

invite young men and women to bring their talent into the service of their country and to take advantage of the outstanding educational and training benefits currently available. Few occupations offer the patriotic satisfaction of military service.

A healthy all-volunteer force does not just happen. When I asked recruiters appearing before a recent Personnel Subcommittee hearing what Congress could do to help them bring the best and brightest into today's military, of course they responded that educational benefits would help, they responded that health care benefits would help, they responded that improving housing would help. But equally important was their request for help in convincing parents and educators that enlisting their children and students was "not the last choice" but a first choice, and to help them gain access to students on school grounds and access to student directory information.

In response to the DOD request for assistance, I would like to respond in two ways:

First, by inviting all of my colleagues in the Senate, regardless of where they hail from, to join with me in pledging to visit one or more high schools in their home States this year and to promote military service as an attractive career opportunity while addressing students and faculty members. This is one positive step we can all take to demonstrate our support for a healthy Armed Forces recruiting process.

Secondly, I urge my colleagues to support this bill, the Military Recruiter Access Enhancement Act of 2000, in an enthusiastic and bipartisan fashion. We want and need the brightest and the best to serve in our Armed Forces. I cannot help but think of the many outstanding citizens in all walks of life, indeed, including many of my esteemed colleagues right here in the Senate, who began their adult lives with service to our Nation in one of the branches of the Armed Services. We owe it to the recruiters of our services to do all we can to help them succeed in their tireless efforts to bring in quality men and women for the defense of our country.

Mr. President, I thank you for your indulgence and thank the Senator from Texas for her willingness to yield to me this time and for her tireless efforts on behalf of tax relief for the families in this country.

I yield the floor.

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MARRIAGE TAX PENALTY RELIEF
ACT OF 2000—Continued

The PRESIDING OFFICER. Who yields time?

The Senator from Indiana.

Mr. BAYH. Mr. President, I rise to speak on behalf of the Targeted Marriage Penalty Relief Act of 2000. I do so because I believe it affords us the best opportunity to deal with this problem in a way that will relieve this penalty from the vast majority of Americans.

Approximately 80 percent of the Americans who currently pay the marriage tax penalty would have their penalty eliminated entirely under our approach.

Secondly, I favor this approach because it allows us to deal with this problem in the most affordable manner, also giving us the freedom to address other important issues that have faced our great country. I support the Targeted Marriage Penalty Relief Act of 2000 because it strikes the right balance between fiscal responsibility and a socially progressive policy, which I think is best for our country.

I support relief of the marriage tax penalty for several important reasons. First, as a matter of basic justice. It is not right that two individuals should pay more in taxes simply because they are married. When our Tax Code falls into ridicule, compliance drops and the Government, as a whole, falls into disrepute. We should not allow this to happen. We can take an important step to preventing this from happening by dealing with the marriage penalty problem.

Secondly, I support marriage tax penalty relief as a matter of social policy. Marriages and families are the basic building blocks on which our society is built. Too many marriages today end in disillusion. Too many families today are fractured because of the strains they face, often financial strains. If we can take action to strengthen families and marriages, to provide a sound and secure environment in which children can be raised, it is better for our country in a whole host of important ways.

I support the marriage tax relief provisions I speak to today as a matter of economic policy. During prosperous times when we enjoy surplus, it is only right that we share some of that hard-earned benefit with those who have generated it in the first place: the taxpayers of our country.

All of this is not to say we can afford just any approach to resolving the marriage penalty situation. We have to get it right. We have to do it in a way that is affordable and balanced with the other needs our country faces. This cannot be said of all the approaches currently before this body. Some of the approaches are poorly targeted, more than we can afford and, in fact, do not deserve the title of marriage tax penalty relief at all.

I admire the work done by the Democrats on the Senate Finance Committee; in particular, the leadership of the ranking member, Senator MOYNIHAN, and Senator BAUCUS. Their approach is truly targeted to ending the marriage tax penalty problem. It is intellectually elegant, and I appreciate the work they have done in this regard. We have several practical issues we are working through, but their approach truly deserves the title "marriage tax penalty relief."

The same cannot be said of the approach taken by the majority. Their

approach claims to be a marriage tax penalty reduction bill but, as has been alluded to by several other speakers, more than half of the benefits go to those who do not have a marriage tax penalty at all. Many things can be said about this proposal. Calling it a marriage tax penalty bill is not one of them.

Secondly, it is too slow. It is phased in over a 7-year period. Why should we wait so long to give this important relief to the taxpayers of America? If it is truly a pressing problem, surely we can afford to act much sooner than that.

Third, it is regressive in nature. More than half of the benefits under the approach taken by the majority go to those earning more than \$100,000 a year.

I have no trouble with the wealthy in our society. In fact, I wish we had more wealthy in the United States of America. But at a time when we have to make difficult decisions and allocate scarce resources among competing priorities, I think relief of the marriage tax penalty needs to be more squarely focused upon the middle class, an approach not taken by the majority.

Finally, and most significant of all, is the issue of affordability. The approach taken by the majority would use fully \$248 billion over the next 10 years to solve this problem, severely limiting our ability to deal with other pressing matters that face our country.

If you care about a drug benefit for Medicare, not only is the majority position silent about your concerns, it in fact limits our ability to do something about your concerns. If you care about making college more affordable by including a college tax deduction or credit to lower the cost of college, not only does the majority position do nothing to address your concerns, in fact it makes addressing your concerns and reducing the burden of the college expense on working families more difficult to accomplish. If you care about caring for the elderly, a sick parent or grandparent, not only is the majority approach silent about your concerns, it in fact makes it more difficult to deal with this important and pressing matter. If you care about debt relief or about education reform, not only is the majority position silent about your concerns, it in fact makes it more difficult to consider.

Fortunately, there is another alternative, one that is targeted, one that is immediate, one that is progressive, and one that is affordable. The approach I speak to today, as the approach taken by the Democrats in the Senate Finance Committee, is a true marriage tax penalty relief bill. No one who does not currently pay a marriage tax penalty will be eligible for a tax cut under this provision. It helps those who have the problem get relief, which is the way it should be.

Secondly, the relief is immediate. In the first year of this approach, fully 51

percent of Americans who pay a marriage tax penalty will have their marriage tax penalty eliminated entirely. After 4 years, when this approach is fully implemented, more than 80 percent of the American people, everyone making under \$120,000 a year, will have their marriage tax penalty fully eliminated—100-percent elimination of the marriage tax penalty for everyone making \$120,000 a year in just 4 years, not the 7 proposed by the majority.

Third, this approach is progressive. Everyone making under \$120,000 will have the marriage tax penalty eliminated, and the majority, more than half, of the benefits go to those making between \$50- and \$100,000 a year. Working families, the middle class, those who are struggling most can make ends meet.

Finally, on the issue of affordability, while the majority proposes \$248 billion over 10 years to deal with this problem, our approach would take only \$90 billion—more than 80 percent of the problem eliminated at only a fraction of the cost—thereby freeing up billions and billions of dollars to deal with other pressing matters that face our society.

Let me put this in perspective: the difference in cost of the majority's position versus our position is \$158 billion over 10 years. The difference in cost would completely fund a Medicare drug benefit proposed by the President of the United States for every senior citizen across our country qualifying for Medicare, helping to lower the cost of prescription drugs. Even if you don't adopt the President's approach to a Medicare drug benefit and instead adopt the less costly provisions proposed by the majority—let's take the Republican drug benefit, costing around \$70 billion over the next 10 years—you would still have the ability to fully fund that and, in addition, adopt a \$10,000 tax deduction for people with children in college, allowing them to write off the first \$10,000 of college tuition.

In addition, you would allow a \$3,000 credit for senior citizens who are being cared for by their children or grandchildren, lowering the cost of long-term care for the elderly in our society. You would allow for the \$30 billion of education reform proposed by Senator GRAHAM on the floor of the Senate just last year.

Let me briefly review the affordability provisions. On the one hand, you have a so-called marriage tax penalty relief bill that costs \$248 billion over 10 years, the majority of which goes to people who, in fact, don't pay the marriage tax penalty, or you can eliminate 80 percent of the marriage tax penalty, eliminate it entirely for everyone making under \$120,000 and, in addition to that, fully fund the Medicare drug benefit proposed by the majority, and fully fund the college tuition deduction proposed by Senator SCHUMER, and fully fund the long-term elderly care credit proposed by myself

and others, and fully fund the money for education reform proposed by Senator GRAHAM.

