

introducing legislation to add two amendments to the generation-skipping transfer tax [GSTT] law which we believe were unintentionally omitted by Congress at the time the original provisions were enacted. This bill was sponsored in the 103d Congress by Mr. BREWSTER, and I have taken the liberty of including his statement of introduction, with minor changes, to introduce the bill in this Congress.

The amendments concern the predeceased parent exclusion of the GSTT law. The exclusion applies to direct gifts or bequests from a grandparent to a grandchild where the grandchild's parent, the transferor's child, is deceased at the time of the transfer. Where this situation occurs, there is no generation-skipping, since the child is dead; therefore it is not appropriate to add a GST tax on top of ordinary estate or gift taxes, and the predeceased parent exclusion properly excludes such transfers from the GST tax.

Our bill would expand the predeceased parent exclusion to apply to gifts by persons without lineal descendants and to trust gifts.

First, gifts or bequests by a childless individual to collateral descendants would be treated the same as transfers by persons with lineal descendants. Accordingly, the exclusion would be extended to apply to transfers made by a childless individual to his or her grandnieces and grandnephews in the situation where that individual's siblings and nieces and nephews are all deceased at the time of the transfer.

Second, the bill applies the predeceased parent exclusion to transfers made through a trust. Under current law, the predeceased parent exclusion is limited, unintentionally, we believe, to direct gifts and bequests, and does not apply to trust gifts even if the parent of the receiving beneficiary was deceased at all relevant times. In addition to other trusts, this provision particularly affects certain charitable trusts where the charity would have an interest for a period of years before distributing property to the individual beneficiaries. In the situation where the beneficiary's parent is dead, and was dead when the trust was created, there is certainly no generation skipping involved which would justify the levy of an additional tax. It is important to note, that these trusts are significant sources of financial support for many charities, and should not be discouraged, unintentionally, where not necessary for the policy of the underlying tax provisions. The bill would remove this obstacle.

The terminations, distributions, and transfers to which this bill would apply are those occurring on or after January 1, 1995, which would be generation-skipping transfers as defined in section 2611 of the Internal Revenue Code and subject to the GST tax, except for the application of the predeceased parent exclusion as amended by this legislation.

The proposed legislation has substantial support from charities, both large and small, and of all types, for example, social service providers, museums, libraries, hospitals, and universities, from around the country. In September 1993 testimony before the Subcommittee on Select Revenue Measures of the Ways and Means Committee, the administration indicated they did not oppose the measure. We would welcome other Congressmen as co-sponsors of this legislation.

HONORING JOHN M. STUMBO

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1995

Mr. ROGERS. Mr. Speaker, I rise today to honor a special friend to Prestonsburg, Floyd County, and all of eastern Kentucky, John M. Stumbo. John, who served as judge-executive of Floyd County since 1983, passed away recently at the age of 67.

A World War II veteran in the Army, Judge Stumbo was a leader who was concerned with our young people and worked to achieve a better way of life in eastern Kentucky.

Nicknamed "Lightning," an obvious contrast to his slow-talking, deliberate manner, Judge Stumbo entered Floyd County's political scene in the early 1950's as a member of the county board of education. He held that post for 31 years, serving the last three decades as the board chairman.

After his service as board chairman, he was appointed judge-executive by then-Governor, John Y. Brown in 1983, following the death of Judge Larry Lafferty, Jr. He was reelected in 1985, 1989, and again in 1993.

Weathering many storms during his 44 years in the public eye, Judge Stumbo was a recognized force in eastern Kentucky politics.

As Floyd County's leader, he led the effort to develop a countywide network of fire hydrants, which served as a model for other counties. Also under his leadership, Floyd County became one of the first counties in the State to enact mandatory participation in a solid waste disposal system. And, at the time of his death, a new county jail is under construction and a new courthouse in the planning stages.

He promoted our region's strength, twice heading the Kentucky Coal Council, pushing the natural resources that bless eastern Kentucky.

And, as chairman for the Big Sandy Area Development District for 4 years, he showed his devotion to economic development by playing an instrumental role in building the Big Sandy Regional Airport. Finally, his appointment of a county-financed economic development authority in the late 1980's was unique to eastern Kentucky.

We will miss Judge John M. Stumbo. He committed five decades of his life to public service in Floyd County and eastern Kentucky. His legacy will long be remembered.

THE 75TH ANNIVERSARY OF
BALLSTON SPA V.F.W.

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1995

Mr. SOLOMON. Mr. Speaker, it is my pleasure to commemorate the anniversary of Veterans of Foreign Wars Post No. 358. This post, I am proud to say, is based in Ballston Spa, NY of my congressional district, and is celebrating a remarkable 75th year in existence.

The V.F.W., Mr. Speaker, has been an organization of exceptional merit and service to

the needs of many veterans. It is only appropriate that those brave men and women who placed themselves in harms way overseas be represented by such an able organization. The members of Post No. 358 have been receiving just such outstanding service for 75 years now. It is comforting to know that those who served the needs of our country and fought for the principles and ideals of America all over the globe can depend on the support of an organization like Post 358 back home in upstate New York.

Mr. Speaker, the service of Post 358 in Ballston Spa is worthy of significant recognition. This post, and others like it, are the reason I fought so hard to attain Department level status for Veterans' Affairs. When Ronald Reagan signed that legislation into law, veterans were finally afforded the degree of national consideration they deserve. The efforts of V.F.W. Posts like this one, Mr. Speaker, having served the needs of veterans since 1920, assured veterans the assistance and recognition they deserved prior to approval of this Government Department and continue to encourage fair consideration of veterans' issues. For this, Mr. Speaker, we own Post 358 a tremendous debt of gratitude.

SALUTING THE EFFORTS OF
GEORGE CHIMPLES

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 1995

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues an important event which will take place in my district on Saturday, March 4th. On that day, the Kardamylian Society of New York will honor noted philanthropist and industrialist George Chimples. He will be honored during the society's 60th annual dinner dance that will take place at the Grand Prospect Hall in Brooklyn.

Mr. Speaker, George Chimples is a prominent member and leader of the Greek-American community and is closely involved with the affairs of the Greek Orthodox Church. He serves as an Archon of the ecumenical patriarchate of Constantinople, and for the last 17 years, he has chaired the Finance Committee of the Archdiocese of North and South America. He also serves as the national vice chairman of the United Hellenic American Congress. George is a great friend to the Greek-American community and his kindness and generosity inspires us all.

George Chimples has been granted many awards for his tireless efforts on a variety of needy causes and has been a major benefactor to the establishment of countless churches and educational institutions. I am very impressed with George's achievements on the behalf of others. George Chimples has truly earned recognition for his distinguished philanthropy, and I hope all of my colleagues here will join the Kardamylian Society of New York in congratulating him for his tremendous accomplishments.