

Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

SEC. 35. ADOPTION EXPENSES.

“(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

“(b) LIMITATIONS.—

“(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed \$5,000.

“(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

“(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds \$60,000, bears to

“(B) \$40,000.

“(3) DENIAL OF DOUBLE BENEFIT.—

“(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

“(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

“(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term ‘qualified adoption expenses’ means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term ‘qualified adoption expenses’ shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

“(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.”

“(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period “, or from section 35 of such Code”.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

“Sec. 35. Adoption expenses.

“Sec. 36. Overpayments of tax.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. . EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

“SEC. 137. ADOPTION ASSISTANCE.

“(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

“(b) DEFINITIONS.—For purposes of this section—

“(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term ‘employee adoption assistance benefits’ means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

“(2) EMPLOYER AND EMPLOYEE.—The terms ‘employer’ and ‘employee’ have the respective meanings given such terms by section 127(c).

“(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term ‘military adoption assistance benefits’ means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

“(4) QUALIFIED ADOPTION EXPENSES.—The term ‘qualified adoption expenses’ means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term ‘qualified adoption expenses’ shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

“(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses.”

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

“Sec. 137. Adoption assistance.

“Sec. 138. Cross references to other Acts.”

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1996.

SEC. . WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

“(8) QUALIFIED ADOPTION EXPENSES.—

“(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

“(i) such amount exceeds the sum of—

“(I) the amount excludable under section 137, and

“(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

“(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

“(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term ‘qualified adoption expenses’ has the meaning given such term by section 137.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that the hearing scheduled before the full Energy and Natural Resources Committee to receive testimony re-

garding S. 1678, the Department of Energy Abolishment Act, has been postponed. The hearing was scheduled to take place on Tuesday, July 23, 1996, at 9:30 a.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC, and will be rescheduled later.

For further information, please call Karen Hunsicker, counsel (202) 224-3543 or Betty Nevitt, staff assistant at (202) 224-0765.

SUBCOMMITTEE ON FORESTS AND PUBLIC LANDS

Mr. CRAIG. Mr. President, I would like to announce for the public that the hearing scheduled before the Subcommittee on Forests and Public Lands of the Committee on Energy and Natural Resources to receive testimony regarding S. 931, S. 1564, S. 1565, S. 1649, S. 1719, and S. 1921, bills relating to the Bureau of Reclamation, has been postponed from Tuesday, July 30, 1996, at 2:30 p.m., to Thursday, September 5, 1996, at 2 p.m. and will take place in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call James P. Beirne, senior counsel (202) 224-2564 or Betty Nevitt, staff assistant at (202) 224-0765.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Thursday, August 1, 1996, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this oversight hearing is to receive testimony on the implementation of section 2001 of Public Law 104-19, the emergency timber salvage amendment.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224-6170.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, July 19, at 11:30 a.m. in S-116.

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

ADDITIONAL STATEMENTS

TRIBUTE TO AMERICAN LEGION POST No. 88 AS THEY DEDICATE THEIR WAR MEMORIAL

• Mr. SMITH. Mr. President, I rise today to recognize American Legion

Post No. 88 as they dedicate a memorial to our Nation's veterans. Post No. 88 undertook the creation and dedication of this war memorial to mark their 50th anniversary. This emblem of service will endure as a reminder of the veterans' sacrifice made for our liberty.

On July 4, Post No. 88 dedicated a demilitarized M60A3 tank and placed it on permanent display at South Village Road in Loudon, NH. Joining the legionnaires in this solemn occasion were local Boy Scouts and Cub Scouts, young musicians, local clergy, and town leaders. The monument was dedicated to the memory of those veterans who served their country, with a special remembrance for POW's and MIA's.

Our veterans have made it possible for us to live free in this great country. The strong, sound granite of the memorial stone, cut from our New Hampshire hills, is representative of America's best and bravest. The men and women who have served this country in the Armed Forces will be honored through this memorial and the community will remember their service and their sacrifice.

This monument is just one of many examples of the way American Legion Post No. 88 serves their community. Members of the post donate countless volunteer hours, fundraising for veterans' needs, support youth education, and assist the medically needy. Post No. 88 has been an integral part of the community for the past 50 years and has served the community with dedication and with pride. I congratulate American Legion Post No. 88 for their service and dedication to their community. The new war memorial is a fitting tribute to our Nation's veterans and another fine example of Post No. 88's commitment to honoring our Armed Forces.●

CHIEF JUSTICE ROBERT N. WILENTZ

Mr. LAUTENBERG. Mr. President, on July 1, an era came to an end, when Robert N. Wilentz removed his robe for the final time and ended a 17-year tenure as chief justice of the New Jersey Supreme Court.