The choice is clear: a marriage tax proposal on the one hand that goes to largely benefit those who don't pay the marriage tax penalty or a marriage penalty relief proposal that eliminates the vast majority of that problem and adds a Medicare drug proposal and makes college more affordable and provides for long-term care for the elderly and invests funds in the quality of education. I believe the choice is clear.

I thank my colleagues for their indulgence and, again, commend the Senate Finance Committee Democrats for their dedication to this issue and the hard work they have devoted to it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, this is a very important debate. I hope we are going to be able to move to pass this bill before people have to write their checks during the weekend deadline for income taxes this year.

Right now, there are negotiations underway between the Republicans and the Democrats about what kind of amendments should be offered. I very much hope that the Democrats will agree to offer some relevant amendments because I think there are surely legitimate disagreements about how we would give marriage tax penalty relief. But I also hope we will not have extraneous amendments offered, no matter how good the cause, which would take away from what President Clinton asked us to do, and that is to send him a marriage tax penalty bill that does not include extraneous legislation. That is what we are attempting to do.

So I hope we can move forward into the amendment phase and talk about our differences. I think the distinguished Senator from Indiana wants tax relief for hard-working married couples. I think we may have a few differences, but in the end I suspect that he and I will both vote for the bill that is passed out of this Senate; that is, if we can get to the vote. That is what I hope we can do.

I think we need to be very careful in the debate, though, about accuracy and what the different proposals are going to do. I heard a Senator earlier today in debate say that this bill on the floor will break the Treasury. I think the distinguished Senator from California, Mrs. BOXER, perhaps didn't look at the numbers and didn't match it to the budget resolution because, clearly, this not only doesn't break the Treasury, it doesn't even spend half of the allocation in the budget we passed last week for tax relief. In fact, it is \$69 billion over 5 years, and the budget we passed last week is \$150 billion over 5 years. So this is not even half.

We do hope to give tax relief to other people in our country. We want to eliminate the marriage tax penalty. We want to let seniors work if they are between 65 and 70 and not be penalized for

it, and that bill has already been passed. We want small business tax cuts to make it easier for our small businesses to create the jobs that keep our economy thriving. We would like to give education tax cuts. Under the leadership of Senator COVERDELL, we passed education tax cuts that would help people give their children the education enhancements that would increase their education quality. All of these things fit within the \$150 billion tax relief in the budget that we passed last week.

I think this is quite responsible and I think it is long overdue. We are talking about a tax correction as much as anything, because it is outrageous to talk about people who are single, working; they get married and they don't get salary increases, but all of a sudden they owe \$1,000 more in taxes. It is time to correct this inequity. That is exactly what the bill before us does. It corrects the inequity all the way through the 28-percent tax bracket. It helps people all the way through those income brackets.

Mr. President, I ask my distinguished colleague from Alabama if he would like to speak. I don't know if others are waiting to speak, but he was waiting earlier. I am happy to yield to him at this time because he has been a leader in this effort.

How much time does the Senator need?

Mr. SESSIONS. Ten minutes would be fine.

Mrs. HUTCHISON. I will stop my remarks and yield to Senator SESSIONS for 10 minutes from our time.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. I thank the Senator from Texas for her stalwart leadership in this bill. The President of the United States said in his State of the Union Message that the marriage tax penalty should be eliminated. Polling data shows that the overwhelming number of American citizens believe it should be eliminated. I had a meeting and a press conference with a number of families in Alabama on Monday, and we sat down and talked with them about the struggles they have. One couple had eight children. They are paying additional taxes because they are married. Another couple had just gotten married and had a young child, and they are paying more because they are married. Those are the kinds of things that are unexplainable to the American people. They are unjustifiable in logic, fairness, and justice. On a fundamental basis, the marriage tax penalty is an unfair and unjust tax. It is not that we are doing a tax reduction so much as we are eliminating a basic unfairness.

As I have said before, the challenge we are facing today is to create, as Members of this Senate, public policy that improves us as a people, that helps us to be better citizens. On every bill that comes through, every piece of legislation that we consider, we need to ask ourselves: Will this make us better

or improve us as a nation? When we have legislation and laws in force that give a bonus to people to divorce, we have something wrong.

I have a friend who went through an unfortunate divorce. They got that divorce in January. I was told: JEFF, had we known about it and thought about it at the time, we could have gotten the divorce in December and we would have saved another \$1,600 on our tax bill.

The Federal Government is paying a bonus to people who divorce. In effect, that is what our public policy does. If they are married, they are paying a penalty. It is \$1,600, according to CBO, for an average family who pays this penalty, and \$1,400, according to the Treasury Department, President Clinton's own Treasury Department, that says the families who pay this penalty pay an average of almost \$100 per month. That is a lot of money. That is tax-free money that they could utilize to fix their automobile, get a set of tires, go to the doctor, take the kids to a ball game, or buy them a coke after a game, or go to a movie, and do the kinds of things families ought to do.

Mr. BAUCUS. Will the Senator yield for a question?

Mr. SESSIONS. Yes.

Mr. BAUCUS. I ask the Senator, is the so-called marriage tax penalty a consequence of getting married or is it a consequence of getting married and the proportion of incomes each spouse earns? I might ask the question differently. How many people in America—if the Senator knows, and he may—get a bonus under our tax laws, not a penalty? What percentage of American taxpayers today receive a bonus as opposed to a penalty?

Mr. SESSIONS. I am not sure about any bonus factor.

Mr. BAUCUS. That is because when they get married, they pay less taxes.

Mr. SESSIONS. Well, 21 million, I believe, pay more taxes.

Mr. BAUCUS. I ask the Senator, are there some people getting married and, as a consequence, pay less taxes?

Mr. SESSIONS. That is perhaps so.

Mr. BAUCUS. It is so.

Mr. SESSIONS. It is a factor, as the Senator indicated, relative to the income that each person earns.

Mr. BAUCUS. What we are trying to do is find a solution that solves the problem of the disparity in what each spouse makes, which might then cause the penalty. For example, we all know when you have a married couple and one spouse receives more income than the other—considerably more—the joint tax is going to be less than if they are filing separately. We all know that. That is mathematically a given. The consequence, though, of a married man and woman who earn roughly the same amount is that couple pays more in taxes than they would pay if they were separate.

So what we are trying to do is solve the problem—if the Senator would agree with me—and to make sure that

when a man and woman get married, we address the problem created when the two people have somewhat similar incomes, which then creates the penalty. So some who are married pay a penalty and some get a bonus. Aren't we only trying to solve the penalty problem for those couples who find themselves in a penalty position?

Mr. SESSIONS. I will just say this. The Senator is correct in saying this legislation deals with the penalty provision and does not attempt to increase taxes on married couples, to try to reach some sort of ideal level.

It is designed to provide relief from the penalty that occurs.

Does the Senator propose that we increase the taxes on those who may be paying less because they are married?

Mr. BAUCUS. If we are trying to solve the so-called marriage penalty problem, then we should try to solve the so-called marriage tax penalty problem.

Mr. SESSIONS. We are solving the marriage tax penalty problem. You may be complaining about the bonus some might get.

Mr. BAUCUS. If I could answer the question, on the other hand, if we want to do something else in addition to solving the marriage tax penalty problem, that is a different debate, and we should try to figure out how best to do that. As it is today, there are 25 million Americans who find themselves in the penalty position when they get married. But there are 21 million Americans who find themselves in a bonus situation when they get married. It is about 50-50. It makes sense, I think, to try to give relief to those in the penalty situation.

I am not sure if those who are already in the bonus situation need more relief, as contained in the Finance Committee bill, the majority bill.

I was asking the Senator why we are doing that. Why are we doing more than fixing the penalty?

Mr. SESSIONS. I think it would be a matter of some discussion if the Senator would like to have some hearings in the Finance Committee on whether or not these bonuses occur. I don't think they are as substantial as the penalties may be. They are not. But, at any rate, if the Senator wants to have hearings on whether they ought to be raised, then I think that is something that is worthy of evaluation.

Mr. BAUCUS. This Senator is not advocating any increase in taxes; no way at all. I want to make that clear. I know the Senator didn't mean to imply that I was thinking of raising taxes because I am not.

Mr. SESSIONS. We have a problem when two people are working and they are making \$30,000 a year—just two, a man and woman. They fall in love. They get married. At \$30,000 a year each, they end up paying about \$800 more a year, which is \$60 or \$80 a month in extra tax simply for getting married. I want to eliminate that. If somebody wants to deal with the other problem, they can.

Frankly, I am beginning to observe there is a feeling on the other side that this bill needs to go away, that people are not willing to confront it directly. I hope that is not so. I hope we can see this legislation go forward.

