy graduate and was selected to become a SEAL. At the Academy, he played football and was eventually elected to both the Naval Academy Hall of Fame and the Navy Marine Corps Stadium 50th Anniversary Team. He went on to further his education and earned a Master’s degree in Organizational Management from The George Washington University. After graduation from Basic Underwater Demolition/SEAL (BUD/S) training, and an assignment to SEAL Team FIVE, Beef completed three tours of duty—combat tours in Iraq and Afghanistan, deployments to PACOM, and was an integral member in the creation of the U.S. Central Command Crisis Response Element. He went on to serve as the Aide to the Commander, Naval Special Warfare Command, and as Troop Commander and Squadron Operations Officer at Naval Special Warfare Development Group. Subsequently, he served in the U.S. Special Operations Command Officer of Legislative Affairs, then as Operations and Executive Officer of SEAL Team ONE. Next, he become the Director of Operations and Plans (N3/5) for Naval Special Warfare Group ONE and then command of SEAL Team FIVE until 2017. Currently, he serves as a special assistant to the Commander, Naval Special Warfare Command.

Nominated in recognition of “his high standards, strong example, selfless service and personal commitment to his command members and their families,” CMDR Drechsler truly exemplifies all that is encompassed in a leader. Mr. Speaker, on behalf of the United States Congress, we are proud to celebrate the accomplishments of CMDR Drechsler and wish him continued success in his future endeavors.

RECOGNIZING STANLEY WATSON FOR THE MONTANA CONGRESSIONAL VETERAN COMMENDATION

HON. GREG GIANFORTE
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. GIANFORTE. Mr. Speaker, I rise today to recognize Stanley Watson of Forsyth for the Montana Congressional Veteran Commendation for his service to his country and leadership in his community.

Mr. Watson enlisted in the United States Marine Corps following his high school graduation in 1966. He became a sergeant and served on many important battlefronts during the Vietnam War. He was honorably discharged in 1968.

Following his military career, Mr. Watson joined Veterans of Foreign Wars Post 1849, later serving other veterans as the post commander. He is a member of the Honor Guard and is a strong advocate for the organization, encouraging other veterans to become involved.

I ask my colleagues to join me today in commending Stanley Watson for his dedication and service.

TRIBUTE TO OWEN SCOTT

HON. DAVID YOUNG
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Owen Scott. Owen and his fellow teammates created the winning app, City Recycle Day, as part of the 2017 Congressional App Challenge. Their team is combined of students who attend Waukee High School and Prairie View Middle School in Waukee, Iowa.

The Congressional App Challenge encourages students to learn how to code through annual district-wide competitions hosted by Members of Congress from their home district. The team’s app is entitled “City Recycle Day.” It is designed to alert members of a community as to the date of their next trash/recycle pickup day. It also alerts users of special pickups and delays.

Mr. Speaker, I am honored to recognize Owen and his teammates for creating the winning app, and I am proud to represent them in the United States Congress. I ask that my colleagues in the United States House of Representatives join me in congratulating Owen and his teammates on this outstanding accomplishment and in wishing them all nothing but continued success.

RECOGNIZING THE LIFE AND SERVICE OF MAJOR CAESAR CIVITELLA

HON. CHARLIE CRIST
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. CRIST. Mr. Speaker, I rise today to pay tribute to the life and service of Major Caesar Civitella of St. Petersburg, Florida.

With his passing on October 25, 2017, America lost a man who was emblematic of what it means to be a true patriot. Both in defense of his homeland, and when called to protect the homes of our allies, Major Civitella was always ready to answer the call to serve. His heroic combat achievements on battlefields across the globe, coupled with his many contributions to our intelligence services, leave a legacy that Florida’s 13th Congressional District is proud to uphold.
After joining the United States Army in February of 1943, Major Civitella was quickly selected to serve the Office of Strategic Services. He and his group members were then inserted into Northern Africa to support the Allied invasion of France. After capturing nearly 4,000 enemies in France, Major Civitella's team was deployed to Italy and participated in 21 air operations as “Bundle Kickers,” dropping leaflets over civilian populations. By 1945, the Army deployed Major Civitella to the Swiss Alps, and tasked him with reporting German activity, in an effort to capture Benito Mussolini.

In 1946, Major Civitella was discharged from the Army, but quickly reenlisted as a Counter-intelligence non-commissioned officer in 1947. By 1952, the Army recruited then 2nd Lieutenant Caesar Civitella into the newly-created Special Forces division. There, he pioneered the creation of training aids, doctrine, and lesson plans for the United States Army Psychological Warfare Center, and was one of the original instructors of air operations and guerrilla warfare. After assignments with both the 77th Special Forces Group and the 10th Special Forces Group, Major Civitella returned to the Special Warfare Center and was assigned to work in the Combat Development Office. Beginning in 1961, Major Civitella served three tours in Vietnam, working on enhanced insertion and extraction systems like Scuba, Halo, and the Fulton ‘Skyhook.’

A day after retiring from the Army on August 31, 1964, Major Civitella joined the ranks of the Central Intelligence Agency. He worked there until August 31, 1983, fulfilling the roles of Senior Province Officer in Vietnam, Plan’s Branch liaison to the Pentagon, and the Interagency Representative to the United States Readiness Command. In addition, Major Civitella coordinated intelligence, training, and interagency operations for the Rapid Deployment Joint Task Force at MacDill Airforce Base in Tampa.

Because of his service and expertise in unconventional warfare, Major Civitella received numerous accolades throughout his life including the United States Bronze Star Medal, the Intelligence Medal of Merit, the Bull Simmons Award of Special Operations Forces Achievements, and the prestigious French Legion of Honor, the highest decoration offered by the French government, and an award typically reserved for French nationals.

