

# EXTENSIONS OF REMARKS

## UNFAIRNESS IN TAX CODE: MARRIAGE TAX PENALTY

**HON. JERRY WELLER**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 9, 2000

Mr. WELLER. Mr. Speaker, I rise today to highlight what is arguably the most unfair provision in the U.S. Tax Code: the marriage tax penalty. I want to thank you for your long term interest in bringing parity to the tax burden imposed on working married couples compared to a couple living together outside of marriage.

I want to thank both of you and Chairman ARCHER for the pledge to bring H.R. 6, the Marriage Tax Elimination Act, to the floor for consideration before Valentine's Day. This is truly one of the best Valentine's Day presents we can give to America's working couples. As you know, H.R. 6, as considered by the Ways and Means Committee, will provide \$182 billion in marriage penalty relief over 10 years. This is a significant increase over the \$45 billion proposal offered by President Clinton just before this year's State of the Union Address. Ultimately, as a result of H.R. 6, 28 million working couples will receive up to \$1,400 in marriage tax penalty relief.

This month President Clinton gave his State of the Union Address outlining many of the things he will spend the budget surplus on. House Republicans want to preserve 100% of the Social Security surplus for Social Security and Medicare and use the non-Social Security surplus for paying down the debt and to bring fairness to the Tax Code.

A surplus provided by the bipartisan budget agreement which:

- cut waste,
- put America's fiscal house in order, and
- held Washington's feet to the fire to balance the budget.

While President Clinton parades a long list of new spending totaling \$72 billion in new programs—we believe that a top priority after saving Social Security and paying down the national debt should be returning the budget surplus to America's families as additional middle-class tax relief.

This Congress has given more tax relief to the middle class and working poor than any Congress of the last half century.

I think the issue of the marriage penalty can best be framed by asking these questions: Do Americans feel its fair that our Tax Code imposes a higher tax penalty on marriage? Do Americans feel its fair that the average married working couple pays almost \$1,400 more in taxes than a couple with almost identical in-

come living together outside of marriage? Is it right that our tax code provides an incentive to get divorced?

In fact, today the only form one can file to avoid the marriage tax penalty is paperwork for divorce. And that is just wrong!

Since 1969, our tax laws have punished married couples when both spouses work. For no other reason than the decision to be joined in holy matrimony, more than 21 million couples a year are penalized. They pay more in taxes than they would if they were single. Not only is the marriage penalty unfair, it's wrong that our Tax Code punishes society's most basic institution. The marriage tax penalty exacts a disproportionate toll on working women and lower income couples with children. In many cases it is a working women's issue.

Let me give you an example of how the marriage tax penalty unfairly affects middle class married working couples. For example, a machinist, at a Caterpillar manufacturing plant in my home district of Joliet, makes \$30,500 a year in salary. His wife is a tenured elementary school teacher, also bringing home \$30,500 a year in salary. If they would both file their taxes as singles, as individuals, they would pay 15%.

### MARRIAGE PENALTY EXAMPLE

	Machinist	School teacher	Couple	H.R. 6
Adjusted Gross Income .....	\$31,500	\$31,500	\$63,000	\$63,000
Less Personal Exemption and Standard Deduction .....	6,950	6,950	12,500	13,900 (singles x 2)
Taxable Income .....	24,550	24,550	50,500	49,100
	(x .15)	(x .15)	(Partial x .28)	(x .15)
Tax Liability .....	3682.5	3682.5	8635	7,365
Marriage Penalty .....			1270	
Relief .....				1,270

But if they chose to live their lives in holy matrimony, and now file jointly, their combined income of \$61,000 pushes them into a higher tax bracket of 28 percent, producing a tax penalty of \$1,400 in higher taxes.

On average, America's married working couples pay up to \$1,400 more a year in taxes than individuals with the same incomes. That's serious money. Millions of married couples are still stinging from April 15th's tax bite and more married couples are realizing that they are suffering the marriage tax penalty.

Particularly if you think of it in terms of:

- a down payment on a house or a car,
- one years tuition at a local community college, or
- several months worth of quality child care at a local day care center.

To that end, U.S. Representative DAVID MCINTOSH (R-IN) and U.S. Representative PAT DANNER (D-MO) and I have authored H.R. 6, the Marriage Tax Elimination Act.

H.R. 6, the Marriage Tax Elimination Act, as considered by the House Ways and Means Committee, will increase the 15% tax bracket (currently at 15% for the first \$26,250 for singles, whereas married couples filing jointly pay 15% on the first \$43,850 of their taxable income) to twice that enjoyed by singles; H.R. 6 would extend a married couple's 15% tax

bracket to \$52,500. Thus, married couples would enjoy an additional \$8,650 in taxable income subject to the low 15% tax rate as opposed to the current 28% tax rate and would result in up to \$1,200 in tax relief.

