# EXTENSIONS OF REMARKS

## INTRODUCTION OF THE CITIZENS' TAX RELIEF ACT OF 1995

### HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 17, 1995*

Mr. OWENS. Mr. Speaker, most Americans seem to agree that a tax cut is desirable, since they have become anxious while watching the Nation's economy plunge deeper into global interdependence. But Congress must be responsible enough to rein in the deficit simultaneously so that Americans do not end up paying higher taxes in the future. My proposal, the Citizens' Tax Relief Act of 1995, would successfully accomplish this delicate balancing act.

The 1990 Budget Enforcement Act—1990 act—requires that any cuts in taxes must be paid for with equal cuts in mandatory spending—entitlement programs such as Medicare and Social Security—or with increases in other taxes, not with cuts in discretionary spending. This pay-as-you-go rule has been invaluable in beginning to get a handle on the Nation's deficit.

Unfortunately, Democrats and Republicans alike appear ready to cast aside this proven tool of fiscal responsibility. Members on both sides of the aisle are toying with the idea of lowering the 5-year budget caps on discretionary spending, thereby forcing the appropriations committees to spend less. But according to the Congressional Budget Office [CBO], lowering the caps in a budget-reconciliation bill to pay for a tax cut is purely speculative. It is no different than what Republicans have been accusing Democrats of for years—spending first while promising to pay later.

Another option being considered is amending the 1990 act to break down the walls between mandatory and discretionary spending. Since this move would buy Members of Congress time in making difficult choices about cuts in entitlement programs, the result would likely be a deficit which continues to balloon.

For the reasons I have outlined, Congress must not take the easy way out. Instead, we must at least match proposed tax cuts with entitlement cuts or increases in other, more targeted taxes. The Citizens' Tax Relief Act of 1995 would do just that.

This bill would lower the first income tax bracket from 15 to 12.5 percent, giving every American a tax cut. To pay for it, a huge tax loophole would be eliminated—the favorable tax treatment of inherited property. To be equitable, the bill also would exempt from taxes the first $250,000 of capital gains on the sale of inherited homes—which is currently available only to individuals over the age of 55 and only for the first $125,000—and provide lower capital gains tax rates on the inherited property of heirs who pay the tax in the first 4 years after enactment of the bill.

Currently, when a person dies and leaves property to a family member, the amount by which that property increased in value during the person's lifetime is never taxed. Such a policy is fundamentally unfair considering that if the same person sells the property before dying, the individual is taxed on the gain. My bill would reverse that policy.

A study conducted by two Cornell University professors showed that more than 10 trillion dollars' worth of property will be inherited over the next 45 years. That means that there will be several trillion dollars of capital gains that should be taxed. If Congress takes advantage of this opportunity, we would have more than enough money to pay for my proposed tax cut, so that the bill actually would increase the revenues of the Federal Government. With the money left over, we could invest in job creation programs.

Mr. Speaker, I urge all of my colleagues to support this bill in order to achieve the three goals of increasing Americans' disposable income, creating jobs for everyone who is willing and able to work, and getting the Nation's fiscal house in order.

## TRIBUTE TO FLOYD R. SCOTT

### HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 17, 1995*

Mr. PALLONE. Mr. Speaker, on Friday, January 6, 1995, Mr. Floyd R. Scott, Jr., of Tinton Falls, NJ, died at the age of 67. I rise today to join with the many friends, colleagues and fellow-community activists who knew Mr. Scott to pay tribute to this fine man.

A registered architect in the States of New Jersey and New York, Mr. Scott was past president of the New Jersey State Board of Architects and a past State chairman of the Committee on Preservation of Historic Buildings in New Jersey. To date, he is the first and only African-American appointee to the New Jersey State Board of Architects.

Mr. Speaker, the list of Floyd Scott's accomplishments is a long and impressive one. Born in Asbury Park, NJ, he attended local schools while growing up in Monmouth County. Mr. Scott was an Air Force World War II veteran, serving as a member of the Tuskegee Airmen, the famous 332nd fighter group, the first all-black pilot group. He earned his bachelor's degree in architecture at Howard University. He is listed in both the Who's Who in the East and the American Encyclopedia. Mr. Scott was a former president of the Neptune Township Board of Education, a member of the Rider College Board of Trustees, and a member of the Brookdale Community College Trustee Selection Committee. He was a past president of the Monmouth Boys Club, the Monmouth Council of Boy Scouts, the Monmouth County Men's Club and the Second Baptist Church of Asbury Park. He is a recipient of the NAACP's Distinguished Service Award.

Mr. Scott is survived by his wife, Ruby Scott, a son, Rudolph, his brother, Ed Royal Scott, and three grandchildren.

Mr. Speaker, Mr. Scott has served his community, his State and his country in an exemplary manner. In extending my deepest sympathy to his beloved wife, the rest of his family and his many friends, I hope we can all gain strength and inspiration from the fine example he set for hard work and distinguished achievement in his profession, love and devotion to his family, and dedication to making his community a better place.

## INTRODUCTION OF THE STUDENT LOAN EVALUATION AND STABILIZATION ACT

### HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 17, 1995*

Mr. McKEON. Mr. Speaker, I join today with Representative BILL GOODLING, chairman of the Economic and Educational Opportunities Committee, and other members of the committee and with our Democratic colleagues in the introduction of the Student Loan Evaluation and Stabilization Act. This legislation is urgently needed in order to ensure the stability of the Federal student loan program that provide access to higher education opportunities for our Nation's students.

In 1992, when Congress reauthorized the Higher Education Act, extensive consideration was given to the concept of a Government direct lending program. After long and thoughtful deliberation, the House-Senate Conference Committee which was dominated by Democratic Members from both bodies of Congress, agreed to try a direct lending program over a period of several years on a pilot basis consisting of approximately 4 percent of new student loan volume.

One year later, during the budget reconciliation process, the complete phase-out of the Federal Family Education Loan Program was initiated by the administration in favor of a direct Government lending program. The pilot agreed upon during the 1992 reauthorization which allowed for a thorough evaluation of the program was no longer important. A swift move to a direct Government lending program was adopted in order to achieve budget savings. The administration continues to promote its direct lending program on the basis of the $4.3 billion in savings even though the Congressional Budget Office has estimated that approximately one-half of those savings disappear when long term administrative costs are included in the cost determination.

The administration also continues to promote the concept of public/private partnerships while moving forward with plans to eliminate a public/private partnership that has been successful ever since passage of the Higher Education Act in 1965. Over the years, Congress has taken steps to strengthen this partnership by requiring improved service to students while reducing both student and program costs. Before Members of Congress are able