Mr. Speaker, please join me once again in commemorating Major Caesar Civitella’s life; thanking him for his many contributions to the Armed Forces and intelligence community. He leaves behind a bold legacy of true and selfless patriotism that helped make our country a beacon of light in a dangerous world.

RECOGNIZING THE LIFE OF FALL-EN MISSISSIPPI MARINE FIRST LIEUTENANT (1ST LT.) WILLIAM JAMES DONNELLY; IV

HON. TRENT KELLY
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. KELLY of Mississippi. Mr. Speaker, today I rise in memory of fallen Mississippi Marine First Lieutenant (1st Lt.) William James Donnelly, IV who gave his life while in service to our nation on November 25, 2010, during Operation Enduring Freedom. 1st Lt. Donnelly was killed while conducting combat operations in Helmand Province, Afghanistan. This was 1st Lt. Donnelly’s first combat deployment. 1st Lt. Donnelly was assigned to 3rd Battalion, 5th Marine Division, 1st Marine Expeditionary Force, Camp Pendleton, California.

According to the Associated Press, 1st Lt. Donnelly, of Picayune, Mississippi, always wanted to join the Corps. He enlisted in the United States Marine Corps Reserve in June 2003 and served as a Assault Amphibious Vehicle (SSV) crewmember in the 4th Assault Amphibian Battalion, 4th Marine Division, Gulfport, Mississippi. He transferred to the U.S. Navy Reserve as a Midshipman to attend the officer training program at the United States Merchant Marine Academy in King’s Point, New York where he served as a Midshipman Regimental Commander. 1st Lt. Donnelly was commissioned as a 2nd Lt in the United States Marine Corps after graduating in June 2008 with a Bachelor of Science degree in Marine Engineering. After TBS, he was designated an infantry officer in October 2009 and served as a rifle platoon commander assigned to the 3rd Battalion, 5th Marines, 1st Marine Expeditionary Unit, 1st Marine Expeditionary Force, Kilo Company, 2nd Platoon, Camp Pendleton, California. 1st Lt. Donnelly married his wife, Linsey, on September 11, 2010. He deployed to Helmand Province, Afghanistan 15 days later.

1st Lt. Donnelly’s family learned of his death on Thanksgiving Day 2010. Melissa Donnelly-Weed, 1st Lt. Donnelly’s sister, posted on her Facebook page that day, “Always be thankful for family.” Melissa said, “I will always be thankful and grateful I had a wonderful brother. He gave his life today for his country doing what he loved—being a Marine. I will miss him forever. I love you, Will!” William J. Donnelly, III, 1st Lt. Donnelly’s father, said his son would not have any regrets even though the loss is hard to lose a hero and on behalf of the city, Picayune Mayor Ed Pinero said it is always never forgotten.

A funeral service was held Tuesday, December 7, 2010, at St. Mary’s Catholic Church in Picayune at 10 a.m. The service concluded with a 21-guns salute. The Donnelly family is asking for donations to the Marine Corps Foundation to replace the new boots that were placed on the casket of their son and for the benefit of his fellow Marines.

1st Lt. Donnelly is survived by his parents, William Donnelly, III and Vicki Donnelly; his two sisters, Lieutenant Junior Grade (LTJG) Melissa Donnelly-Weed and Rebecca Donnelly; his wife, Linsey Becker-Donnelly; and his nephew Christian Weed.

1st Lt. Donnelly was awarded the Purple Heart, the National Defense Service Medal, the Afghanistan Campaign Medal, and the Combat Action Ribbon.

1st Lt. Donnelly’s service and sacrifice to defend America will always be remembered.

RECOGNIZING DANIEL RITTER FOR THE MONTANA CONGRESSIONAL VETERAN COMMENDATION

HON. GREG GIANFORTE
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Mr. GIANFORTE, Mr. Speaker, I rise today to recognize Daniel Ritter from Bozeman for the Montana Congressional Veteran Commendation for his service to his country and leadership in his community.

Mr. Ritter served for over 20 years as a United States Marine, performing as a Chief Warrant Officer during Operation Restore Hope in Somalia. Mr. Ritter continued his service to his community as a leader in the Marine Corps League in the Gallatin Valley. He is also a 1st Trustee for American Legion Post 14 and volunteers as a member of the Honor Guard for veteran services. He is active in assisting Montana Gold Star families and helps ensure a Marine presence in the Veterans Day activities of local schools.

I ask my colleagues to join me today in commending Daniel Ritter for his dedication and service.

IN SUPPORT OF WORLD AIDS DAY

HON. SHEILA JACKSON LEE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Ms. JACKSON LEE. Mr. Speaker, established by the World Health Organization in 1988, December 1st is universally known as World AIDS Day.

World AIDS Day serves to focus global attention on the devastating impact of the HIV/AIDS epidemic. All governments, national AIDS programs, churches, community organizations and individuals are given the opportunity to display their commitment to fight this deadly disease. It has been more than 30 years since the first AIDS case was reported in the United States. It does not seem like it was too long ago, but HIV/AIDS has affected many around the world before the disease even made its way to America’s shores.

Since then, countless researchers, healthcare providers, politicians, and educators have contributed to the global initiative to contain and eventually eliminate its presence in all corners of the world.

Although HIV/AIDS is no longer a mysterious and mischaracterized entity, it is the most relentless and indiscriminate killer of our time.
And though a diagnosis is no longer the sealing of an immediate fate, it is the beginning of an indefinite battle for life, adequate health care, and for social belonging.

With an estimated 38.6 million people worldwide living with HIV at the end of 2005, and more than 25 million people having died of AIDS since 1981, December 1st is a date which serves to remind everyone that action makes a difference in the fight against HIV/AIDS.

Let there be no mistake, we are here to acknowledge that AIDS is a deadly enemy against which we must join all our forces to fight and eliminate.

