

Mr. President, I understand the marriage penalty, I also understand the appeal of this issue politically. But why in the world would we pass a bill to give a couple making \$200,000 the chance to pay \$4,807 less in taxes than if they were single, and claim we are doing this in the name of fighting the marriage penalty? It seems that S. 1285 would give very generous tax cuts to wealthy married couples who currently do not face any marriage penalty whatsoever. Why would we do this?

I believe there is a much more logical approach. It is a simpler approach. It would significantly reduce the marriage penalty, especially for lower and middle income families. And it would simplify the tax code at the same time. And perhaps most importantly it would not give huge tax windfalls to wealthy couples who already receive a marriage "bonus" under current law.

Mr. President, today I am introducing the Marriage Penalty Reduction Act. My legislation would significantly increase the standard deduction, to \$6,000 for singles, \$9,000 for heads of households, and \$12,000 for married couples. For many lower and middle income married couples who face a marriage penalty, the current standard deduction is the single most important reason. Under my proposal, the standard deduction would no longer have any role in creating a marriage penalty. None.

There are several advantages to this approach. By setting the standard deduction for married couples at exactly twice the level of singles, no marriage penalty can occur.

Mr. President, 70 percent of all individual tax filers currently take the standard deduction. In other words, only 30 percent itemize their deductions. For married couples who currently take the standard deduction, my proposal will grant them a tax cut of at least \$735, significantly reducing any existing marriage penalty. If this \$12,000 deduction were in effect in 1998, along with the current personal exemption of \$2,700, a family of four would find that their first \$22,800 would not be subject to income taxes.

Let me give a second example. Couple No. 2 is a young, newlywed couple. Each makes \$20,000 per year, for a total of \$40,000. They take the standard deduction. Under current law they owe \$4,125 in income taxes as a married couple, but would only owe \$3,915 in combined income taxes if both remained single. In other words, current law imposes a "marriage penalty" of \$210 on couple No. 2.

Under S. 1285, couple No. 2 would, in fact, be able to eliminate their entire marriage penalty. Their tax bill would be reduced by \$210. However, under my proposal, since the standard deduction would also be raised overall, couple No. 2 would see their overall tax bill decline by \$765. My proposal would completely eliminate the marriage penalty, and also provide tax relief for this moderate income couple.

There are advantages for some of those who currently itemize deductions as well. Of the 30 percent who do itemize, the average amount of deductions is about \$16,000. However, for married couples with itemized deductions under \$12,000, they will no longer have to go to the trouble of making calculations under the legislation I am proposing today. They can simply take the higher standard deduction. For many, this will greatly simplify the process of doing their taxes.

And my proposal will cost significantly less than S. 1285. Most who have looked at the issue of tax relief in 1998 understand that S. 1285 is far more than we can afford. My approach costs far less. I intend to ask the Joint Committee on Taxation for an official estimate of this proposal. If we are to debate a tax package later this year with a significant component devoted to the marriage penalty, it is my hope that the proposal I am introducing today can form the basis for a more logical, more rational approach, to the issue. It is also an approach which costs less and simplifies the tax code at the same time.

Mr. President, I ask unanimous consent that a copy of this straightforward proposal appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1989

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marriage Penalty Reduction Act".

SEC. 2. INCREASE IN STANDARD DEDUCTION AMOUNT.

(a) STANDARD DEDUCTION AMOUNT.—Section 63(c)(2) of the Internal Revenue Code of 1986 (relating to the basic standard deduction) is amended—

(1) by striking "\$5,000" and inserting "\$12,000" in subparagraph (A),

(2) by striking "\$4,400" and inserting "\$9,000" in subparagraph (B),

(3) by striking "\$3,000" and inserting "\$6,000" in subparagraph (C), and

(4) by striking "\$2,500" and inserting "\$6,000" in subparagraph (D).

(b) INDEXING OF AMOUNT.—Subparagraph (B) of section 63(c)(4) of the Internal Revenue Code of 1986 (relating to adjustments for inflation) is amended—

(1) in clause (i)—

(A) by striking "(2) or", and

(B) by striking "and" at the end,

(2) in clause (ii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

"(iii) 'calendar year 1998' in the case of the dollar amounts contained in paragraph (2)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

By Mr. JOHNSON:

S. 1991. A bill to require the Secretary of Transportation to issue regulations to provide for improvements in the conspicuity of rail cars of rail carriers; to the Committee on Commerce, Science, and Transportation.

RAILROAD CAR VISIBILITY ACT

Mr. JOHNSON. Mr. President, today, I am introducing the "Railroad Car Visibility Act," requiring that all railroad cars have some form of visible marker such as reflectors or reflective tape.

The purpose of this legislation is to reduce the number of accidents with both moving trains at rail crossings, and with rail cars parked on sidings. In South Dakota a number of such accidents have occurred recently at rural and small town rail crossings and sidings which are often unprotected or unlighted. Such accidents occur in rural areas across the country.

As a result, last year I urged the Department of Transportation (DOT) to take appropriate measures to improve railroad car visibility. While DOT has begun enforcing rules governing locomotive visibility, rail cars are still not required to have reflective lighting. However, DOT research concludes that "retroreflective materials are useful and satisfactory for enhancing the visibility of railroad cars."

This legislation has the support of both South Dakota's legislature and Governor Janklow. For relatively little cost, this legislation will improve railroad car visibility and thereby reduce the number of accidents, unnecessary injuries and deaths at rail crossings and sidings. Therefore I urge my colleagues to support this legislation and work with me to secure its passage.

Mr. President, I ask unanimous consent to have this bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1991

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. IMPROVED CONSPICUITY OF RAIL CARS.

(a) IN GENERAL.—Section 20132 of title 49, United States Code, is amended—

(1) by striking the heading and inserting the following:

"§20132. Visible markers for train cars";

and

(2) by adding at the end the following:

"(c) IMPROVED CONSPICUITY.—Not later than 180 days after the date of enactment of this subsection, the Secretary of Transportation shall—

"(1) develop and implement a plan to ensure that the requirements of this section are met; and

"(2) issue regulations that require that, not later than 2 years after the date of issuance of the regulations, all cars of freight, passenger, or commuter trains be equipped, and, if necessary, retrofitted, with at least 1 highly visible marker (including reflective tape or appropriate lighting)."

(b) CONFORMING AMENDMENT.—The analysis for chapter 201 of title 49, United States Code, is amended by striking the item relating to section 20132 and inserting the following:

"20132. Visible markers for train cars."