Additionally the bill will increase the standard deduction for married couples (currently \$7,350) to twice that of single (currently at \$4,400). Under H.R. 6 the standard deduction for married couples filing jointly would be increased to \$8,800.

H.R. 6 enjoys the bipartisan support of 233 cosponsors along with family groups, including: American Association of Christian Schools, American Family Association, Christian Coalition, Concerned Women for American, Ethics and Religious Liberty Commission of the Southern Baptist Convention, Family Research Council, Home School Legal Defense Association, the National Association of Evangelicals and the Traditional Values Coalition.

It isn't enough for President Clinton to suggest tax breaks for child care. The President's child care proposal would help a working couple afford, on average, three weeks of day care. Elimination of the marriage tax penalty would give the same couple the choice of paying for three months of child care—or addressing other family priorities. After all, parents

know better than Washington what their family needs.

We fondly remember the 1996 State of the Union Address when the President declared emphatically that, quote "the era of big government is over."

We must stick to our guns, and stay the course.

There never was an American appetite for big government.

But there certainly is for reforming the existing way government does business.

And what better way to show the American people that our Government will continue along the path to reform and prosperity than by eliminating the marriage tax penalty.

Ladies and gentlemen, we are running a \$3 trillion surplus. It's basic math. It means Americans are already paying more than is needed for government to do the job we expect of it.

What better way to give back than to begin with mom and dad and the American family—the backbone of our society.

We ask that President Clinton join with Congress and make elimination of the marriage tax penalty—a bipartisan priority. During the State of the Union Address this year, that he signaled his willingness to work to eliminate the marriage tax penalty. We must send him

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

a bill to eliminate the marriage penalty suffered by 28 million American working couples.

The proposal offered by the President to reduce the marriage tax penalty is a good start, but it is not enough. By doubling the standard deduction, only couples who do not itemize their income taxes receive the benefits of tax relief. In order to provide relief to couples who itemize, mainly homeowners, we must address the difference in the income tax brackets. If we follow only the President's plan, the result will be a marriage tax penalty against couples who are homeowners and couples who contribute to charities. This is not right and it is not fair.

Speaker HASTERT and House Republicans have made eliminating the marriage tax penalty a top priority. In fact, we plan to move legislation out of the House before Valentine's Day.

Last year, President Clinton and Vice-President GORE vetoed our efforts to eliminate the marriage tax penalty for almost 28 million married working people. The Republican effort would have provided about \$120 billion in marriage tax relief. Unfortunately, President Clinton and Vice-President GORE said they would rather spend the money on new government programs than eliminate the marriage tax penalty.

This year we ask President Clinton and Vice-President GORE to join with us and sign into law a stand alone bill to eliminate the marriage tax penalty.

Of all the challenges married couples face in providing home and hearth to America's children, the U.S. Tax Code should not be one of them. The greatest accomplishments of the Republican Congress this past year was our success in protecting the Social Security trust fund and adopting a balanced budget that did not spend one dime on Social Security—the first balanced budget in over 30 years that did not raid Social Security.

Let's eliminate the Marriage Tax Penalty and do it now!

#### MARRIAGE PENALTY RELIEF

• 236 Bipartisan Cosponsors of H.R. 6, 28 Democrats, 22 Members of the Ways and Means Committee

• The proposal being offered today will offer:

- \$182 billion in tax relief over 10 years
- This is \$60 billion more than the proposal vetoed by President Clinton and Al Gore
- This is \$137 billion more than the President proposed last week
- The President's proposal would provide \$45 billion in relief over 10 years
- Basically, doubles the standard deduction
  - Could create a homeowner penalty
  - Provide up to \$210 in relief
  - H.R. 6 will now provide up to \$1,400 in tax relief for 25 million American working couples—an average of about \$800 per couple
    - double the standard deduction
    - widen the 15% bracket to twice that of singles
  - Increase EIC threshold for married couples by \$2,000

#### PERSONAL EXPLANATION

### HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 9, 2000*

Mrs. CLAYTON. Mr. Speaker, on rollcall No. 8, Tuesday, February 8, 2000, I was absent

due to my husband's illness. Had I been present, I would have voted "yea."

#### TRIBUTE TO PETER H. MACLEARIE

### HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 9, 2000*

Mr. PALLONE. Mr. Speaker, it is with profound sadness that I rise to mark the passing of Mr. Peter H. Maclearie of Spring Lake Heights, NJ, who died on Wednesday, December 8, 1999, at the age of 68.