Americans should be reminded that HIV/AIDS does not discriminate.

With an estimated 1,039,000 to 1,185,000 HIV-positive individuals living in the U.S., and approximately 56,000 new infections occurring every year, the U.S., like other nations around the world is deeply affected by HIV/AIDS.

The detrimental effects of HIV/AIDS have also hit home. More than 65,000 people in Texas are living with HIV. Thirty-six percent more Texans are living with HIV today than just seven years ago. In 2010, studies showed that 1 in every 3 diagnosed persons in Texas were not getting proper medical treatment.

We must make certain that every affected individual receives efficient medical treatment that will afford them long life.

Not only is the state of Texas suffering from HIV and AIDS, but my district, the 18th Congressional District of Texas, has seen an increasing number of people living with the disease.

In 2010, there were over 22,000 reported persons living with HIV (non-AIDS) in the greater Houston area, and more than 9,000 reported persons living with AIDS.

This problem continues to escalate as there have been 1,700 new infections each year among individuals in Harris County, particularly among racial and ethnic minorities.

We must continue to fight a tough fight to reverse all of these costly and tragic trends.

I will continue to sponsor and co-sponsor legislation that addresses the HIV/AIDS epidemic.

The fight is not over.

We must continue to stand strong in our struggle to conquer some old and new challenges that we as Americans and members of the global community encounter.

Today, Friday, December 1st is World AIDS Day.

And, we will focus on HIV/AIDS, prevention and awareness, and continue to fight for life. Together, we will help all of our friends, relatives, and children live healthy and full lives.

HONORING BISHOP S.F. MAKALANI-MAHEE (1972–2017)

HON. DEBBIE Wasserman Schultz
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 1, 2017

Ms. WASSERMAN SCHULTZ. Mr. Speaker, today it is my privilege to honor the life of Bishop S.F. Makalani-MaHee, a minister and transgender activist from Oakland Park, Florida, who was the youngest pastor ever commissioned by the Unity Fellowship Church.

S.F. was born on July 5, 1972 to Barbara MaHee and the late Adisa Makalani. The family’s Sundays were spent in church, where S.F. enjoyed serenading the congregation with gospel renditions of “Jesus Can Work It Out.”

S.F. found his love of Broadway at the Julia Richman High School in New York, where producer Cheryl Weisenfeld cast him in a production of Grease.

After moving to Atlanta with family, S.F. began teaching theater courses, as well as lecturing for Georgia State University, Spelman Center for the Performing Arts, and Spelman and Morehouse Colleges. He also founded the Heart Theater, a youth theater troupe, where he wrote and directed Journeys, an educational play focused on HIV/AIDS.

Bishop S.F. Makalani-MaHee came to South Florida in 1997 where he found his community, his congregation and his purpose. S.F. began working at the PRIDE Center in Wilton Manors, as well as many other non-profits. He founded Black Gay Pride South Florida and co-founded BLACKOUT, South Florida’s first African-American LGBTQ Film Festival. S.F. was the first transgender person to be appointed to the Broward County Human Rights Board. He was also an active member of the Dolphin Democrats, the longest continually-operating LGBTQ advocacy group in the South.

Bishop S.F. Makalani-MaHee spent his life loving others unconditionally. Before his untimely passing, S.F. served as the Coordinator of the Transgender Program at the Broward County Department of Health, where he advocated for fellow members of South Florida’s transgender community. S.F. passed away on November 20, 2017, this year’s Transgender Day of Remembrance. He is survived by his mother Barbara; his siblings Darcy, Jeffrey, Justin, and Marsha; and several nephews. He is also survived by a community of friends across South Florida, Atlanta, and New York who he considered his family.
HIGHLIGHTS

Senate passed H.R. 1, Tax Cuts and Jobs Act, as amended.
See Résumé of Congressional Activity.

Senate

Chamber Action

Routine Proceedings, pages S7653–S7807

Measures Introduced: Three bills and two resolutions were introduced, as follows: S. 2182–2184, and S. Res. 346–347.

Measures Reported:

S. 1886, to amend subchapter I of chapter 31 of title 5, United States Code, to authorize agencies to make noncompetitive temporary and term appointments in the competitive service, with an amendment in the nature of a substitute. (S. Rept. No. 115–189)

S. 2070, to amend the Violent Crime Control and Law Enforcement Act of 1994, to reauthorize the Missing Alzheimer's Disease Patient Alert Program, and to promote initiatives that will reduce the risk of injury and death relating to the wandering characteristics of some children with autism, with an amendment.

Measures Passed:

Tax Cuts and Jobs Act: By 51 yeas to 49 nays (Vote No. 303), Senate passed H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, after taking action on the following motions and amendments proposed thereto:

Adopted:

McConnell (for Hatch/Murkowski) Amendment No. 1855 (to Amendment No. 1618), of a perfecting nature.

By 52 yeas to 48 nays (Vote No. 302), Merkley Amendment No. 1856 (to Amendment No. 1618), of a perfecting nature.

Rejected:

By 48 yeas to 52 nays (Vote No. 290), Wyden (for Nelson) motion to commit the bill to the Committee on Finance, with instructions.

By 48 yeas to 52 nays (Vote No. 291), Baldwin motion to commit the bill to the Committee on Finance, with instructions.

By 43 yeas to 57 nays (Vote No. 292), Cardin motion to commit the bill to the Committee on Finance, with instructions.

By 48 yeas to 52 nays (Vote No. 293), Schumer motion to adjourn until 12 noon, on Monday, December 4, 2017.

By 48 yeas to 52 nays (Vote No. 297), Menendez motion to commit the bill to the Committee on Finance, with instructions.

By 38 yeas to 61 nays (Vote No. 300), Manchin motion to commit the bill to the Committee on Finance, with instructions.

