hold the Executive Office of the President to the same standards of fiscal accountability as the various departments under the Chief Financial Officers Act. It is essential that the financial systems of the Executive Office of the President serve the President and his senior staff in an efficient and effective manner.

As the President and Congress work together to eliminate unneeded programs and make others fiscally more effective, it is essential that the highest public office in the land be an example of financial accountability.

□ 1430

I look forward to this legislation clearing the Committee on Government Reform and Oversight and coming before the House. I would hope that, as last year, this would be overwhelmingly passed on suspension.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 695

Mr. JONES. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 695.

The SPEAKER pro tempore (Mr. UPTON). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TAX CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes.

Mr. NEUMANN. Mr. Speaker, I rise today to bring back information that I heard all over my district this weekend. We had a chance to travel and see my son who is a junior in college. I got a chance to talk to some of his friends at college as well as some of their parents. I thought I would come back today and relay some of the information regarding the tax cuts because they still seem to be generally misunderstood out there. They affect so many people in so many good ways, that this is good news that just plain needs to go out to the American people.

I would like to start today by going through the tax cuts, reminding all of my colleagues out there what is all in the bill as it relates to these tax cuts. And remember this is legislation that has actually passed Congress. This is now the law. The law has changed dramatically in terms of how much taxes are owed by families out there, by senior citizens out there. The tax laws have changed and they have changed dramatically.

I thought I would start today by revamping what is in the change in the Tax Code. Before I go into the specifics of this, I think it is important to also note that we are about to balance the budget for the first time since 1969. For all the folks out there saying how can you both cut taxes and balance the budget at the same time, let me explain very simply that by curtailing the growth of Washington spending; that is, Washington spending grows less, that leaves more money available and it is simply being returned to the American people. So we are both balancing the budget and lowering taxes at the same time.

Let me go into some of the things that I found that my families out in the First District of Wisconsin were talking about and found very useful for their information. Let me start with the simplest one that is the most straightforward.

Each family with children next year 17 or younger gets a $400 tax credit for each child. If we start there with the simplest one, what this really means is that in January of next year a family with children should go into their place of employment, they should lower the amount of tax dollars that are sent to Washington, DC, by $33 per month per child. This is literally a change of where the money that our workers are earning, where that money is going to. In the past that $33 came out here to Washington; now it should go into your take-home pay. But you have to go in and adjust the W–4 form in order to increase your take-home pay and decrease the amount of money that is coming out here to Washington.

The $33 per month per child is very simply $400, the tax credit per child, divided by the 12 months in the year. Starting with January of next year, a family with children should increase their take-home pay by $33 per month for each one of their children. So if you are a family of five like ours, you have three kids 17 and younger, for example, you should increase your take-home pay by roughly $100 per month starting next January. That affects approximately 550,000 Wisconsin families alone. But it does not end there.

Families saving up to send their children to college, there is a new education savings account and it works like this: A family with children can put $500 per year into a savings account that will then accumulate interest tax free until the children are ready to go to college, called the education savings account.

I found that a lot of the grandparents were talking about this because a lot of times a birthday will come or Christmas and they will not quite know what to get the grandchildren for a gift. This makes a wonderful gift. The grandparents can literally put this money into the education savings account, and it works like an IRA for the kids. When the kids get to college, education age, they simply take the money out and use it to go to college.

Another one for families with kids already in college. If you have a freshman or a sophomore in college, virtually all freshmen and sophomores in college paying $2,000 a year or more for room, board, and tuition will get a $1,500 credit next year on their taxes. If you have a freshman or a sophomore in college, it is a $1,500 tax credit next year.

It works like this: It is 100 percent of the first $1,000 of cost and 50 percent of the next $1,000, or $1,500 total out of a total cost of $2,000.

So for most of the families and most of the college students I was talking to over in New Ulm, MN, most of those families will get a $1,500 credit next year for the freshman and sophomore. If you are beyond the sophomore year, it is 20 percent of the first $5,000, or in most cases it is $1,000. So for freshmen and sophomores, the tax credit is $1,500. For juniors, seniors, and beyond that, the tax credit is $1,000.

And again, if you are not paying that much overall for your room, board, and tuition and total cost of going to college, it is prorated backwards. Freshmen and sophomores, virtually all of them that we talked to, would be eligible for the $1,500 per year credit. Junior, seniors and beyond, many of them are going to be eligible for the full $1,000, and some of them prorated amounts.

These are major changes in Tax Code policy that are going to allow our families with children and with college age children to keep more of their own money. Let me give you an example what we found.

Friends of ours from church, they have got one off in college, just started this year, is going to the same school as my daughter, Carthage College in Kenosha, WI. They have got two kids still at home. That family is eligible for $1,500 for the student enrolled at Carthage and $400 for each one of the two kids at home for a total of $2,300.

Let me translate that again. In January of next year, this family should literally start taking home roughly $200 a month more of their own money instead of sending it to Washington. Again, this is a family with a freshman who got $1,500 for the freshman college credit, $400 for each of the other two children still at home, for a total of $2,300 that they keep in their house instead of sending it to Washington.

It was really interesting because when I talked to some of the folks out there they said, I do not have kids and, therefore, I am not eligible for any of this. A lot of those families found that they had stock that had appreciated in value. They were going to sell that stock. Of course the capital gains rate has been reduced from 28 to 20 percent. Again, I pause in between. This is not Washington jargon. This is the law. This has been passed. It has been changed. The benefit is there. It is on the books. The capital gains tax rate has been reduced from 28 percent to 20 percent, if you sell stocks or bonds or whatever else it is you might have in that portfolio. I caution folks, take a good look at this, because there are time limits on how long you have to have held the investment.

Let me go to another one that a lot of folks did not realize. This affected