The CHAIRMAN. The Chair understands the gentleman from Illinois has yielded back his pro forma amendment.

Does the gentleman from Illinois (Mr. JACKSON) wish to be heard on the point of order?

Mr. JACKSON of Illinois. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

Mr. PORTER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCHUGH) having assumed the chair, Mr. BEREUTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4577) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes, had come to no resolution thereon.

1530

RECESS

The SPEAKER pro tempore (Mr. MCHUGH). Pursuant to clause 12 of rule I, the Chair declares the House in recess until 3:45 p.m.

Accordingly (at 3 o'clock and 30 minutes p.m.), the House stood in recess until 3:45 p.m.

1545

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MCHUGH) at 3 o'clock and 45 minutes p.m.

PROVIDING FOR CONSIDERATION OF H.R. 8, DEATH TAX ELIMINATION ACT of 2000

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 519 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 519

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phaseout the estate and gift taxes over a 10-year period. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, which may be offered only by a Member designated in the report, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks.)

Mr. REYNOLDS. Mr. Speaker, the legislation before us today provides for the consideration of H.R. 8, the Death Tax Elimination Act of 2000. Mr. Speaker, House Resolution 519 is a modified closed rule which is a standard rule for all revenue measures.

The rule provides 1 hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. Additionally, the rule waives all points of order against the bill.

The rule further provides that the amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted.

The rule also provides for consideration of the amendment in the nature of a substitute printed in the report if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour, equally divided between the proponent and an opponent.

Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, Benjamin Franklin once noted that ''in this world, nothing can be said to be certain except death and taxes.'' But while death may be certain, taxes are immortal. That is because our current tax system plays a cruel joke on farmers and small business owners.

After years of hard work and sacrifice, building their farm, ranch or business, working Americans hoping to pass on their legacy to their children and grandchildren often find their life's work will instead be passed on to the Federal Government.

The death tax is turning the American dream into The Nightmare on Elm Street.

The death tax is arguably the biggest threat to the future viability of small businesses, family farms, and ranches. It creates a disincentive to expand and create jobs. It often literally taxes family businesses right out of the family.

According to the National Federation of Independent Businesses, nearly 60 percent of business owners say they would add more jobs over the coming years if death taxes were eliminated.

The death tax has turned Uncle Sam into the Grim Reaper, destroying family-owned farms and ranches with penalties reaching as high as 55 percent and forcing farmers and ranchers to sell off land, buildings, or equipment otherwise needed to operate their businesses.

When those farms and ranches disappear, the rural communities and businesses they support also suffer. A piece of community and family history is lost forever. The death tax impact on family farms is so devastating that the Farm Bureau has listed elimination as their number one priority.

Think about that. An industry association concerned with all aspects of farming and ranching lists the death tax as the number one threat to the viability of family farming. That is how repressive this tax is.

Now, many opponents of eliminating the death tax argue that estate planning is a viable alternative to changing our tax laws. Their theory that our farmers and ranchers should be huddled with accountants rather than growing food for America is both misguided and wrong.

They fail to take into account the high cost of estate planning tools, both the time spent away from their businesses and the high price tag that includes attorneys fees, life insurance premiums, and internal labor costs. Would not we rather have small business owners and farmers using their resources to operate and expand their businesses and to create jobs?

Too often there is a simplistic approach that we should soak the rich. The problem with that theory, as Ronald Reagan once said, is that everybody gets wet in the process. Nowhere is that more profound than in the death tax; for it is hard working middle American families who are most hurt.

But that is not all. The death tax actually raises relatively little revenue for the Federal Government. Some studies have found that it may cost the Government and taxpayers more in administrative and compliance fees than it raises in revenue.

Last year, the Public Policy Institute of New York State conducted a survey on the impact of the Federal estate tax on upstate New York. The findings were alarming. The study found that, in the past 5 years, family-owned and operated businesses on average spent nearly $125,000 per company just on tax planning alone. These are costs incurred prior to any actual payment of Federal estate taxes.

The study found that an estimated 14 jobs per business have already been lost as a result of the Federal estate tax planning. For just the 365 businesses surveyed, the total number of jobs already lost due to the Federal estate tax is over 5,100.

Mr. Speaker, a clear majority of participants in this survey indicate that the death of an owner would put their