During consideration of this measure today, Senate also took the following action:

By 46 yeas to 54 nays (Vote No. 294), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected to the motion to waive all applicable sections of the Congressional Budget Act of 1974, for the purposes of McConnell (for Sanders) Amendment No. 1720 (to Amendment No. 1618), to create a point of order against legislation that cuts Social Security, Medicare, or Medicaid benefits. Subsequently, the point of order was overruled.

By 48 yeas to 52 nays (Vote No. 298), Cornyn (for Cruz) Amendment No. 1852 (to Amendment No. 1618), to allow limited 529 account funds to be used for elementary and secondary education, including homeschool.

During consideration of this measure today, Senate also took the following action:

By 46 yeas to 54 nays (Vote No. 294), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected to the motion to waive all applicable sections of the Congressional Budget Act of 1974, for the purposes of McConnell (for Sanders) Amendment No. 1720 (to Amendment No. 1618), to create a point of order against legislation that cuts Social Security, Medicare, or Medicaid benefits. Subsequently, the point of order was overruled.
order that the amendment was in violation of section 313(b)(1)(a) of the Congressional Budget Act of 1974, was sustained, and the amendment thus fell.

By 48 yeas to 52 nays (Vote No. 295), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected to the motion to waive all applicable sections of the Congressional Budget Act of 1974, for the purposes of McConnell (for Brown) Amendment No. 1854 (to Amendment No. 1618), to amend the Internal Revenue Code of 1986 to increase the Child Tax Credit. Subsequently, the point of order that the amendment was in violation of section 302(f) of the Congressional Budget Act of 1974, was sustained, and the amendment thus fell.

By 29 yeas to 71 nays (Vote No. 296), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected to the motion to waive all applicable sections of the Congressional Budget Act of 1974, and applicable budget resolutions, for the purposes of McConnell (for Rubio/Lee) Amendment No. 1850 (to Amendment No. 1618), to increase the refundability of the child tax credit. Subsequently, the point of order that the amendment was in violation of section 302(f) of the Congressional Budget Act of 1974, was sustained, and the amendment thus fell.

By 34 yeas to 65 nays (Vote No. 299), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected to the motion to waive all applicable sections of the Congressional Budget Act of 1974, and applicable budget resolutions, for the purposes of Cornyn (for Kaine) Amendment No. 1846 (to Amendment No. 1618), to provide middle class tax relief. Subsequently, the point of order that the amendment was in violation of section 4105 of H. Con. Res. 71, the Concurrent Resolution on the Budget for Fiscal Year 2018, was sustained, and the amendment thus fell.

By 48 yeas to 52 nays (Vote No. 301), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected to the motion to waive all applicable sections of the Congressional Budget Act of 1974, and applicable budget resolutions, for the purposes of Cantwell Amendment No. 1717 (to Amendment No. 1618), of a perfecting nature. Subsequently, the point of order that the amendment was in violation of section 302(f) of the Congressional Budget Act of 1974, was sustained, and the amendment thus fell.

62nd Anniversary of Whiteman Air Force Base:
Senate agreed to S. Res. 347, commemorating the 62nd anniversary of the dedication of Whiteman Air Force Base.

Nielsen Nomination—Cloture: Senate began consideration of the nomination of Kirstjen Nielsen, of Virginia, to be Secretary of Homeland Security.

A motion was entered to close further debate on the nomination, and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, and pursuant to the unanimous-consent agreement of Saturday, December 2, 2017, a vote on cloture will occur at 5:30 p.m., on Monday, December 4, 2017.

Prior to the consideration of this nomination, Senate took the following action:

Senate agreed to the motion to proceed to Executive Session to consider the nomination.

A unanimous-consent agreement was reached providing that at approximately 3 p.m., on Monday, December 4, 2017, Senate resume consideration of the nomination.

Nominations Confirmed: Senate confirmed the following nominations:

- 66 Air Force nominations in the rank of general.
- 1 Army nomination in the rank of general.
- 2 Navy nominations in the rank of admiral.
- Routine lists in the Air Force and Army.

Nominations Received: Senate received the following nominations:

- Phyllis L. Bayer, of Mississippi, to be an Assistant Secretary of the Navy.
- Thomas E. Workman, of New York, to be a Member of the Financial Stability Oversight Council for a term of six years.
- Jeffrey DeWit, of Arizona, to be Chief Financial Officer, National Aeronautics and Space Administration.
- Tadd M. Johnson, of Minnesota, to be a Member of the Board of Trustees of the Morris K. Udall and Stewart L. Udall Foundation for a term expiring October 6, 2022.
- Lisa Johnson-Billy, of Oklahoma, to be a Member of the Board of Trustees of the Morris K. Udall and Stewart L. Udall Foundation for a term expiring August 25, 2018.
- Lisa Johnson-Billy, of Oklahoma, to be a Member of the Board of Trustees of the Morris K. Udall and Stewart L. Udall Foundation for a term expiring August 25, 2024.
- Erik Bethel, of Florida, to be United States Alternate Executive Director of the International Bank for Reconstruction and Development for a term of two years.
- David T. Fischer, of Michigan, to be Ambassador to the Kingdom of Morocco.
Judy Lynn Shelton, of Virginia, to be United States Director of the European Bank for Reconstruction and Development.

James Edwin Williams, of Utah, to be Chief Financial Officer, Department of Labor.

Mark Schneider, of the District of Columbia, to be Director of the Institute of Education Science, Department of Education for a term of six years.

Barbara Stewart, of Illinois, to be Chief Executive Officer of the Corporation for National and Community Service.

Jelena McWilliams, of Ohio, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of six years.

Jelena McWilliams, of Ohio, to be Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation for a term of five years.

