

understand all points of view on this agreement. Their willingness to work tirelessly alongside House Democrats to make this agreement a better deal for the American people deserves recognition.

Mr. Speaker, trade policy shouldn't be an issue that divides the members of this chamber on partisan or regional lines. We see here today what can be done when both sides come together to advance the causes of American workers, farmers and consumers. I strongly urge my colleagues to vote for this bill.

Mr. HOLDING. Mr. Speaker, it has been over a year since President Trump successfully negotiated the United States-Mexico-Canada Agreement.

This is a good deal that will benefit every corner of the country. USMCA will empower businesses of all sizes to grow and create jobs, and it is a substantial improvement over NAFTA.

Mr. Speaker, as it turns out this week is the 116th Anniversary of the Wright Brothers making the first flight in a powered aircraft. As we all know, the Wright Brothers were innovators and they traveled to North Carolina for this historic achievement.

To this day, North Carolina continues to attract the world's most creative and innovative workforce. One prime example is the enormous amount of pharmaceutical research that takes place. Lifesaving drugs are being made in my back yard and the world is better off for it.

This Administration was successful in getting Mexico and Canada to raise their exclusivity protections for cutting-edge biologic drugs. This was a monumental achievement. It is incredibly disappointing that Democrats sought to weaken these standards and actively worked against American innovators. These standards would have protected the hard work that is done by our health care industry as they work to come up with new cures and save more lives.

By stripping these protections from the final agreement—Congressional Democrats have effectively kneecapped the dedicated scientists, doctors and manufacturers working around the clock to develop new cures.

I have a tough time understanding why American lawmakers would actively advocate against the interest of American companies trying to do business abroad.

Ensuring that American innovators' rights are protected in Mexico and Canada would have had no impact on drug pricing. The Ways and Means Committee has been over that topic before, and to insinuate that there is a correlation between protecting our inventions in Mexico and higher drug prices in the U.S. is disingenuous.

While I support the USMCA, the absence of these protections is a missed opportunity and we should do better.

Miss GONZALEZ-COLÓN of Puerto Rico. Mr. Speaker, trade with Canada and Mexico is a crucial component of our economy. Last year, the U.S. exported just over \$565 billion in goods to these two nations. It is estimated that approximately 12 million American jobs rely on North American trade.

Our Nation's trade partnership with Canada and Mexico is particularly important for our state and local economies. In Puerto Rico, for example, exports to these two countries totaled \$1.38 billion in 2018. This represents an

increase of 161 percent from pre-NAFTA levels in 1993, when exports from the Island to Canada and Mexico totaled just \$528.8 million.

Our economy clearly requires that we preserve and strengthen U.S. trade ties with Canada and Mexico. To achieve this, we must pass the U.S.-Mexico-Canada Agreement, or USMCA.

USMCA would not only ensure that U.S. manufacturers, farmers, and service providers can continue to access the Canadian and Mexican markets, but it would also rebalance and modernize NAFTA—our outdated trade agreement—into a 21st century, high-standard trade deal.

For instance, USMCA creates a new digital trade chapter and includes provisions to strengthen intellectual property (IP) protections critical to driving innovation. This is particularly important for jurisdictions like Puerto Rico, which is the top U.S. exporter of pharmaceutical and medicine products.

USMCA similarly seeks to level the playing field for workers by including enforceable labor standards. It is also the first trade agreement with a chapter focusing specifically on small and medium-sized businesses to help them grow and reach new markets.

The U.S. International Trade Commission estimates that USMCA would boost GDP by \$68.2 billion and would add roughly 176,000 jobs.

USMCA is a clear win for our Nation.

Mr. RESCHENTHALER. Mr. Speaker, I rise in support of the United States-Mexico-Canada Agreement (USMCA) negotiated by President Trump which will generate new economic opportunities for Pennsylvania workers and families.

Thanks to President Trump's economic policies, earlier this year, Pennsylvania's unemployment hit an all-time low of 3.8 percent. In his first two years in office, the president fostered job and wage growth by enacting the largest tax reform in 31 years and cutting burdensome regulations that handcuffed Pennsylvania employers. But it's the USMCA, his rewrite of the North American Free Trade Agreement, that promises to be an even greater boon for my state's economy and the nation.

Pennsylvania is uniquely positioned to benefit from the USMCA given our strong ties with Canada and Mexico. In 2017 alone, Pennsylvania exported over \$10 billion worth of goods to Canada and over \$4 billion worth of goods to Mexico. Nearly 500,000 jobs across the state are supported by U.S. trade with our North American neighbors. By removing the red tape required to trade, we can empower job creators to grow their businesses and hire even more workers.