Mr. BAUCUS. If I might ask the Senator one more question, is it better to try to find some way to pay down the national debt at the same time we are fixing the marriage tax penalty problem?

The Senator gave a hypothetical of a man and woman each earning \$30,000. They get married and have to pay more taxes. That is not right. I totally agree that is not right. That ought to be fixed. Somebody who pays more income taxes as a consequence of getting married should not be facing that situation, and we should, in the Congress, figure out a way—as various proposals do—so a couple does not have to pay any more income taxes as a consequence of getting married. I agree with the Senator. That is not right.

Mr. SESSIONS. That is exactly all it does. Does the Senator disagree? This bill eliminates the penalty. That is what it intends to do. That is what the President says he supports. That is what the Senator from Montana says he supports. That is it.

I have the floor. I will yield for a question.

The PRESIDING OFFICER (Mr. FITZGERALD). The 10 minutes yielded to the Senator from Alabama have expired.

Mr. BAUCUS. Mr. President, I yield the Senator 5 minutes so we can continue this discussion.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I would be glad to hear the Senator's question on the point.

Mr. BAUCUS. The question I am asking is this: More than half of the Finance Committee bill does not address the marriage tax penalty problem. More than half goes to married couples who have no marriage penalty problem but who are already in a bonus situation.

I am asking the Senator: Most Americans would rather have the national debt paid down. Doesn't it make more sense for us to address the marriage tax penalty problem directly and to take the rest and help pay down the national debt?

Mr. SESSIONS. We are paying down the national debt in record amounts. As the Senator knows, we are down \$175 billion this year. That will continue. The tax reduction that would be affected by this bill represents only, let us say, a small fraction of the total surplus we will be looking at in the next number of years.

If these so-called bonuses that the Senator refers to are primarily given to the one-income earner couple where a mother stays home and is not working, they receive some benefit from that. I think the bonus is not sufficient to make up for the fact that one of them stays at home.

Also, one of the most pernicious parts of this bill—the Senator from Texas has talked about this previously—is that we are attempting in America today to break through the glass ceiling to have women move forward and achieve equal income in America. That is happening to a record degree. But under the present Tax Code, the more equal the marriage partners are in income, the more tax penalty falls on them. In a way, as a practical matter, it seems to fall against working women in a way that you would not expect it to, and it is something we would not want to see happen.

We have unanimous agreement that the marriage tax penalty is a matter that ought not to continue. This legislation deals directly and squarely with that. It doubles the standard deduction. It doubles the brackets for married couples, which is the simplest and best way to achieve that. It will give hard-earned relief to married couples.

We had the spectacle reported of the witness who testified in the House committee that each year he and his wife would divorce before the end of the year, file separately, get the lower tax rate, and then remarry at the beginning of the next year.

We ought not to have tax policies that would make somebody feel as if they could get ahead of the system and save money for their family by divorcing every year. It is the kind of thing that is not healthy.

I appreciate the fact we are finally moving. I hope in a bipartisan way to see this bill become law.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, these are very interesting discussions. I think that for a long, long period of time people at the grassroots of America have understood there should not be a policy that hurts people who join in bonds of matrimony. Everybody realizes that the strength and foundation of our society is the family. The husband and wife are the strength of our society and the foundation of our society.

We have legislation before us that finally will end the penalty against people who marry and get hit with a higher level of taxation rather than two people who aren't married and filing separately making the same amount of income.

Basically, we are talking about the issue of fairness—in this case, fairness within the Tax Code; economic fairness for people who are married.

For about 30 years, our Tax Code has been penalizing people just because they happen to be married.

This is, of course, a perfect example of how broken our Tax Code is, and perhaps is an example that can be given with many other examples of why there ought to be a broader look at greater reform and simplification of the Tax Code. That debate is for an-

other day. Even though 70 percent of the people in this country feel the Tax Code is broken and ought to be thrown out, there is not a consensus among the American people whether a flat rate income tax, which about 30 percent of the people say we ought to have, or a national sales tax, which about 20 percent of the people say we ought to have, should take the place of the present Tax Code.

I use those two percentages to show there is not much of a consensus of what should take its place and therefore probably not enough movement being reflected in the Congress for an alternative to the present Tax Code. Therefore, we find ourselves refining the Tax Code within our ability to do it—a little bit here and a little bit there.

One of the most outstanding examples of something wrong with our Tax Code is that people pay a marriage penalty, pay a higher rate of taxation because they are married as opposed to two individuals filing separately. As with the earnings limitation that discriminated against older Americans, a bill was recently signed by the President of the United States. This unfair marriage penalty needs to be dumped, as well.

I applaud my side of the aisle because it took a Republican-led Congress to repeal the Social Security earnings limit, but the President of the United States was very happy to sign that Republican-led effort. To be fair to the other side, it eventually did pass unanimously. It is the same Republican-led Congress that is taking the lead in repealing the marriage penalty tax.

I listened to a number of comments from the minority side yesterday. I came away with the conclusion they want the American people to believe that the other side of the aisle is for getting rid of the marriage penalty tax. Of course, the minority party had control of the Congress for decades and never once tried to repeal it. Even more interesting, I am afraid we could be victims of the old bait-and-switch routine. For instance, as this bill was being considered in the Senate Finance Committee, an amendment was offered by the minority to delay any marriage penalty relief until we fixed Social Security and Medicare. That is a "manana" type of amendment, meaning if we wait to do these other things tomorrow before we have a tax cut, we are never going to have a tax cut.

We may see that amendment again on the floor of the Senate. Remember, in committee, all of the Democrats voted for delay until Social Security or Medicare was fixed, and all the Republicans voted to fix the marriage penalty tax now. We all know neither the administration nor the Democratic side have comprehensive proposals to fix Social Security and Medicare. I have to admit, I am participating with two or three Democrats on a bipartisan effort to fix Social Security, but the

administration has refused to endorse that bipartisan effort. There are also bipartisan efforts in the Senate to fix Medicare, but the White House has not endorsed those bipartisan efforts.

Saying that Social Security and Medicare ought to be fixed before we give some tax relief, and particularly tax relief through the marriage penalty tax, is like saying you don't want a tax cut. I am sorry to say at this late stage of this Congress, I don't think we will see from the Clinton-Gore administration any efforts to fix these problems this year in a comprehensive way. When they say we ought to fix Social Security or Medicare first, it is a manana approach—put it off until later; that day will surely never come if we follow that scenario.

The national leadership of the unions in America, the AFL-CIO leadership, put out their marching orders in a legislative alert making these very same arguments that I am sure is only coincidental. They urge that the marriage penalty relief should be delayed until these other problems—presumably Social Security and Medicare—are solved.

My friends on the other side of the aisle say they are for marriage penalty relief but only some time in the unknown future. That is, in fact, Washington, DC, doubletalk that continues to make the American people more cynical about whether Congress is ever determined and willing and committed to deliver keeping our promises. Delaying this tax relief means no tax relief at all. I hope taxpayers across the country will let their Senators know they have had enough of this doubletalk and that they will demand real action now, and sooner or later we will get this bill brought to a final vote.

Another misguided argument used yesterday is that under the majority bill married couples get a tax cut but single mothers with kids wouldn't get one. This is a complicated aspect of the bill, but the argument is not correct. Senators making these arguments repeated it, bringing emphasis to it, as if something new has been discovered, that some kind of smoking gun had been discovered. Unfortunately, for those Members' arguments, the statements are inaccurate. An important part of our bill repeals the alternative minimum tax for over 10 million people. Many helped in that provision will be single mothers.

There is something much more interesting about this argument; that is, the alternative that presumably will be offered by the other side of the aisle is the bill that flatout, without question, doesn't help single mothers at all. But that isn't even the most important point.

That important point is, if a single mother chooses to eventually get married—and since marriage is the foundation of our society, I think we all agree that this is a good move, both for the mother and the children—then, under our bill, she will not be penalized for being married. There will not be a

higher rate of taxation just because that single mother gets married. Under current law, if she continues to work after being married, the Government is going to slap her and her husband with a big tax increase. It is that sort of very bad situation our bill will eliminate.

In addition, it is important to note the alternative, from our friends on the other side of the aisle, discriminates against stay-at-home moms. Why should we have proposals before us indicating, if you decide you want to stay at home and raise your kids, spend full time doing it—probably the most important economic contribution you can make to American society, and you are not going to get paid for it, but it is a great contribution to American society. It might not be much of an economic contribution to the family because there is no income going to come as a result of it, but it is good for American society for kids to have parents who are able to be at home with them.

So if you decide to stay at home with the kids, you are going to be discriminated against under the alternative from the Democrat side of the aisle.