Matthew D. Harris, of Utah, to be United States Marshal for the District of Utah for the term of four years.

Ted G. Kamatchus, of Iowa, to be United States Marshal for the Southern District of Iowa for the term of four years.

Joseph P. Kelly, of Nebraska, to be United States Attorney for the District of Nebraska for the term of four years.

Joseph D. McClain, of Indiana, to be United States Marshal for the Southern District of Indiana for the term of four years.

Scott W. Murray, of New Hampshire, to be United States Attorney for the District of New Hampshire for the term of four years.

David A. Weaver, of Colorado, to be United States Marshal for the District of Colorado for the term of four years.

David C. Weiss, of Delaware, to be United States Attorney for the District of Delaware for the term of four years.


Messages from the House:

Measures Referred:

Executive Communications:

Petitions and Memorials:

Additional Cosponsors:

Statements on Introduced Bills/Resolutions:

Additional Statements:

Amendments Submitted:

Privileges of the Floor:

Record Votes: Fourteen record votes were taken today. (Total—303)

Adjournment: Senate convened at 10 a.m. on Friday, December 1, 2017 and adjourned at 2:06 a.m. on Saturday, December 2, 2017, until 3 p.m. on Monday, December 4, 2017. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on page S7806.)

Committee Meetings

(Committees not listed did not meet)

No committee meetings were held.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 22 public bills, H.R. 4508–4529; and 6 resolutions, H.J. Res. 122; H. Con. Res. 95; and H. Res. 639–642 were introduced.

Additional Cosponsors:

Reports Filed: There were no reports filed today.

Journal: The House agreed to the Speaker’s approval of the Journal by a yea-and-nay vote of 209 yea to 169 nays with two answering “present”, Roll No. 652.

Preserving Access to Manufactured Housing Act of 2017: The House passed H.R. 1699, to amend the Truth in Lending Act to modify the definitions of a mortgage originator and a high-cost mortgage, to amend the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 to modify the definition of a loan originator, by a recorded vote of 256 ayes to 163 noes, Roll No. 651.

Rejected the motion to recommit the bill to the Committee on Financial Services with instructions to report the same back to the House forthwith with an amendment, by a yea-and-nay vote of 193 yeas to 227 nays, Roll No. 650.
Pursuant to the Rule, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–42 shall be considered as adopted.

H. Res. 635, the rule providing for consideration of the bills (H.R. 4182) and (H.R. 1699) was agreed to yesterday, November 30th.

Meeting Hour: Agreed by unanimous consent that when the House adjourns today, it adjourn to meet at 6 p.m. on Monday, December 4th.

Quorum Calls—Votes: Two yea-and-nay votes and one recorded vote developed during the proceedings of today and appear on pages H9584–85, H9585, and H9585–86. There were no quorum calls.

Adjournment: The House met at 9 a.m. and adjourned at 1:17 p.m.

Committee Meetings

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, COMMUNITY BLOCK GRANT-DISASTER RECOVERY

Committee on Appropriations: Subcommittee on Transportation, Housing and Urban Development, and Related Agencies held a hearing entitled “Department of Housing and Urban Development, Community Block Grant-Disaster Recovery”. Testimony was heard from Neal Rackleff, Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development.

AMPHIBIOUS WARFARE READINESS AND TRAINING: INTEROPERABILITY, SHORTFALLS, AND THE WAY AHEAD


MISCELLANEOUS MEASURE

Permanent Select Committee on Intelligence: Full Committee held a markup on H.R. 4478, the “FISA Amendments Reauthorization Act of 2017”. H.R. 4478 was ordered reported, as amended.

Joint Meetings

No joint committee meetings were held.

COMMITTEE MEETINGS FOR MONDAY, DECEMBER 4, 2017

(Committee meetings are open unless otherwise indicated)

Senate

No meetings/hearings scheduled.

House

No hearings are scheduled.

CONGRESSIONAL PROGRAM AHEAD

Week of December 4 through December 8, 2017

Senate Chamber

On Monday, Senate will resume consideration of the nomination of Kirstjen Nielsen, of Virginia, to be Secretary of Homeland Security, and vote on the motion to invoke cloture on the nomination at 5:30 p.m.

During the balance of the week, Senate may consider any cleared legislative and executive business.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Appropriations: December 5, Subcommittee on Departments of Labor, Health and Human Services, and Education, and Related Agencies, to hold hearings to examine addressing the opioid crisis in America, focusing on prevention, treatment, and recovery, 10 a.m., SD–124.

Committee on Armed Services: December 7, to hold hearings to examine Department of Defense acquisition reform efforts, 10 a.m., SD–G50.

Committee on Banking, Housing, and Urban Affairs: December 5, business meeting to consider S. 2155, to promote economic growth, provide tailored regulatory relief, and enhance consumer protections, and the nomination of Jerome H. Powell, of Maryland, to be Chairman of the Board of Governors of the Federal Reserve System, 10 a.m., SD–538.

Committee on Energy and Natural Resources: December 5, to hold hearings to examine the nominations of Timothy R. Petty, of Indiana, to be an Assistant Secretary of the Interior, and Linda Capuano, of Texas, to be Administrator of the Energy Information Administration, Department of Energy, 10 a.m., SD–366.