Importantly, the USMCA improves access to international markets for many of the industries that drive our state's economy. Pennsylvania farmers currently export over \$1 billion in goods each year to Canada and Mexico. This agreement creates even more export opportunities by eliminating Canada's protectionist dairy program and opening access for chicken and egg exports.

U.S. manufacturing is another key sector that will enjoy new protections under the USMCA. The deal includes stronger rules of origin, meaning more goods and materials, including Pennsylvania steel, will be manufactured in the U.S. Further, the agreement puts in place new enforceable labor standards to

level the playing field for American workers and includes new commitments to address non-tariff barriers that currently hinder trade.

The USMCA also includes, for the first time ever, a chapter dedicated to digital trade. I applaud the administration's work to promote digital trade and protect the intellectual property of American innovators. In my district alone, nearly 1,000 people are employed by the movie and television industry and rely on this work to pay their bills and feed their families. It is critical that we build upon the strengths and accomplishments of the USMCA and ensure future trade deals leave adequate space for Congress to work together with the president and American creators to reform and update current copyright laws, including Section 512 of the Digital Millennium Copyright Act, which was written in 1998 and has not kept up with the times. Future trade deals should exclude this provision so that Congress can work in a bipartisan manner to ensure U.S. law better protects the creative professionals living in my district and across the nation.

Mr. Speaker, President Trump has already fostered an economic resurgence through his pro-growth policies, and the USMCA will further that progress. I am proud to support USMCA today.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to the order of the House of December 16, 2019, the previous question is ordered.

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.

The SPEAKER pro tempore. The question is on passage of the bill.

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

Mr. NEAL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Byrd, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 777. An Act to reauthorize programs authorized under the Debbie Smith Act of 2004.

H.R. 3196. An Act to designate the Large Synoptic Survey Telescope as the "Vera C. Rubin Observatory".

The message also announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 153. An Act to promote veteran involvement in STEM education, computer science, and scientific research, and for other purposes.

S. 2774. An Act to direct the Attorney General to establish and carry out a Veteran Treatment Court Program.

S. 3105. An Act to designate the facility of the United States Postal Service located at

456 North Meridian Street in Indianapolis, Indiana, as the "Richard G. Lugar Post Office".

The message also announced that the Senate has agreed to a concurrent resolution of the following title in which the concurrence of the House is requested:

S. CON. RES. 31. Concurrent resolution recognizing the importance and significance of the 2020 Census and encouraging individuals, families, and households across the United States to participate in the 2020 Census to ensure a complete and accurate count.

The message also announced that pursuant to Public Law 105-292, as amended by Public Law 106-55, Public Law 107-228, and Public Law 112-75, the Chair, on behalf of the President pro tempore, upon the recommendation of the Democratic Leader, appoints the following individual to the United States Commission on International Religious Freedom:

Rabbi Sharon A. Kleinbaum of New York vice Ahmed M. Khawaja of California.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess for a period of less than 15 minutes.

Accordingly (at 1 o'clock and 29 minutes p.m.), the House stood in recess.

□ 1345

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HIGGINS of New York) at 1 o'clock and 45 minutes p.m.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 45 minutes p.m.), the House stood in recess.

□ 1407

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Ms. CLARK of Massachusetts) at 2 o'clock and 7 minutes p.m.

RESTORING TAX FAIRNESS FOR STATES AND LOCALITIES ACT

Mr. THOMPSON of California. Madam Speaker, pursuant to House Resolution 772, I call up the bill (H.R. 5377) to amend the Internal Revenue Code of 1986 to modify the limitation on deduction of State and local taxes, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 772, the

amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 5377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Restoring Tax Fairness for States and Localities Act".

SEC. 2. ELIMINATION FOR 2019 OF MARRIAGE PENALTY IN LIMITATION ON DEDUCTION OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 164(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULE FOR LIMITATION ON INDIVIDUAL DEDUCTIONS FOR 2019.—In the case of a taxable year beginning after December 31, 2018, and before January 1, 2020, paragraph (6) shall be applied by substituting '\$20,000 in the case of a joint return' for '\$5,000 in the case of a married individual filing a separate return'."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 3. ELIMINATION FOR 2020 AND 2021 OF LIMITATION ON DEDUCTION OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 164(b)(6)(B) of the Internal Revenue Code of 1986 is amended by inserting "in the case of a taxable year beginning before January 1, 2020, or after December 31, 2021," before "the aggregate amount of taxes".