During a rare interview in 1993, when asked how the Wilentz years would be remembered, he replied, "I would hope only that they would be remembered as years when a great court system was kept great and when a great supreme court was kept great." And they will be, due to the efforts of a truly great man—Chief Justice Robert N. Wilentz.

Greatness is based not on what you gain, but on what you give. And the contributions of Justice Wilentz to the legal profession and to the people of New Jersey are a benchmark against which the actions of others will be judged. An old Latin saying notes that justice must be fair and good; while Justice Wilentz wore the judicial robes, he assured both.

He has been categorized as a liberal activist, but that is not entirely fair, for Justice Wilentz's decisions were not based on any political agenda, but on a mixture of extraordinary intellect and unusual compassion.

Under his direction, the New Jersey Supreme Court achieved a national reputation for innovative decisions which often set an example for the entire country. The court instructed municipalities that they must provide housing for low-income residents. In separate opinions, which Wilentz authored, the court recognized the "battered woman's syndrome" as a defense for women charged with homicide and made a host liable for providing alcohol to a guest, if the host is aware that the guest is intoxicated and will soon drive.

In the now famous Abbot versus Burke decision, which ordered the State to provide more money for city schools, Wilentz wrote, "We realize that perhaps nothing short of substantial social and economic change will make the difference for these students, * * *. We have concluded, however, that even if not a cure, money will help, and that these students are constitutionally entitled to that help." Like all of his statements, this one demonstrates that behind the black robes was a daring thinker and visionary jurist.

We may not agree with all of his decisions, but we must recognize his desire to always do what he believed to be right, and just.

Since Chief Justice Wilentz's appointment by Governor Brendan Byrne in 1979, the New Jersey Supreme Court has been involved in an extraordinary number of such precedent setting cases. Yet, in nearly three quarters of these cases, the decisions were unanimous; this is a testament to the chief justice's leadership abilities.

Justice Wilentz was not only a superior jurist and leader, but a skillful administrator. As chief justice, he tirelessly worked to improve the State's municipal court system. To enhance efficiency, he reorganized the courts into four divisions, civil, criminal, family, and general equity, and he divided the appellate division into eight four judge panels.

Under his guidance, the court instituted the New Jersey Judicial College, the Municipal Court Judicial Conference and a speedy trial program; all have become national models. He also created separate task forces to investigate gender bias in the court system and to address minority concerns involving the judiciary.

James Bryant Conant once remarked, "each walk of life, has its own elite, its own aristocracy based on excellence of performance." And recently, the Newark Star-Ledger confirmed that "his [Wilentz] record for excellence is secure and his place in New Jersey's history is fixed." I echo that opinion. All New Jerseyans have benefited from his leadership, his scholarship, his statesmanship.

Chief Justice Robert N. Wilentz will long be remembered for his love of the law, his reasoned eloquence and his uncompromising commitment to social justice. It will indeed be difficult to fill his shoes, and his robe.

TRIBUTE TO MAX M. FISHER

● Mr. ABRAHAM. Mr. President, Max M. Fisher was honored last night in Detroit at the National Republican Leadership Award Dinner. Unfortunately, votes here in the Senate prevented me from attending. I am particularly sorry to have missed this event because I hold Max in the highest possible esteem. Max Fisher's life exemplifies all that is good about our Nation and our people.

Max joined with two partners to form his own oil company, Aurora Gasoline, in 1933, only 3 years after graduating from college. He became chairman of the board of Aurora in 1957 and went on to serve on the board of directors of Marathon oil in 1962. Max has served on the board of directors of numerous corporations and continues to serve on the boards of Comerica and Sotheby's.

I can think of no man who has done more for his community than Max Fisher. He has served as founding chairman of Detroit Renaissance, founding member and former chairman of New Detroit, member of the board of Sinai Hospital, and in numerous other responsible positions helping individuals and communities.

Central to Max's philanthropic mission has been his heroic efforts on behalf of Israel and world Jewry. He has served as chairman of the board of governors of the reconstituted Jewish Agency in Jerusalem, General Chairman of the United Jewish Appeal, Chairman of the Board of United Israel Appeal, and President of the Council of Jewish Federations and Welfare Funds.

In political life as well, Max has made great contributions. He has been an advisor and supporter of the last four Republican Presidents. In addition, he has been a supporter of the Republican National Committee for more than 40 years.

We on the Republican side of the aisle owe our own special debt to Max. But all of America, as well as Israel and numerous persons around the world, owe him our thanks. With this statement I pay tribute to a great man, whose life's efforts demonstrate the awesome impact one individual can have on his surroundings.●

THE 1997 DEFENSE APPROPRIATIONS BILL

● Mr. LEAHY. Mr. President, yesterday the Senate completed action on the fiscal year 1997 Defense appropriations bill. This is one of the most important annual appropriations bills and the largest; by itself it consumes about half of all discretionary spending. I had deep concerns about the bill because it added more than \$10 billion to the