December 5, Subcommittee on Energy, to hold hearings to examine S. 1336, to amend the Energy Policy Act of 2005 to reauthorize hydroelectric production incentives and hydroelectric efficiency improvement incentives, S. 1455, to amend the United States Energy Storage Competitiveness Act of 2007 to direct the Secretary of Energy to establish new goals for the Department of Energy relating to energy storage and to carry out certain demonstration projects relating to energy storage, S. 1563, to authorize the Office of Fossil Energy to develop advanced separation technologies for the extraction and recovery of rare earth elements and minerals from coal and coal by-products, S. 1851, to require the Secretary of Energy to
establish an energy storage research program, demonstration and deployment program, and technical assistance and grant program, S. 1876, to direct the Secretary of Energy to establish a program to advance energy storage deployment by reducing the cost of energy storage through research, development, and demonstration, S. 1981, to amend the Natural Gas Act to expedite approval of exports of small volumes of natural gas, and S. 2030, to deem the compliance date for amended energy conservation standards for ceiling light kits to be January 21, 2020, 2:30 p.m., SD–366.

Committee on Environment and Public Works: December 6, to hold hearings to examine the nomination of R. D. James, of Missouri, to be an Assistant Secretary of the Army, Department of Defense, 10 a.m., SD–406.

December 6, Subcommittee on Superfund, Waste Management, and Regulatory Oversight, to hold hearings to examine challenges facing Superfund and waste cleanup efforts following natural disasters, 2:30 p.m., SD–406.

Committee on Foreign Relations: December 5, business meeting to consider S. 1118, to reauthorize the North Korea Human Rights Act of 2004, S. 1901, to require global economic and political pressure to support diplomatic denuclearization of the Korean Peninsula, including through the imposition of sanctions with respect to the Government of the Democratic People's Republic of Korea and any enablers of the activities of that Government, and to reauthorize the North Korean Human Rights Act of 2004, S. 447, to require reporting on acts of certain foreign countries on Holocaust era assets and related issues, S. Res. 150, recognizing threats to freedom of the press and expression around the world and reaffirming freedom of the press as a priority in efforts of the United States Government to promote democracy and good governance, S. Res. 139, condemning the Government of Iran's state-sponsored persecution of its Baha'i minority and its continued violation of the International Covenants on Human Rights, and the nominations of Eric M. Ueland, of Oregon, to be an Under Secretary (Management), and James Randolph Evans, of Georgia, to be Ambassador to Luxembourg, both of the Department of State; to be immediately followed by a hearing in SD–419 to examine the President, Congress, and shared authority over the international accords, 2:30 p.m., S–116, Capitol.

December 6, Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism, to hold hearings to examine beyond ISIS, focusing on countering terrorism, radicalization, and promoting stability in North Africa, 2:30 p.m., SD–419.

Committee on Health, Education, Labor, and Pensions: December 5, to hold hearings to examine the nominations of Kenneth L. Marcus, of Virginia, to be Assistant Secretary for Civil Rights, and Johnny Collett, of Kentucky, to be Assistant Secretary for Special Education and Rehabilitative Services, both of the Department of Education, and Scott A. Mugno, of Pennsylvania, to be an Assistant Secretary, and William Beach, of Kansas, to be Commissioner of Labor Statistics, both of the Department of Labor, 10 a.m., SD–430.

December 7, Full Committee, business meeting to consider the nominations of Mitchell Zais, of South Carolina, to be Deputy Secretary, and James Blew, of California, to be Assistant Secretary for Planning, Evaluation, and Policy Development, both of the Department of Education, Kate S. O'Scanlain, of Maryland, to be Solicitor, and Preston Rutledge, of the District of Columbia, to be an Assistant Secretary, both of the Department of Labor, and other pending nominations, Time to be announced, Room to be announced.

December 7, Full Committee, to hold hearings to examine implementation of the 21st Century Cures Act, focusing on progress and the path forward for medical innovation, 10 a.m., SD–430.

Committee on Homeland Security and Governmental Affairs: December 6, to hold hearings to examine adapting to defend the Homeland against the evolving international terrorist threat, 10 a.m., SD–342.

Committee on Indian Affairs: December 6, business meeting to consider S. 1870, to amend the Victims of Crime Act of 1984 to secure urgent resources vital to Indian victims of crime; to be immediately followed by a hearing to examine S. 664, to approve the settlement of the water rights claims of the Navajo in Utah, to authorize construction of projects in connection therewith, and S. 1770, to approve the settlement of water rights claims of the Hualapai Tribe and certain allottees in the State of Arizona, to authorize construction of a water project relating to those water rights claims, 2:30 p.m., SD–628.

Committee on the Judiciary: December 6, to hold hearings to examine firearm accessory regulation and enforcing Federal and state reporting to the National Instant Criminal Background Check System (NICS), 10 a.m., SD–226.

December 7, Full Committee, business meeting to consider the nominations of Leonard Steven Grasz, of Nebraska, to be United States Circuit Judge for the Eighth Circuit, James C. Ho, of Texas, to be United States Circuit Judge for the Fifth Circuit, Don R. Willett, of Texas, to be a Circuit Judge, United States Court of Appeals for the Fifth Circuit, Terry A. Doughty, to be United States District Judge for the Western District of Louisiana, Terry Fitzgerald Moorer, to be United States District Judge for the Southern District of Alabama, Mark Saalfield Norris, Sr., to be United States District Judge for the Western District of Tennessee, Claria Horn Boom, to be United States District Judge for the Eastern and Western Districts of Kentucky, John W. Broomes, to be United States District Judge for the District of Kansas, Rebecca Grady Jennings, to be United States District Judge for the Western District of Kentucky, and Robert Earl Wier, to be United States District Judge for the Eastern District of Kentucky, 10 a.m., SD–226.

Select Committee on Intelligence: December 5, to receive a closed briefing on certain intelligence matters, 3 p.m., SH–219.

December 7, Full Committee, to receive a closed briefing on certain intelligence matters, 2 p.m., SH–219.

Special Committee on Aging: December 6, to hold hearings to examine America's aging workforce, focusing on opportunities and challenges, 9:30 a.m., SD–562.
House Committees


December 8, Subcommittee on Oversight and Investigations, hearing entitled “Examining the Role of the Department of Energy in Energy Sector Cybersecurity”, 9 a.m., 2123 Rayburn.