(b) CONFORMING AMENDMENTS.—Section 164(b)(6) of the Internal Revenue Code of 1986 is amended—

(1) by striking "For purposes of subparagraph (B)" and inserting "For purposes of this section";

(2) by striking "January 1, 2018" and inserting "January 1, 2022";

(3) by striking "December 31, 2017, shall" and inserting "December 31, 2021, shall"; and

(4) by adding at the end the following: "For purposes of this section, in the case of State or local taxes with respect to any real or personal property paid during a taxable year beginning in 2020 or 2021, the Secretary shall prescribe rules which treat all or a portion of such taxes as paid in a taxable year or years other than the taxable year in which actually paid as necessary or appropriate to prevent the avoidance of the limitations of this subsection."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after December 31, 2019.

SEC. 4. INCREASE IN DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) INCREASE.—Section 62(a)(2)(D) of the Internal Revenue Code of 1986 is amended by striking "\$250" and inserting "\$500".

(b) CONFORMING AMENDMENTS.—Section 62(d)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking "2015" and inserting "2019";

(2) by striking "\$250" and inserting "\$500"; and

(3) in subparagraph (B), by striking "2014" and inserting "2018".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 5. ABOVE-THE-LINE DEDUCTION ALLOWED FOR CERTAIN EXPENSES OF FIRST RESPONDERS.

(a) IN GENERAL.—Section 62(a)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(F) CERTAIN EXPENSES OF FIRST RESPONDERS.—The deductions allowed by section 162

which consist of expenses, not in excess of \$500, paid or incurred by a first responder—

"(i) as tuition or fees for the participation of the first responder in professional development courses related to service as a first responder, or

"(ii) for uniforms used by the first responder in service as a first responder."

(b) FIRST RESPONDER DEFINED.—Section 62(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(4) FIRST RESPONDER.—For purposes of subsection (a)(2)(F), the term 'first responder' means, with respect to any taxable year, any individual who is employed as a law enforcement officer, firefighter, paramedic, or emergency medical technician for at least 1000 hours during such taxable year."

(c) INFLATION ADJUSTMENT.—Section 62(d)(3) of the Internal Revenue Code of 1986, as amended by section 4, is further amended by striking "the \$500 amount in subsection (a)(2)(D)" and inserting "the \$500 amount in each of subparagraphs (D) and (F) of subsection (a)(2)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

SEC. 6. INCREASE OF TOP MARGINAL INDIVIDUAL INCOME TAX RATE UNDER TEMPORARY RULES.

(a) IN GENERAL.—The tables contained in subparagraphs (A), (B), (C), (D), and (E) of section 1(j)(2) of the Internal Revenue Code of 1986 are each amended by striking "37%" and inserting "39.6%" and—

(1) in subparagraph (A)—

(A) by striking "\$600,000" each place such term appears and inserting "\$479,000"; and

(B) by striking "\$161,379" and inserting "\$119,029";

(2) in subparagraph (B)—

(A) by striking "\$500,000" each place such term appears and inserting "\$452,400"; and

(B) by striking "\$149,298" and inserting "\$132,638";

(3) in subparagraph (C)—

(A) by striking "\$500,000" each place such term appears and inserting "\$425,800"; and

(B) by striking "\$150,689.50" and inserting "\$124,719.50"; and

(4) in subparagraph (D)—

(A) by striking "\$300,000" each place such term appears and inserting "\$239,500"; and

(B) by striking "\$80,689.50" and inserting "\$59,514.50".

(b) CONFORMING AMENDMENTS.—

(1) Section 1(j)(4)(B)(iii) of the Internal Revenue Code of 1986 is amended—

(A) in the matter preceding subclause (I), by striking "37 percent" and inserting "39.6 percent";

(B) in subclause (II), by striking "37-percent bracket" and inserting "39.6-percent bracket"; and

(C) in the heading, by striking "37-PERCENT BRACKET" and inserting "39.6-PERCENT BRACKET".

(2) Section 1(j)(4)(C) of such Code is amended—

(A) in clause (i)(II), by striking "paragraph (5)(B)(i)(IV)" and inserting "paragraph (5)(B)(iv)"; and

(B) by amending clause (ii) to read as follows: "(ii) the amount which would (without regard to this paragraph) be taxed at a rate below 39.6 percent shall not be more than the sum of—

"(I) the earned taxable income of such child, plus

"(II) the maximum dollar amount for the 35-percent rate bracket for estates and trusts."

(3) The heading of section 1(j)(5) of such Code is amended to read as follows: "APPLICATION OF ZERO PERCENT CAPITAL GAIN RATE BRACKETS".

(4) Subparagraphs (A) and (B) of section 1(j)(5) of such Code are amended to read as follows:

"(A) IN GENERAL.—Subsection (h)(1)(B)(i) shall be applied by substituting 'below the maximum zero rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 25 percent'.