That proposal only helps two-earner couples. It not only doesn't help those single mothers over whom the other side of the aisle cries crocodile tears frequently, it hurts those families where one parent decides to stay at home with the children. I hope all of you stay-at-home parents out there listening understand what the Democratic alternative would do to your families.

It seems to me we should be helping people get married, encouraging marriage—it is the solid foundation of our society—not penalizing them for doing it. So, I hope we can get this bill to discussion without cloture. Obviously, there is a legitimacy for amendments from the other side of the aisle. There is even probably legitimacy for amendments from our side of the aisle. There ought to be agreement to those amendments.

It is really time for the gridlock to be over, to move to this bill, to get to a final vote. Now is the time to pass this very important reform, and I urge the Members of this body to come together on amendments, on limitations on discussions, and do what is right by passing this legislation.

Before I yield the floor, if I could do something for the leader: I ask unanimous consent the debate only continue on the marriage tax penalty until 5 p.m. today, with the time equally divided, and the majority leader recognized at the hour of 5.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

Mr. GRASSLEY. I yield the floor.

Mr. BAUCUS. Mr. President, I yield myself such time as I consume.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I think it is important to lay things out as to

what this issue is and what it is not. There is a lot of talk that this is a marriage tax penalty. There is even an implication by some that there is something put in the Tax Code to penalize couples because they are married; that is, they have to pay more taxes. Of course that is not true. A little history, I think, is instructive as to why we are here and what perhaps some solutions might be.

When the income tax was enacted, the Congress treated individuals as the unit of taxation, whether or not one was married. If somebody made a certain amount of money, he or she paid income taxes. If he or she got married, he or she was subject to the same rates, the same schedule. The individual was treated as the unit.

That was the case for a while. But many States in our Nation are community property States. They have different laws which determine to what income a man or woman in married status is entitled. In community property States, the rule is any income earned by a spouse is automatically community property and therefore is equally divisible. As a consequence, in community property States, each, the man and wife, would combine their incomes and file separately. That was upheld by the courts. That created a big discrepancy between community property States and common law States.

In common law States, an individual still had to pay the individual rates, whether or not he or she got married, which was just not fair. So Congress in 1948 changed the law to make it fair. What did Congress do? Congress in 1948 said: OK, we are going to double the deductions for married couples as opposed to singles, so when you get married, you do not pay any more taxes than you would pay if you were single. That was the rule of thumb. The brackets for the married were doubled, and the deductions were doubled.

That created another inequity. In this area of tax law, when you push down the balloon someplace, it pops up someplace else. The inequity created was the inequity for individual taxpayers because individual taxpayers say: Wait a minute, here I am as an individual taxpayer. I am paying up to 42 percent more in income taxes on the same income that a married couple earns. If the married couple earns \$100,000, hypothetically, my taxes as a single individual earning \$100,000 are up to 42 percent more than the couple's. That is not right.

Congress in 1969 agreed that was not right, so Congress went in the other direction. In 1969, Congress said: We are going to raise it, widen the brackets, adjust the brackets for individuals so they are a little more in line with those for people who are married.

The rule of thumb was a tax paid by an individual could not be more than 60 percent more than the taxes paid by a married couple. That was fine for a while. Then over the years we have a

lot more couples where both members of the family are earning more income.

This is a long way of saying when we make some change in the law here, it is going to cause some inequity someplace else. It is a mathematical truth that we cannot have marriage neutrality and progressive rates and have all married couples with the same total income pay the same taxes. It is a mathematical impossibility to accomplish all three objectives. It cannot be done. So we have to make choices. The choices are whether to tilt a little more in one direction or the other. The bill before the Congress now is a good-faith, honest effort to try to solve that problem.

There are different points of view. The bill passed out by the Finance Committee attempts to solve that problem one way. The provision offered by Senator MOYNIHAN, the ranking member of the Finance Committee, had a different approach to solve that problem. Let me very briefly lay it out so people have a sense of what the two different approaches are to solve the marriage tax penalty problem.

Recognizing that today, to be honest about it, more married couples receive a bonus when they get married, not a penalty—or, to state it differently: More people, men and women, when they get married today, will receive a bonus; that is, they will pay less taxes as a consequence of getting married than they would individually.

It is true that about half of the people who get married end up paying more taxes, and that is called the marriage tax penalty. It is a consequence of the progressive nature of our Tax Code, along with a desire to be fair to widows and widowers and other single taxpayers, and to be fair to married taxpayers, making sure that some married taxpayers, who have the same income as other married taxpayers, do not pay more. It is a very hard thing to do.

The majority bill tries to solve it this way: It raises the standard deduction. It raises the 15-percent and 28-percent brackets. It changes the earned-income tax credit for lower income people. It makes no other change. It is pretty complicated.

As a consequence, some people who are married and pay a marriage tax penalty will receive relief but not all will. This is a very important point. The majority committee bill addresses only 3 of the 65 provisions in the code which cause the marriage tax penalty. That is standard deduction and the two brackets. That is all.

The chart behind me shows the situation. On the left is current law. There are 65 provisions in the Tax Code today which cause a marriage tax penalty. The GOP proposal, which is the column in the middle of the chart, addresses only 3, leaving 62 provisions in the code which cause a marriage tax penalty.

What is one of the biggest? Social Security, and it is a big one, too. It costs about \$60 billion to fix. The majority

committee bill says: No, we are not going to help you seniors. If two of you get married, you have to pay more taxes. You have a marriage tax penalty; we are not going to help you. The majority committee bill does not deal with seniors at all.

There are a lot of senior citizens in our country who are not going to find any relief as a consequence of the majority bill. There are 61 other provisions in the code on which the majority committee bill will not give people relief.

The bill offered by Senator MOYNIHAN, the ranking member of the Finance Committee, is very simple. It says to taxpayers: OK, you have a choice. You, as a married couple, can file jointly or you can file separately. That is your choice. You run the calculation, and whatever comes out lower is presumably the one you are going to make.

What is the beauty about that? Why is that better? It is better because it is simple. The majority bill further complicates the code, and the code is complicated enough. The majority bill adds more complications by trying to deal with changing the deductions, phase-ins, and so forth. There are a lot more complications.

The minority provision is very simple. It says: You choose. It does not add more complications. In addition, it addresses all 65 of the marriage tax penalty provisions in the code today. There are many of them. I mentioned one such as Social Security. That is one the majority bill does not address.

Other are like interest deduction of student loans. Many students have loans, and as a consequence of current law, when you get married, sometimes you pay more taxes. The majority committee bill does not do anything about that. The majority committee bill does not address that. It only deals with 3 provisions—the standard deduction and two brackets, 15- and 28-percent brackets. Those three provisions sometimes cause a marriage tax penalty.

The minority bill takes care of all the penalty provisions in the code. Look at the chart again. The zero under the Democratic proposal means there are zero marriage tax penalties as a result of the Democratic proposal. The GOP proposal has 62 remaining marriage tax penalties.

I am curious as to why they did not address those. I may ask some Members on that side as to why they did not address some of them. A lot of folks are going to wonder, senior citizens are going to wonder, somebody who takes an IRA deduction is going to wonder, someone who takes a Roth IRA deduction is going to wonder: Gee, why don't they take care of marriage tax penalties that affect me? I do not know. Maybe sometime the majority can answer why they do not address those other marriage tax penalties.

There are other inequities, but I am not going to get into all of them right now. We will get into them at a later date.

It is important to point out that there are two attempts to solve the marriage tax penalty problem: The majority committee bill only deals with three of the provisions in the Tax Code which cause a marriage tax penalty. The minority bill deals with all of them. There is no provision left as a consequence of the minority bill.

In addition, the minority bill is much simpler; one only has to choose, whereas in the majority committee bill, my gosh, one cannot choose; they are forced into a situation, and they are not part of the solution. They have to deal with extra complexities. It does not solve the problem.

I yield the floor and reserve the remainder of the time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I know the Senator from Kansas wants to speak, but if I can take a couple minutes to respond to some things the Senator from Montana stated, I think I should do that.

I yield to the Senator from Kansas such time as he might consume. I should wait until the Senator from Montana is on the floor before I give my response to him. I yield Senator BROWNBACK such time as he consumes.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I thank my colleague from Iowa, Mr. GRASSLEY, for his leadership on this issue and for yielding me time to speak on this bill.

I, too, want to comment on the Marriage Penalty Act and the marriage tax penalty elimination, and some of the comments of the Senator from Montana. I wish he was still on the floor.