Committee on Financial Services, December 6, Subcommittee on Housing and Insurance, hearing entitled “Sustainable Housing Finance: Private Sector Perspectives on Housing Finance Reform, Part IV”, 10 a.m., 2128 Rayburn.

December 7, Subcommittee on Oversight and Investigations, hearing entitled “Examining the Office of Financial Research”, 10 a.m., 2128 Rayburn.


December 6, Subcommittee on Europe, Eurasia, and Emerging Threats, hearing entitled “Brexit: A Negotiation Update”, 2 p.m., 2200 Rayburn.

December 6, Subcommittee on Asia and the Pacific, hearing entitled “U.S. Policy Towards Tibet: Access, Religious Freedom, and Human Rights”, 2 p.m., 2172 Rayburn.

December 7, Full Committee, hearing entitled “Counterterrorism Efforts in Africa”, 9:30 a.m., 2172 Rayburn.


Committee on House Administration, December 7, Full Committee, hearing entitled “Preventing Sexual Harassment in the Congressional Workplace: Examining Reforms to the Congressional Accountability Act”, 10 a.m., 1310 Longworth.

Committee on the Judiciary, December 7, Full Committee, hearing entitled “Oversight of the Federal Bureau of Investigation”, 10 a.m., 2141 Rayburn.

Committee on Natural Resources, December 6, Subcommittee on Water, Power and Oceans, hearing on H.R. 4465, the “Endangered Fish Recovery Programs Extension Act of 2017”, 10 a.m., 1324 Longworth.

December 7, Subcommittee on Oversight and Investigations, hearing entitled “Transforming the Department of the Interior for the 21st Century”, 10 a.m., 1324 Longworth.

December 7, Subcommittee on Federal Lands, hearing on H.R. 805, the “Tulare Youth Recreation and Women’s History Enhancement Act”; H.R. 1349, to amend the Wilderness Act to ensure that the use of bicycles, wheelchairs, strollers, and game carts is not prohibited in Wilderness Areas, and for other purposes; H.R. 3371, the “Modoc County Land Transfer and Economic Development Act of 2017”; and H.R. 3961, the “Kissimmee River Wild and Scenic River Study Act of 2017”, 2 p.m., 1324 Longworth.

Committee on Oversight and Government Reform, December 7, Subcommittee on Information Technology, hearing entitled “Oversight of IT and Cybersecurity at the Department of Veterans Affairs”, 2 p.m., 2154 Rayburn.

Committee on Rules, December 5, Full Committee, hearing on H.R. 38, the “Concealed Carry Reciprocity Act of 2017”, 2 p.m., H–313 Capitol.

December 6, Full Committee, hearing on H.R. 477, the “Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2017”; and H.R. 3971, the “Community Institution Mortgage Relief Act of 2017”, 3 p.m., H–313 Capitol.

Committee on Science, Space, and Technology, December 6, Subcommittee on Research and Technology, hearing entitled “From Lab to Market: A Review of NSF Innovation Corps”, 10 a.m., 2318 Rayburn.

December 6, Subcommittee on Space, hearing entitled “NASA’s Next Four Large Telescopes”, 2 p.m., 2318 Rayburn.

Committee on Veterans’ Affairs, December 7, Full Committee, hearing entitled “New Names, Same Problems: The VA Medical Surgical Prime Vendor Program”, 10 a.m., 334 Cannon.
Résumé of Congressional Activity

FIRST SESSION OF THE ONE HUNDRED FIFTEENTH CONGRESS

The first table gives a comprehensive résumé of all legislative business transacted by the Senate and House. The second table accounts for all nominations submitted to the Senate by the President for Senate confirmation.

### DATA ON LEGISLATIVE ACTIVITY

**January 3 through November 30, 2017**

<table>
<thead>
<tr>
<th>Category</th>
<th>Senate</th>
<th>House</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days in session</td>
<td>177</td>
<td>173</td>
<td>350</td>
</tr>
<tr>
<td>Time in session</td>
<td>1,062 hrs., 55′</td>
<td>781 hrs., 17′</td>
<td>1,843 hrs., 72′</td>
</tr>
<tr>
<td>Congressional Record:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Pages of proceedings</td>
<td>7,651</td>
<td>9,570</td>
<td>17,221</td>
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<tr>
<td>Extensions of Remarks</td>
<td></td>
<td>1,650</td>
<td>1,650</td>
</tr>
<tr>
<td>Public bills enacted into law</td>
<td>29</td>
<td>60</td>
<td>89</td>
</tr>
<tr>
<td>Private bills enacted into law</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills in conference</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Measures passed, total</td>
<td>390</td>
<td>608</td>
<td>998</td>
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<tr>
<td>Senate bills</td>
<td>101</td>
<td>24</td>
<td>125</td>
</tr>
<tr>
<td>House bills</td>
<td>50</td>
<td>403</td>
<td>453</td>
</tr>
<tr>
<td>Senate joint resolutions</td>
<td>8</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>House joint resolutions</td>
<td>16</td>
<td>19</td>
<td>35</td>
</tr>
<tr>
<td>Senate concurrent resolutions</td>
<td>9</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>House concurrent resolutions</td>
<td>8</td>
<td>14</td>
<td>22</td>
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<tr>
<td>Simple resolutions</td>
<td>198</td>
<td>154</td>
<td>352</td>
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<tr>
<td>Measures reported, total</td>
<td>*254</td>
<td>426</td>
<td>680</td>
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<tr>
<td>Senate bills</td>
<td>196</td>
<td>1</td>
<td>197</td>
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<tr>
<td>House bills</td>
<td>28</td>
<td>328</td>
<td>356</td>
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<td>Senate joint resolutions</td>
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<td>House joint resolutions</td>
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<tr>
<td>Senate concurrent resolutions</td>
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<tr>
<td>House concurrent resolutions</td>
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<td>4</td>
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<tr>
<td>Simple resolutions</td>
<td>27</td>
<td>91</td>
<td>118</td>
</tr>
<tr>
<td>Special reports</td>
<td>13</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>Conference reports</td>
<td>1</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Measures pending on calendar</td>
<td>173</td>
<td>98</td>
<td>271</td>
</tr>
<tr>
<td>Measures introduced, total</td>
<td>2,596</td>
<td>3,360</td>
<td>5,956</td>
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<tr>
<td>Bills</td>
<td>2,172</td>
<td>4,507</td>
<td>6,709</td>
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<tr>
<td>Joint resolutions</td>
<td>49</td>
<td>121</td>
<td>170</td>
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<tr>
<td>Concurrent resolutions</td>
<td>30</td>
<td>94</td>
<td>124</td>
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<tr>
<td>Simple resolutions</td>
<td>345</td>
<td>638</td>
<td>983</td>
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<tr>
<td>Quorum calls</td>
<td>3</td>
<td>1</td>
<td>4</td>
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<tr>
<td>Yea-and-nay votes</td>
<td>289</td>
<td>300</td>
<td>589</td>
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<tr>
<td>Recorded votes</td>
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<td>348</td>
<td>348</td>
</tr>
<tr>
<td>Bills vetoed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vetoes overridden</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*These figures include all measures reported, even if there was no accompanying report. A total of 188 written reports have been filed in the Senate, 432 reports have been filed in the House.