Mr. Maclearie was an outstanding leader in the Jersey Shore community, contributing his talents and energies in both the public and private sectors. He served as the Mayor of Spring Lake Heights for two terms, from 1970 to 1976, having previously been a Borough Councilman from 1963 to 1970. Mr. Maclearie also served as an incorporator and member of the Board of Directors of Allaire Community Bank in Wall, NJ. He was responsible for obtaining federal grants for the development of the Spring Lake Community Center. Among his other contributions to the betterment of our community, Mr. Maclearie was a founding member and past chairman of the South Monmouth Regional Sewerage Authority. He served on various committees of the New Jersey League of Municipalities and was a member of the New Jersey Conference of Mayors and an honorary member of the Municipal Clerks Association.

Indeed, Mr. Speaker, it seems as though politics and community service must be in the Maclearie blood. Mr. Maclearie's father was the Mayor of Belmar, NJ, for 36 years, including a period of time when father and son were mayor simultaneously in adjoining boroughs. His sons, Peter and Paul, are currently municipal councilmen in Tinton Falls, NJ, and Spring Lake Heights, respectively.

Mr. Maclearie was also the president of Coded Systems Corp., which he founded in 1971. His firm specialized in codifying municipal ordinances throughout New Jersey and many other states. He also was the founder and president of Maclearie Printing of Wall, NJ.

A communicant of St. Catharine's Roman Catholic Church in Spring Lake, NJ, Mr. Maclearie also was a member of the church's Finance Committee. He was a member of the Wall Rotary Club, the Belmar Fishing Club, the Spring Lake Golf Club, the Manasquan River Marlin and Tuna Club, and the 200 Club of Monmouth County. He was a charter member of the Manasquan Elks Lodge and the Spring Lake Area Chapter of Deborah Heart and Lung Center.

Born in Asbury Park, NJ, Mr. Maclearie lived in Belmar before moving to Spring Lake Heights 42 years ago. He was an Army veteran of the Korean War, serving as a combat photographer. He was a member of the Spring Lake Post of the American Legion, a life member of the Asbury Park Post Veterans of Foreign Wars and the Richard Skoluda Chapter of Disabled American Veterans, Spring Lake Heights.

Despite his numerous commitments, Mr. Maclearie found time to enjoy life with his family, to dote on his grandchildren, to pursue such hobbies as fishing, boating, camping,

practical jokes—and, of course, politics. He is survived by his wife of 44 years, Florence Yesville Maclearie; three sons and daughters-in-law, Peter and Ann of Tinton Falls, Paul and Eileen of Spring Lake Heights, and James and Nancye of Toms River, NJ; four daughters and three sons-in-law, Michelle and Christopher Wood of Spring Lake Heights, Nancy and Matt Hayduk, also of Spring Lake Heights, Cathleen of San Francisco, California, and Mary Beth and Drew Smith of Phoenix, Arizona; a brother, Timothy of Ocean Grove, NJ; two sisters, Jean Boda of Elizabethtown, Pennsylvania, and Judy Gray of Maine; and 10 grandchildren.

In keeping with Mr. Maclearie's dedication to the cause of helping others, his family has asked that, in lieu of flowers, contributions be made to the Deborah Heart and Lung Center or the Peter H. Maclearie Scholarship Fund in Spring Lake Heights.

Mr. Speaker, the Maclearie family is obviously devastated by his loss, as are his many, many friends. I hope that they will find comfort in the many good wishes from people all over, and from the knowledge that Mr. Maclearie did all that he could to make his community a better place.

#### NONPOINT POLLUTION CONTROL PROGRAM

### HON. CAROLYN MCCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 9, 2000*

Mrs. MCCARTHY of New York. Mr. Speaker, I rise today in support of the Coastal Community Conservation Act and the importance of protecting America's water ways.

Our children's future matters to all of us, and we have a responsibility to leave to them the same beautiful and viable environment that we enjoy today. The Coastal Community Conservation Act is a step in the right direction.

The Conservation Act requires states with approved coastal zone management programs, such as New York, to develop a coastal pollution control program to manage nonpoint sources which affect water quality.

A major feature of a coastal nonpoint control program is that it unites the water quality management expertise of the state water quality agencies with the land use management expertise of the coastal management agency. In order to preserve America's heritage, this unity of water and land conservationist must happen.

The most promising approach is to incorporate pollution reduction and management into the conduct of activities rather than establish separate programs. To do this the following guidelines must be followed: build on existing programs; incorporate state and local government input; and plain common sense.

It is vital that in our zeal to find solutions to our pollution problems that we remember the importance of coordination between the states and the federal government. We all have the same goal: protecting our natural resources. We have some of the most beautiful coastlines and natural resources in the world. The time is now to solve them. And our children and grandchildren will thank us.