He says we have differences of opinion: The Democrats have a marriage tax penalty bill; the Republicans have one. He thinks theirs is better. Great. Let's have a debate on those two. Let's vote. I do not know when we have had as much clarity of differences between a Democratic bill and a Republican bill, where both parties have said we want to pass a bill on any issue this year, than the bill we have before us.

I am pleading with the members of the Democratic Party: Let's have a vote. Let's have a great debate. We will debate your bill for 2 hours, ours for 2 hours, vote on both of these, and let's get this moving forward.

If they want to pass a marriage tax penalty elimination bill, we have the time; we have the place; we have the floor; we can have this vote now. If they do not want to, and really all this is about is: Well, we do, but we are going to block this with eight or nine irrelevant amendments; we are really not that interested in doing this, then that should be said as well. They should be out here saying, no, this really isn't a high priority for the Democratic Party to pass, rather than saying, OK, we have a bill, you have a bill, and let's vote.

It is time we vote up or down, and we have the time before we go into a recess.

The other thing I would like to point out is the President sent us his budget for the fiscal year 2001. I have a copy of the budget the President submitted to us. In his budget, he inserted his support for eliminating the marriage tax penalty. In the President's budget, on the EITC, on page 57, entitled, "Supporting Working Families," he says at the bottom of this page:

In this budget, the President builds upon these policies that are central to his agenda of work, responsibility, and family.

He says:

The budget expands the EITC to provide marriage penalty relief to two earner couples

That is what our bill does. We have a chance to get that particular provision that he is calling for in the budget to the President.

Going back now in his budget to the tables of his proposals and his 10-year estimates on it—this is on page 409—he provides for, and it states:

Provide marriage penalty relief and increase standard deduction.

He does a much smaller one than we have put forward. I think he also even has a smaller one than Senator MOYNIHAN's proposal that came forward in the Finance Committee. But the President has said all along: Let's eliminate the marriage tax penalty. Let's do this. It is in his budget.

He has asked us not to send him these gargantuan bills that have 20 different items in them. He asked us to send him one like we did on the Social Security earnings limit test. We passed that bill and sent it to the President. He signed it into law. He appreciated being able to have that degree of clarity and that degree of focus on a particular issue.

We have another one. We are having the debate on it. It is the time and the place for us to consider and vote on this now. We need to consider the proposals that the other party has, and to consider our proposals. Let's move this topic forward.

The President has said he wants it. I hope the President gets involved in this debate and urges the Senate and my colleagues on the other side of the aisle to vote on this issue and to get it to him—if he wants it. He said he did in his budget. If he truly wants this marriage tax penalty relief, let's have a vote, and let's get it to the President. We can do this now.

I am fearful. What I am sensing is that we are just getting a lot of delay tactics and no real interest in passing the marriage penalty tax relief. Clearly, there is not an interest to pass it before April 15.

People have the right to do those sorts of tactics, if they want to. But I do not think they should hide and say they just have a different bill, when the true desire here is to not have any bill go through at all.

This affects a lot of people. We have been over and over this lots of times. It affects 25 million Americans. In Kansas, 259,000-plus people are affected by

this marriage tax penalty that we have in place. The Senator from Montana has 89,000 people who are affected.

I am looking forward to the chance and the time when we get to actually vote on these issues. Frankly, I think we have had enough discussion about the Democratic proposal and the Republican proposal. We know what is in these proposals now. We know the costs of these proposals. We are ready to pass this. It is time to vote. I really do not understand too much what is holding this up from moving forward.

My colleagues and I have had a number of people contacting our offices saying that this is a penalty they want to see done away with.

They have contacted us numerous times. I have worked with the Members of the House of Representatives who have passed this bill already. They have sent to me letters from a number of people from across the country with their specific examples of how they are penalized by the marriage tax penalty.

This is a letter from Steve in Smyrna, TN. He says:

My wife and I got married on January 1, 1997. We were going to have a Christmas wedding last year, but after talking to my accountant we saw that instead of both of us getting money back on our taxes, we were going to have to pay in. So we postponed it. Now, for getting married, we have to have more taken out of our checks to just break even and not get a refund. We got penalized for getting married.

Then he concludes:

And that just isn't right.

I agree. I presume the Senator from Montana agrees. I presume most of the people on the other side of the aisle agree as well. Let's vote then and get a proposal out of here so we can actually deal with this.

Here is one from Wayne in Dayton, OH:

Penalizing for marriage flies in the face of common sense. This is a classic example of government policy not supporting that which it wishes to promote. In our particular situation, my girl friend and I would incur an annual penalty of \$2,000 or approximately \$167 per month. Though not huge, this is enough to pay our monthly phone, cable, water, and home insurance bills combined.

I think that is pretty huge when you are talking about that size of a marriage penalty.

This one is from Marietta, GA. Bobby and Susan wrote this one:

We always file as married filing separately because that saves us about \$500 a year over filing married, filing jointly. When we figured our 1996 tax return, just out of curiosity, we figured what our tax would be if we were just living together instead of married. Imagine our disgust when we discovered that, if we just lived together instead of being married, we would have saved an additional \$1,000. So much for the much vaunted "family values" of our government. Our government is sending a very bad message to young adults by penalizing marriage this way.

This is from Thomas in Hilliard, OH.

No person who legitimately supports family values could be against this bill. The marriage penalty is but another example of

how in the past 40 years the federal government has enacted policies that have broken down the fundamental institutions that were the strength of this country from the start.

This one is from David in Guilford, IN:

This is one of the most unfair laws that is on the books. I have been married for more than 23 years and would really like to see this injustice changed so my sons will not have to face this additional tax. Please keep up the great work.

He goes on.

We have a number of different letters. I do not think it really bears going into much longer because what I hear everybody saying is: We are for eliminating the marriage tax penalty. The American public is for doing that. It is the time to do that. We now just have procedural roadblocks to getting it done.

That is the bottom line of where we are today. We could vote on this today. We could vote on the Democratic alternative. We could vote on the Republican alternative. We could have up-or-down votes on this today and get this through this body, get it to conference, and on down to the President, and see if he really meant it when he said in his budget that he wanted to do this, the EITC, the marriage tax penalty elimination, to see if he really wants to eliminate the marriage tax penalty. We could see if the President really meant that.

I invite the President to get involved in this debate so we can pass this through.

I have worked with the administration on a number of bills. I would hope they would start engaging us here saying: Yes, we want to do this and pass this on through.

Let's not stall it. Let's get this thing moving forward so we can send this message out across the country.

With that, Mr. President, I see several other Members on the floor. It is time to get this moving forward.

I just call on my colleagues on the other side of the aisle and say let's not play on this thing. Let's say we are going to pass it. Let's take the votes, and let's move forward.

I yield back to my colleague from Iowa.

Mr. President, if I have a minute or 2 more—I don't want to take up the time from my colleague of Iowa.

Mr. GRASSLEY. I thought the Senator yielded the floor.

I would like to speak now if the Senator has yielded the floor.

Mr. BROWNBACK. I yield the floor.

Mr. GRASSLEY. I yield myself 5 minutes.

First of all, I think there is a very general proposition about the Tax Code. I want to relate it to the philosophy of higher taxation on the part of the Democratic Party members; and that is, that the higher the marginal tax rate, the worse the marriage tax penalty is.

We have in 1990 the drive for increasing taxes by Senator Mitchell when he

was majority leader. That increased marginal tax rates at that particular time. Then we have had the highest tax increase in the history of the country, which was the one that was passed within 7 months after the Clinton administration was sworn in in 1993, in which we still had two higher brackets put into the Tax Code.

Remember, that tax increase passed with 49 Democrats for it, and all Republicans and a few Democrats against it. It passed by Vice President GORE breaking the tie. Remember that we have a much worse tax penalty now than we did under the tax policies of the 1980s, when we had two brackets, 15 and 28 percent. The extent to which the marriage tax penalty is worse now than before is a direct result of higher marginal tax rates promoted by the other side of the aisle.

I also have to make a point in reference to what the Senator from Montana said today, as well as what he had said yesterday; that is, his accusation that the tax bill that reduces the marriage tax penalty before us is further evidence of the majority party trying to benefit higher income people. The Senator should be aware that his Democrat alternative actually benefits more higher income people than the bill that is before us by the Republican Party. I hope he will take a look at the distribution tables that show his bill helps more higher income people than the bill we are trying to get passed.

We have also heard arguments that this legislation does not end the marriage tax penalty in every way. This legislation ends the marriage tax penalty in the standard deduction and the 15- and 28-percent rate brackets and reduces it for virtually every family that suffers from the marriage tax penalty. This is the largest attack on the marriage tax penalty since its inception in 1969.

