INTRODUCTION OF THE TRIPLOID GRASS CARP CERTIFICATION PROGRAM

HON. BLANCHE L. LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mrs. LINCOLN. Mr. Speaker, I rise today to introduce legislation that epitomizes the partnership between the Federal Government and private industry that we all strive so hard to achieve.

For the past several years the Fish and Wildlife Service has conducted a certification program for the triploid grass carp. This beneficial fish is utilized by 29 States to help control aquatic vegetation in lakes, ponds, and streams. The triploid grass carp provides an effective, economical method of caring for these environments without the use of chemical agents.

As the use of the fish has increased over the years, a number of States have adopted regulations which require the grass carp to be certified as sterile. If a reproducing carp were introduced into these environments it could cause serious damage to the existing fish species. The certification process assured States that the fish were sterile, thereby allowing their shipment by private aquaculturists.

In the past year the Fish and Wildlife Service conducted 550 triploid grass carp inspections at no charge to the producer. The cost of the program was $70,000. However, this year because of the dire fiscal situation that faces many agencies, the Fish and Wildlife Service has indicated that it will suspend the program within the next 60 days unless a solution is reached. The producers who have utilized this program have agreed to pay a fee that would cover the entire cost of the program with the understanding that the funds would be utilized for this purpose only. The Fish and Wildlife supports this arrangement but lacks the authority to implement it without congressional authorization.

This bill will accomplish that goal and provide for the continuation of a valuable program. I urge my colleagues to support this legislation.

THE CAPITAL FORMATION AND JOBS CREATION ACT OF 1995

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. ARCHER. Mr. Speaker, I am introducing the Capital Formation and Jobs Creation Act of 1995. I am proud that its provisions have been incorporated into the Contract With America. Speedy enactment of this bill will encourage investment in America, create jobs, reduce the cost of capital, and lead to greater short-term and long-term economic growth.

Compared to our major trading partners, Americans invest and save far too little. The Tax Code's poor treatment of savings and investment is a large reason why. We can best help American workers and businesses compete in the international marketplace by sweeping away these counterproductive tax disincentives. My bill does just that.

It contains three important capital gains incentives: First, a 50-percent capital gains deduction, second, indexation of the basis of capital assets to eliminate purely inflationary gains, and third, a provision to treat the loss on the sale of a home as a capital loss. The 50-percent capital gains deduction and the home sale capital loss provision would apply to sales on or after January 1, 1995. The capital gains indexation would apply to inflation, and sales of capital assets, occurring after December 31, 1994. All three of these provisions would make the Tax Code fairer by removing anti-taxpayer, anti-investment provisions.

The bill would substantially cut—at all income levels—the tax rate on capital gains by allowing taxpayers to deduct one-half of the amount of their net capital gains. Currently, capital gains are taxed at the same rate as ordinary income, subject to a tax rate cap of 28 percent. Thus, there is a modest capital gains differential for the upper tax rate brackets, but principally because the 1993 Clinton tax plan raised income tax rates. All taxpayers need a capital gains break, and not just one created by raising income tax rates. Unlike the 1993 Clinton tax plan, the bill would provide a middle-class tax cut by halving the capital gains tax rate for lower- and middle-income taxpayers. The new effective capital gains tax rates would be 7.5 percent, 14 percent, 15.5 percent, 18 percent, and 19.8 percent for individuals. Corporations would be subject to an effective top capital gains tax rate of 17.5 percent.

In addition, my bill would end the current practice of taxing individuals and corporations on gains due to inflation. Currently, taxpayers must pay capital gains taxes on the difference between an asset's sales price and its basis—the asset's original purchase price, adjusted for depreciation and other items—even though much if not all of that increase in value may be due to inflation. The bill would increase the basis of capital assets to account for inflation occurring after 1994. Taxpayers would be taxed only on the real—not inflationary—gain.

Finally, the bill would correct a wrong in the Tax Code by treating the loss on the sale of a principal residence as a capital loss. Currently, if a homeowner has to sell his or her home at a loss, that loss is not deductible—even though future sales may be taxable. This is heads-the-government-wins tails-the-taxpayer-loses. By treating the loss on the sale of a principal residence as a capital loss, the loss would be deductible subject to the capital loss deduction and carryover rules.

In the last election, the voters spoke clearly. They want less government and lower taxes. The Capital Formation and Jobs Creation Act of 1995 does both: it cuts taxes and shifts investment decisions from the Government to individuals and businesses. My bill sends a clear and unmistakable message that Congress is determined to dismantle barriers that are holding back the American economy.

HONORING THE NEIGHBORHOOD HOUSING SERVICES OF BALTIMORE ON ITS 21ST BIRTHDAY

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. CARDIN. Mr. Speaker, I rise today to honor the Neighborhood Housing Services of Baltimore on its 21st birthday. This outstanding organization is dedicated on helping low- and moderate-income residents of Baltimore become first-time homeowners. I also want to take this opportunity to extend my best wishes to John R. McGinn, an inspirational leader who is retiring as NHS chairman.

The NHS has an impressive record. It has been involved in rehabilitating more than 620 vacant houses and has helped convert more than 900 renters into first-time home buyers. Since 1974, NHS has been an important force in providing adequate housing in the neighborhoods of Govans, Coppin Heights, Patterson Park, and Irvington/St. Joseph/Carroll. In addition, since 1993 NHS has instituted the Closing Cost Loan Program to provide from $500 to $5,000 in loans to help prospective home buyers with settlement and closing costs. They have successfully used $300,000 of NHS capital to leverage more than $4 million in conventional financing.

Much of this could not be accomplished without the help and advise of John McGinn, who has been a dedicated and inspired chairman of the NHS board for the past 3 years. In the past decade, in addition to being chairman, John McGinn has given many hours of this time serving on different NHS boards. His advice and professionalism has been a big part of NHS's success and its branching out into new projects.

I hope that my colleagues will also join my fellow Baltimoreans and me in congratulating NHS and John McGinn on a job well done. Our housing crisis is very serious, but the efforts of NHS and John McGinn have done much to help others realize their dream of home ownership.

H.R. 5, UNFUNDED MANDATES REFORM ACT OF 1995

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 24, 1995

Mr. RUSH. Mr. Speaker, today we continue to debate H.R. 5, the Unfunded Mandates Reform Act. This measure comes at a time that is critical for State and local governments, which have been struggling over the past several years to balance their budgets while coping with ever-increasing costs. As a result, State and local governments have requested that we in the Congress establish a process to reexamine the fiscal implications of requirements that may be imposed on them by Federal initiatives.

In my district, the mayors of several suburban municipalities have strongly urged me to consider the impact that Federal laws may have on the financial stability of their governments. That is why I was a cosponsor of a bill introduced by my colleague, Mr. CONYERS, in