

have already demonstrated dramatically that they back a correction for this injustice.

In February, the House passed the Marriage Tax Penalty Relief Act of 2000. Thanks to the good work of the Senate Finance Committee, under the direction of Senator ROTH, we have a measure which will help substantially lessen the burden of this penalty that has been laid upon the families of America.

This bill makes great strides in providing relief and correcting this injustice. Twenty-five million American couples pay an average of \$1,400 a year extra simply because they are married. Ending the penalty will give couples the freedom to make the choices they ought to make: The choice to be married and have a durable, lasting relationship of marriage as the foundation for the family unit.

The marriage tax penalty forces some Americans to make compromises instead of real choices. Mothers and fathers should be able to choose whether both parents will be employed outside the home based on what is in the family's best interest, or whether there should be a nonworking spouse who stays in the home. The Senate bill respects the value of the contribution of the spouse who stays home, and that is very important. Our Tax Code should respect the value that is added to the equation by a stay-at-home spouse who makes the family a stronger unit and builds for this country the kind of integrity that strong families provide.

In conclusion, no one has ever devised or developed or even dreamed of a better department of education, social services, a better department of health, education, and welfare than the family, and it is time for our Tax Code.

The PRESIDING OFFICER. The time requested by the distinguished Senator has expired. Who yields time?

UNANIMOUS CONSENT
AGREEMENT—H. CON. RES. 303

Mr. GRASSLEY. Mr. President, on behalf of the leader, I ask unanimous consent, notwithstanding rule XXII, that following the cloture votes relative to H.R. 6, the Senate proceed to H. Con. Res. 303, the adjournment resolution, with a vote to occur on adoption, all without intervening action or debate. I further ask unanimous consent that following that vote, the Senate begin debate on the budget resolution conference report and, when received, the conference report be considered as having been read and there be 4 hours of debate to be divided in the following fashion: 90 minutes under the control of Senator DOMENICI, 90 minutes under the control of Senator LAUTENBERG, and 1 hour under the control of Senator REED of Rhode Island.

Finally, I ask unanimous consent that following the use or yielding back of time, the Senate proceed to vote on the adoption of the conference report, without any intervening action or debate.

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

Who yields time?

The distinguished Senator from Virginia is recognized.

Mr. ROBB. I inquire as to how much time remains on this side.

The PRESIDING OFFICER. The Senator has 2 minutes.

MARRIAGE TAX PENALTY RELIEF

Mrs. LINCOLN. Mr. President, in listening to my colleagues I am pleased to detect broad support for ending the so-called marriage penalty. I know that no one in this body believes that there should be a price to pay to the government for matrimony. However, we should work for a fair and reasonable solution that will not expand the marriage bonus and shift tax unfairness from one group in this country to another. The fact is that expanding marriage bonuses is not fair to single Americans just like doing nothing is unfair to married couples.

The ironic thing about the marriage penalty is that it was actually born out of fairness. According to a June 22, 1999 document prepared by the staff of the Joint Committee on Taxation, before 1948, there was only one income tax schedule, and all individuals were liable for tax as separate filing units. Under this tax structure, there was neither a marriage penalty nor a marriage bonus.

However, this structure created an incentive to split incomes because, with a progressive income tax rate structure, a married couple with only one spouse earning income could reduce their combined tax liability if they could split the income and assign half to each spouse. Under this system a disparity between the citizens of community and separate property states arose after a handful of Supreme Court cases upheld the denial of contractual attempts to split income, but ruled that in states with community property laws, income splitting was required for community income. This led Senator John McClellan, of my home state of Arkansas, to ask Senator William Knowland of California, "why is it that just because you live in California and I live in Arkansas, you pay \$646 less every year than I pay?"

The Revenue Act of 1948 provided the benefit of income splitting to all married couples by establishing a separate tax schedule for joint returns. That schedule was designed so that married couples would pay twice the tax of a single taxpayer having one-half the couple's taxable income. While this new schedule equalized treatment between married couples in states with community property laws and those in states with separate property laws, it introduced a marriage bonus into the tax law for couples in states with separate property laws. As a result of this basic rate structure, by 1969, an individual with the same income as a married couple could have had a tax liability

up to 40 percent higher than that of the married couple.

To address this inequity, which was at the time labeled a "singles penalty," a special rate schedule was introduced for single taxpayers, leaving the old schedule solely for married individuals filing separate returns. This schedule created the infrastructure for the so-called marriage penalty that we seek to end today.

At the time more than thirty years ago when the current single and married filing categories were established, our society looked different, and very few people were affected by the flaws in our tax code that imposed a penalty on marriage. As we all know, Mr. President, the general rule is that married couples whose incomes are split more evenly than 30-70 suffer a marriage penalty. However, the fact still remains, that married couples whose incomes are attributable largely to one spouse generally receive a marriage bonus.

As the income levels between men and women have rightly narrowed and as more married women have moved into the work force, the so-called marriage penalty has begun to affect more and more families.

Today we are debating a bill offered by the Senate Finance Committee that seeks to address the problem of the so-called Marriage Penalty, and I applaud my colleagues for bringing this to the floor. As I said before, I believe we all want to tell our constituents that we have ended the marriage penalty, however, the underlying bill will not allow us to do that.

There are 65 provisions in the tax code that contribute to a possible marriage penalty for taxpayers. The bill offered by the Majority only eliminates one of those provisions and softens the bite of two others. The fact still remains that 62 other provisions could rise up to affect married couples on tax day. If we are going to end the marriage penalty, Mr. President, we should just end it.

Another problem with the Majority bill is that it expands the marriage bonus. We should not bring back the unfairness we had before 1969. We should learn from the history of this debate and we should come up with a better solution. I believe in the sanctity of marriage, as do all of my colleagues. I don't believe in penalizing it. But I also recognize the rights and fairness that our single constituents demand. We should not shift tax unfairness from one group to another, we should work to eliminate the unfairness for all Americans.

The Majority bill would also expand the roles of the Alternative Minimum Tax. Talk about unfair! I think a lot of Americans would almost rather pay the marriage penalty than have to deal with the Alternative Minimum Tax. The Majority bill would expand, by 5 million, the number of people who have to fill out an AMT tax form and pay higher rates. Not only is it inexcusable,