For many working couples, those in the 15-percent and the 28-percent tax bracket, which would be up to about \$127,000 under this bill, this legislation effectively ends the marriage tax penalty. For those couples in higher income brackets, this legislation provides a significant reduction in the marriage tax penalty.

It is correct that this bill does not end all marriage tax penalties in the Tax Code. There are over 60 instances of the penalty in the code. This bill is about hitting the marriage tax penalty where it hits hardest—in the middle income tax brackets, the standard deduction, and the earned-income tax credit.

There is also talk about the bill before us resulting in more Tax Code complexity. Our bill is simpler than the Democrat alternative. Our legislation eliminates the marriage tax penalty in the standard deduction and the 15-percent and 28-percent rate brackets. How could this be more simple?

I hope we can have further discussion of these disagreements because I am convinced we can soundly overcome the arguments of the other side of the aisle.

I yield the floor. The Senator from Texas may use whatever time she needs or is available.

Mrs. HUTCHISON. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. There are 6 minutes remaining.

The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Iowa for making those points because I think they are very important. The differences between the Democrat alternative and the Republican plan that is on the floor are actually quite extensive.

In the first place, the Democrat plan is \$100 billion less in tax relief for American families. We are trying to cover more families. Not only are we trying to cover the people who are in the 15-percent bracket and the 28-percent bracket, which takes us through everyone who pays taxes up to \$127,000 in joint income, but it also increases the earned-income tax credit for those who don't pay taxes at all. This is what helps a person who has been on welfare who goes to work and actually makes a salary of from \$15,000 to \$30,000 not have to pay any kind of penalty, even though they don't pay taxes.

We want to add to the \$2,000 earned-income tax credit \$2,500 more to the salaries that would qualify for the earned-income tax credit. This is an incentive for working people who are in the lowest levels of pay to continue working and to realize that it is more important for them to work and to have an incentive to work than to be on welfare.

The points made by the Senator from Iowa are very appropriate. The Republican plan not only offers more relief, it offers more relief to more people, \$100 billion more.

Secondly, the Democrat plan is phased in over a very long period of time. It doesn't become fully effective until 2010. It is very backloaded. Fifty percent of it doesn't even take effect until 2008. We want to try to make that timeframe less, and we want to have significant tax cuts for hard-working American families.

Of course, we truly do believe that people will be able to make the decisions with the money they earn better than they will be able to live with decisions made in Washington, DC. In fact, I think it is very important that people realize, as they are writing their checks on April 15—or Monday, April 17, if they can wait until the very end—that the chances are they are in the 48 percent of the married couples. If they are in that 48 percent that has a penalty, their tax bill next year will be an average of \$1,400 less, if we can pass the Republican plan, send it to the President, and if the President will sign it. The President has said he is for tax relief for married couples. We certainly think he should sign the bill. If he doesn't sign the bill, we would really like to know why because this is a better tax cut plan.

There is probably just a difference on what is a marriage bonus. For a married couple where one spouse decides to stay home and raise the children and they don't pay as much in tax as the single person doubled, I don't think that is a bonus. I would not want to tell my daughter, who has three children, that she is not working when she is staying home with them. Thank goodness we have people who want to stay home and raise their children. I don't want to make that decision for them, but I certainly want them to have the option and not be penalized in any way.

I think everything we can do to encourage families to be able to make that choice we should do. I do not consider it a bonus. What I want is total fairness. What I want is, if a person is single and marries another single working person, when they get married there is no penalty whatsoever. The \$1,000 we now make them pay because they got married would be spent instead by them, to start building their nest egg, to have their first home, to buy the second car, whatever it is they need, as newlyweds, who are the ones who struggle the hardest. We want them to have the benefit of not having discrimination in the Tax Code.

What we are talking about is tax relief; it is a tax correction. It is saying that we don't want to penalize people for getting married. When 48 percent of the married couples in this country do have that penalty, what we want to do is correct it. I hope the Democrats will work with us to have relevant amendments that could be put forward. This is a good debate. I think we can differ on the way we would give marriage tax penalty relief. But my plea with the Democrats is let us take it up. Don't say that you have to offer extraneous amendments which don't have anything to do with marriage tax penalty, especially when President Clinton has asked us to send him a marriage tax penalty bill. That is what I hope will happen at 5 o'clock.

I hope the President will work with the Democrats and tell them he believes in tax relief. I hope we can pass that relief for the hard-working Americans who deserve a break. I urge my colleagues to help us offer these amendments. Let's debate them and let's give Americans tax relief as they are signing those checks to the Federal Government this week.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana controls the remainder of the time until 5 o'clock.

Mr. BAUCUS. Mr. President, I see my good friend, the Senator from Texas, still on the floor. I will ask her a couple of questions.

Clearly, we both want to solve the marriage tax penalty. It is my judgment that we are going to pass legislation this week—I hope so. There will be a couple of amendments. It is normal and proper in the Senate for Senators who think they can improve upon a bill

to offer amendments. I certainly hope we can dispose of the issue this week. I expect that to happen. I hope so. In doing so, obviously, we want to do what is right. When you do something, you should do your darndest to make sure you do it right the first time so you don't have to correct mistakes later on.

I am wondering why it would not make more sense to address all of the marriage tax penalty problems in the code in this bill rather than only a few. As the Senator knows, there are about 65 provisions in the Tax Code, the consequence of which sometimes results in a marriage tax penalty for some married couples—not all but for some.

I am not being critical of the provision offered by the majority. But as the Senator knows, in the proposal offered by the majority, they deal with only 3 of those 65 provisions; whereas, the way the minority attempts to solve this, or proposes to solve the marriage tax penalty problem is to allow optional filing; as a consequence, all 65 provisions in the code are dealt with, so that in the minority position all of the marriage inequities are solved—all 65 provisions.

I am wondering why—without being critical—it doesn't make more sense for us while we are here, while we are going to pass a bill relieving couples of the marriage tax penalty, to entirely solve the problem, as is the case in the minority bill, rather than only for a few, as is the case in the majority bill.

Mrs. HUTCHISON. I thank the Senator from Montana for saying, first of all, he thinks we will have a marriage tax penalty relief bill passed. I certainly think a couple of amendments—five or six or so—on either side, which are relevant, to try to perfect legislation is quite reasonable. I hope that is what the Democrats intend to offer. That isn't what we have seen so far. So perhaps we are coming to a conclusion. I hope so.

Let me say that if the only bill on the floor were the Democratic alternative, I would vote for it because I have voted for it before. It is not a bad plan. But I think the Republican plan is better. Here is why. First of all, our plan helps more people who are in the lower levels, the middle-income levels, who really need this kind of help. We say that if a single person making \$35,000 married, or a single person making \$30,000, you double the bracket so their combined bracket is going to be the same. They will not be penalized in the 15-percent bracket or the 28-percent bracket. Now, I would be for going all the way through those brackets because I am for tax relief for hard-working Americans.

Ours is a bigger bill. It covers more people. I think it is the better approach. I would be for bracket relief across the board, too, because I think the tax burden is too heavy and we are talking about the income tax surplus, not the Social Security surplus. So this

is the money people have sent to Washington that is beyond what the Government needs for the Government to operate. So I think ours is better, but I don't think yours is bad. I just hope we can give the most tax relief to the most people.

Mr. BAUCUS. Maybe the Senator is not addressing the question, for many good reasons. The question is, why not deal with all 65 of the inequities rather than only 3?

Mrs. HUTCHISON. If we took our plan and yours and put them together, I would think that would be better than the Republican plan. Your plan alone is not as good as the Republican plan because it doesn't give that much relief. Our plan gives \$2,500 more in the earned-income tax credit. This is helping people come off of the welfare rolls and have the opportunity to be paid to make them whole. These are people who make \$12,000 to \$30,000 a year, when they have two children, a family of four. It also helps people in the 15-percent bracket and in the 30-percent bracket.

Mr. BAUCUS. I appreciate the Senator's remarks. We are on my time, so I will finish up.

Briefly, I think it is important to point this out. One of the provisions not dealt with in the majority bill is taxation of Social Security benefits. That is no small item. It would cost about \$60 billion over 10 years if it were to be addressed. I remind people that today the majority bill before us is about \$248 billion over 10 years. So, in addition, \$60 billion is the amount that senior citizens would have to pay as a consequence of the marriage tax penalty, which is not covered by the Finance Committee bill.

I might add that, again, the minority bill does solve the Social Security benefits problem, as it does each of the other 62 remaining provisions in the Tax Code which may result in a marriage tax penalty. I hear people say, well, theirs is a better bill. But that doesn't get down to the specifics of what it actually does. I remind Senators that over half of the tax reduction in the bill offered by the Finance Committee goes to people who are already in a bonus situation. It has nothing to do with the marriage tax penalty.