### DISPOSITION OF EXECUTIVE NOMINATIONS

**January 3 through November 30, 2017**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian nominations, totaling 553, disposed of as follows:</td>
<td></td>
</tr>
<tr>
<td>Confirmed</td>
<td>268</td>
</tr>
<tr>
<td>Unconfirmed</td>
<td>249</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>36</td>
</tr>
<tr>
<td>Other Civilian nominations, totaling 1,211, disposed of as follows:</td>
<td></td>
</tr>
<tr>
<td>Confirmed</td>
<td>933</td>
</tr>
<tr>
<td>Unconfirmed</td>
<td>278</td>
</tr>
<tr>
<td>Air Force nominations, totaling 5,962, disposed of as follows:</td>
<td></td>
</tr>
<tr>
<td>Confirmed</td>
<td>5,594</td>
</tr>
<tr>
<td>Unconfirmed</td>
<td>567</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>1</td>
</tr>
<tr>
<td>Army nominations, totaling 6,613, disposed of as follows:</td>
<td></td>
</tr>
<tr>
<td>Confirmed</td>
<td>6,552</td>
</tr>
<tr>
<td>Unconfirmed</td>
<td>60</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>1</td>
</tr>
<tr>
<td>Navy nominations, totaling 4,278, disposed of as follows:</td>
<td></td>
</tr>
<tr>
<td>Confirmed</td>
<td>4,218</td>
</tr>
<tr>
<td>Unconfirmed</td>
<td>60</td>
</tr>
<tr>
<td>Marine Corps nominations, totaling 1,314, disposed of as follows:</td>
<td></td>
</tr>
<tr>
<td>Confirmed</td>
<td>1,314</td>
</tr>
</tbody>
</table>

Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total nominations carried over from the First Session</td>
<td>0</td>
</tr>
<tr>
<td>Total nominations received this Session</td>
<td>19,931</td>
</tr>
<tr>
<td>Total confirmed</td>
<td>18,879</td>
</tr>
<tr>
<td>Total confirmed</td>
<td>1,014</td>
</tr>
<tr>
<td>Total withdrawn</td>
<td>38</td>
</tr>
<tr>
<td>Total returned to the White House</td>
<td>0</td>
</tr>
</tbody>
</table>
Next Meeting of the SENATE
3 p.m., Monday, December 4

Senate Chamber

Program for Monday: Senate will resume consideration of the nomination of Kirstjen Nielsen, of Virginia, to be Secretary of Homeland Security, and vote on the motion to invoke cloture on the nomination at 5:30 p.m.

Next Meeting of the HOUSE OF REPRESENTATIVES
6 p.m., Monday, December 4

House Chamber

Program for Monday: To be announced.

Extensions of Remarks, as inserted in this issue

HOUSE

Brady, Kevin, Tex., E1624
Bustos, Cheri, Ill., E1629
Clarke, Yvette D., N.Y., E1629
Dunn, Neal P., Fla., E1626
Esty, Elizabeth H., Conn., E1632
Fitzpatrick, Brian K., Pa., E1630
Fortenberry, Jeff, Nebr., E1626
Frankel, Lois, Fla., E1625
Gianforte, Greg, Mont., E1623, E1626, E1627, E1628, E1629, E1630
Goodlatte, Bob, Va., E1623
Graves, Sam, Mo., E1624
Griffith, H. Morgan, Va., E1623
Hartler, Vicky, Mo., E1626
Jayapal, Pramila, Wash., E1623, E1624
Jones, Walter B., N.C., E1627
Lawson, Al., Jr., Fla., E1625
Lee, Barbara, Calif., E1625
Long, Billy, Mo., E1626, E1628
McSally, Martha, Ariz., E1622
Mitchell, Paul, Mich., E1627
Pohey, Bill, Fla., E1628
Rogers, Mike, Ala., E1626
Roybal-Allard, Lucille, Calif., E1630
Schweikert, David, Ariz., E1626
Simpson, Michael K., Idaho, E1624
Smith, Christopher H., N.J., E1621
Stefanik, Elise M., N.Y., E1628
Tonko, Paul, N.Y., E1629
Watson Coleman, Bonnie, N.J., E1627