I am suggesting that those are dollars that could be perhaps better spent for debt reduction. I think most Americans would like to see the national debt paid off. That makes a lot more sense to me. Or perhaps they would prefer that it go to education, health care, or whatnot.

We are here to address the marriage tax penalty. I think we should focus on the marriage tax penalty and, by doing that, I submit that the proposal offered by Senator MOYNIHAN, the minority alternative, focuses only on the marriage tax penalty. It is very simple to understand. Essentially, the taxpayers choose whether to file jointly or separately. I think that sort of empowers

the taxpayers to decide for themselves what they want to do. They can be part of the solution where they pay lower taxes and not have to pay any marriage tax penalty at all. Again, \$60 billion of Social Security benefits is not fixed by this bill.

I want to add this, and I know my time is about to expire, the AMT. One consequence of the committee bill is that there are 5.6 million more taxpayers who are going to have to file under the alternative minimum tax than today—5.6 million new taxpayers, new people who are not filing under the alternative minimum tax, separate and filing today, will not have to under the Finance Committee bill.

That is not the case in the minority committee bill.

I think we should give relief to those folks so they don't have to go to the AMT situation; or, to say it differently, the Finance Committee bill gives some relief to AMT taxpayers and then takes it back by saying now you new taxpayers have to file the AMT.

Why is that result? Why does that happen? It happens because of what I have said for a good part of this day; namely, the Finance Committee bill only deals with 3 of the 65 provisions. Those three are: the standard deduction, the 15-percent and 20-percent brackets. As a consequence, there is this AMT shift.

I don't think we want to say to 5.6 million Americans that you do not have to file the AMT today, the alternative minimum tax, and go through all of that and pay that tax, but now you will, as a consequence of the Finance Committee bill. I don't think we want to do that.

The PRESIDING OFFICER (Mr. VOINOVICH). The majority leader is recognized.

Mr. LOTT. Mr. President, may I inquire about the situation now? I believe we had general debate until 5 o'clock.

The PRESIDING OFFICER. The majority leader is correct.

Mr. LOTT. Mr. President, I understand Senator DASCHLE will be here momentarily. For his benefit, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LOTT. Mr. President, the Democratic leader and I have been working to try to reach an agreement to consider the very important Marriage Tax Penalty Relief Act. We started working on it yesterday afternoon sometime around 3:30 or 4. Senator DASCHLE indicated they had a number of amendments that they would like to have considered, and, of course, we asked for a chance to see what those amendments were. We, of course, urged that they be relevant amendments.

At about 3 o'clock today, we received a list of amendments that members of the minority wanted to offer to the Marriage Tax Penalty Relief Act. The list included nine amendments, five or six of which were clearly not related to the marriage tax penalty relief bill. And then about an hour or so later an additional amendment was added by Senator HARKIN. The list is now up to 10 amendments.

I indicated all along—like we worked it out earlier this year on the education savings account—that we could go with alternatives and relevant amendments. That is eventually what we did with the education savings account. Of course, I had hoped with the very overwhelmingly popular Marriage Tax Penalty Relief Act that we could do something similar to what we did on the Social Security earnings test elimination. That was something that had been pending in this body and on Capitol Hill for 20 years.

Finally, we worked it out. We had a couple of relevant amendments to which we agreed. We had a good discussion. We voted, I think, on one of those amendments. It passed unanimously. The President signed it last week with great fanfare that we had achieved this worthwhile goal.

I think we can do the same thing with the marriage penalty tax. But in order to do it, we need to keep our focus on what is the best way to provide this marriage penalty tax relief. Is it a phaseout? Should it apply to everybody? What can you do for those in the lower income brackets in how you deal with the EITC, earned-income tax credit, how you deal with the lowest and middle brackets? Is there a better way to do it or another way to do it?

Senator MOYNIHAN, Senator BAUCUS, and others on the Finance Committee, had a different approach. I described it then, and publicly I think it is a credible approach. I don't think it is as good as the one we had in the basic bill, but it is one that is worthy of being talked about and thought about. I hope we can work it out so we can do that.

We could have debate on the bill and then go to a vote on the alternatives and relevant amendments and get this finished by the close of business on Thursday or Friday at the latest. But the list we have is not only not relevant, but, first of all, we haven't had a chance to really look at how they would work or the details of the proposals.

One of them by Senator ROBB has to do with prescription drugs. Senator WELLSTONE has one which is something similar to the Canadian system of prescription drugs. But it looks to be a pretty detailed proposal that I don't think the Finance Committee has had a chance to consider.

We have one by Senator GRAHAM dealing with Medicare and Social Security priorities. I think he offered something similar to this in the Finance Committee. This is not one of which we

were unaware. We could have a discussion on that, and I think have a vote, but it certainly doesn't relate to the marriage tax penalty.

We have one on the college tuition tax credit. There is one on the CRT income. This is an agriculture issue. We have one on changing how you deduct a natural disaster impact on your tax form. I don't even know. That may be something we would want to look at doing. Don't we want to consider that in the Finance Committee, see what the budgetary impact is, and see what people are doing now versus what they might do under this proposal? It is something I would like to talk to Senator TORRICELLI about to see exactly what he is trying to achieve.

Then, at 3:45, we got the amendment from Senator HARKIN. Honestly, I can't even quite tell you what it did. I believe that one relates to the marriage tax penalty. It would probably be relevant. Three or four of these could probably be relevant, and we could get them done.

I hope the Democratic leader would try to reduce his list or, at a minimum, make them work with us in getting relevant amendments to the marriage tax relief bill. I think that is a reasonable request.

I emphasize again that is what we did on the education savings account and on the Social Security earnings limitation.

Mr. President, I ask unanimous consent that the Senate now resume the pending legislation and that there be 10 relevant amendments in order for the Democratic leader, or his designee, and 2 relevant amendments in order for the majority leader to the pending substitute, with no amendments in order to the language proposed to be stricken, or motions to commit or recommit. I further ask unanimous consent that following the disposition of the listed amendments—certainly 10 would be an awful lot of amendments—and any relevant second degrees, the bill be advanced to third reading, and passage occur, all without any intervening action or debate.

I further ask unanimous consent that following passage of the bill, the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on behalf of the Senate.

I finally ask unanimous consent that the cloture vote scheduled for Thursday of this week be vitiated, in view of this request, if it is agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Mr. President, I object.

Mr. President, I ask unanimous consent that the 10 amendments to be considered during the debate on the marriage tax penalty be the following:

An alternative amendment offered by Senator BAUCUS, or his designee; an alternative amendment offered by Senator BAYH; an alternative amendment offered by Senator KENNEDY having to

do with Medicaid and family care, or a motion to commit on the part of Senator KENNEDY; a Robb motion regarding marriage tax penalty and prescription drugs; a Wellstone amendment on prescription drugs; a Graham amendment on Medicare and Social Security priorities having to do with the marriage tax penalty; a Schumer amendment having to do with college tuition tax credit and the marriage tax penalty; a Dorgan amendment having to do with taxation of CRP income; a Torricelli amendment having to do with tax consequences of national disaster assistance; and a Harkin amendment having to do with capping benefits in the bill and putting the savings into Medicare and Social Security trust funds on the marriage tax penalty relief legislation, as well.

I further ask that each amendment be limited to debate for 1 hour equally divided.

Mr. LOTT. Mr. President, reserving the right to object, could I inquire, is this the same list I was given earlier today plus the Harkin amendment that was added after that original list?

Mr. DASCHLE. That is correct.

Mr. LOTT. Is there any difference? I thought you indicated on a couple of these—and I referred to the earlier Kennedy amendment, which really is a major Medicaid change—you made it sound as if it might be relative to the marriage penalty tax.

Mr. DASCHLE. Mr. President, on several occasions we have had debates with the Parliamentarian and with the majority with regard to the issue of relevancy. I point out to my colleagues, the concept of relevancy is only defined as it relates to an appropriations bill. There is no definition of relevancy.

In our view, all of these issues are relevant to the debate on marriage tax penalty. We believe relevancy ought to be taken in that context. I am troubled by the interpretation we have gotten from the Parliamentarian a couple of times on the issue of relevancy. In our view, these matters are certainly relevant to the debate on tax consequences and marriage penalties.

Mr. LOTT. Is the Senator saying in each one of these cases what is offered would be in place of the Marriage Tax Penalty Relief Act in whole or in part?

Mr. DASCHLE. No. I am simply saying in most of the amendments offered there is a direct relevancy to the issue of marriage tax penalty.

I am also suggesting in all cases we would be prepared to limit the debate to 1 hour equally divided. Regardless of its relevancy, the fact is the majority leader would be able to begin this debate, conduct his debate as he has anticipated, with an expectation that we could finish by the end of the day tomorrow.

He has noted, of course, that he doesn't necessarily support or endorse many of these amendments. It is the right of the majority leader, especially given the fact that we have now sub-

mitted to a 1-hour time limit, that he can oppose them, he can table them.

Mr. LOTT. How about second-degree them?

Mr. DASCHLE. We would not agree to second-degree amendments.

To ask for the details on top of all of that seems to me to be a real stretch. I am sure that in good faith we can work through these amendments one by one.

That is quite an acknowledgment on our part, a willingness to submit to the debate, 10 amendments, 1 hour equally divided on each of these, most of them directly relevant to marriage tax penalty, but in all cases certainly relevant to the debate about priorities of the money being spent.

Mr. LOTT. Mr. President, I object to that with at least two observations.

The PRESIDING OFFICER. The objection is heard.

Mr. LOTT. For instance, the taxability of the CRP income—I don't know how anyone can stretch that to make it applicable to the Marriage Tax Penalty Relief Act.

Second, the request by the Democratic leader did not allow for second-degree amendments, or any alternatives, or any option—even side-by-side amendments by the majority. We certainly need to work through that.

I still think we can go forward and continue to work to try to find a list of, hopefully, relevant amendments that could be offered to get to a conclusion on the marriage penalty tax.

Since we are not able to reach an agreement at this time, I announce that the cloture vote will occur tomorrow unless we come to an agreement that allows a vitiation of that cloture vote.

Mr. DASCHLE. Mr. President, maybe you have to be in the minority to appreciate the position in which the minority has now been put once again.

The Republican majority is saying, first and foremost, we want to debate the marriage tax penalty. We say to that, absolutely; we want to debate the marriage tax penalty. We strongly support marriage tax penalty relief.

Then they say, we want you to limit your amendments. So we say, OK, we will limit our amendments.

Then they say, we not only want you to limit your amendments, we want to be able to tell you which amendments you can offer.

After saying first of all we will debate the marriage tax penalty, after secondly saying we will limit amendments, to give the majority now the right to dictate to the minority that they have the ability to determine what the context, what the definition, what the scope of our amendments ought to be, it seems to me to be an abrogation of all that is fair in debating an important issue such as this.

If we are going to spend \$248 billion, there are other ways in which we can spend that money. Every one of these amendments in that context is relevant. Should we spend \$248 billion on

a marriage tax relief bill, 60 percent of which does not go to those experiencing a marriage tax penalty? Sixty percent of that \$248 billion does not have anything to do with the marriage tax penalty. It goes in most cases to people who get a marriage bonus.

We are saying let's fix the marriage tax penalty. But if you are going to spend all that money, we have a whole list of other things we think we ought to be looking at. It is in that context that I think we are being reasonable and fair, especially given the fact that we are simply saying we will agree to a limit on amendments, we will agree to a limit on time.

I think this Republican bill is a marriage tax penalty relief bill in name only. It is a Trojan horse for the other risky tax schemes that have been proposed so far this year. If this bill passes, Republicans will then have enacted \$566 billion in tax cuts this year before they have even completed the budget resolution. That is not even counting the audacious \$1.3 trillion their Presidential candidate, George W. Bush, has proposed as their standard bearer. Add \$1.3 trillion and the \$566 billion, and that is \$2 trillion in tax cuts they are proposing without a budget resolution.

Is this the way we ought to spend the surplus, including the Social Security surplus? We are saying we can do better than that. We are saying we ought to look at providing prescription drugs for our senior citizens. We are saying we ought to look at college tuition tax credits. We are saying we ought to look at the Medicaid and CHIP health programs.

I remind my colleague, just this day last week, 51 Senators—Republican and Democrat—voted for passing a prescription drug benefit before we pass the first dollar in tax cuts. Mr. President, 51 Senators voted for that; a majority of Senators said we are for a prescription drug benefit before we are for a tax cut, any kind of tax cut.

We want to deal with the marriage tax penalty. We want to come up with an agreement on the marriage tax penalty. But if some Republicans want to run for Democratic leader so they can dictate to the Democratic caucus what our agenda ought to be and what our amendments ought to be, let them run. I will take them on. We can have that debate. We will have a good election in the Democratic caucus.

But until they are elected Democratic leader, I think Democrats ought to make the decision about what Democrats offer as amendments.

They can agree with us on time, on a limitation on numbers, but not on context, not on text, not on substance. That is what this is all about.

We will have the debate time on clojure if we have to. Like the majority leader, I am an optimist. I am hopeful we can come to some agreement. It certainly is within reach. But not if we are dictated to with regard to the text of the amendments.

I yield the floor.

MORNING BUSINESS

Mr. LOTT. I now ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak—

Mr. REID. Reserving the right to object—

Mr. LOTT. For up to 10 minutes each. The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The assistant minority leader.

Mr. REID. Mr. President, before the two leaders leave the floor, I want to say, first of all, the Democratic leader is being so generous. We, the Democrats, 44 of us, follow him in lockstep. But the fact is, he has gone a long way towards accommodating the majority leader.

I would just say this in passing: If we are going to be logical about this debate, then if you look at the underlying bill, that is the marriage tax penalty the Republicans are pushing forward, you will find 60 percent of it is not relevant to the marriage tax penalty—60 percent of it is not relevant. So if he is talking about relevancy, which I think should have no bearing on the proceedings here, 60 percent of their own underlying bill is not relevant.

So I think, I repeat, our leader has been so generous, trying to move things along. I think his statement is underlined by all the other 44 Democratic Senators. We support every step he has made. We think he is doing the right thing in protecting the prerogatives of the Senate, having this debate in the Senate where there is free debate. We are not even asking for free debate; we are asking there be some debate, which is not being allowed.

VISIT BY THE PRESIDENT OF THE REPUBLIC OF COLOMBIA, ANDRES PASTRANA

Mr. L. CHAFEE. Mr. President, as chairman of the Subcommittee on Western Hemisphere Affairs, it is a great pleasure to welcome the President of Colombia to the Senate of the United States. I have been listening with rapt attention. He has been trying to explain to us his hopes for the future.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I join my distinguished colleague from Rhode Island, the chairman of the Subcommittee on Western Hemisphere Affairs; along with the chairman of the full committee, Senator HELMS; the distinguished majority leader; the minority leader; and other colleagues who are here—Senator BIDEN—in extending a very warm welcome to the distinguished President.

We have great admiration for him and the people of Colombia. The strug-

gle in which we are all engaged affects all of us in this hemisphere, particularly those in the United States. And we know we are going to do everything we possibly can to see to it the support of the United States is forthcoming to President Pastrana and the people of Colombia.

Mr. President, you are warmly welcome here today. We are delighted you are with us.

RECESS

Mr. LOTT. Mr. President, I ask unanimous consent the Senate recess for 2 minutes for the purpose of the Senate welcoming and receiving to the U.S. Senate, the President of Colombia, President Andres Pastrana.

There being no objection, the Senate, at 5:23 p.m., recessed until 5:28 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I seek to be recognized to speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Kansas.

THE MARRIAGE PENALTY TAX

Mr. BROWNBACK. Mr. President, I appreciate the leadership on both sides and their discussion on us moving forward and dealing with the marriage penalty tax. I am glad we are finally coming together, but I would note the Senator from South Dakota has put forward, on behalf of the Democrat side, 10 amendments on this issue. Many of these are not directly relevant to what we are trying to get done. With all due respect to him putting these forward, and I appreciate them working with us some, we have a pretty direct issue in front of us. It is the marriage tax penalty.

To tie with it a discussion on prescription drugs, to tie with it discussions on Medicare, on Social Security priorities, on a college tuition tax credit, on conservation reserve programs, on the natural disaster assistance program, really just goes contrary, completely, to us ultimately trying to get this bill through.

What we have before us is a marriage tax penalty. We have two alternatives put forward by the Democrat Party. That is good. I think we can have good, direct, clear votes on that, and then we can press forward.

With all due respect to the Democratic leader, to call this a risky tax strategy, I think what is at risk if we do not deal with the marriage tax penalty is the institution of marriage in this country. What has happened is there is the fall-off in the number of people getting married, and then we tax them on top of that. That is risky.

They have said a number of times that 52 percent does not deal with the marriage tax penalty. It is all directly applicable to the marriage tax penalty.