

coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

“(C) HEALTH INSURANCE COVERAGE.—The term ‘health insurance coverage’ has the meaning given such term by section 9832(b)(1).

“(3) QUALIFIED EMPLOYEE.—

“(A) IN GENERAL.—The term ‘qualified employee’ means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds \$5,000 but does not exceed \$16,000.

“(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term ‘employee’—

“(i) shall not include an employee within the meaning of section 401(c)(1), and

“(ii) shall include a leased employee within the meaning of section 414(n).

“(C) WAGES.—The term ‘wages’ has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

“(D) INFLATION ADJUSTMENT.—

“(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2000, the \$16,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 1999’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of \$100, such amount shall be rounded to the nearest multiple of \$100.

“(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

“(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).”

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking “plus” at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting “, plus”, and by adding at the end the following:

“(13) the employee health insurance expenses credit determined under section 45D.”

(c) NO CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

“(9) NO CARRYBACK OF SECTION 45D CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.”

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“Sec. 45D. Employee health insurance expenses.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 3858, WITHDRAWN

Mr. REID. Mr. President, I ask that the LAUTENBERG amendment No. 3858 be withdrawn.

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

AMENDMENT NO. 3875

Mr. REID. Mr. President, I ask unanimous consent that the pending amendment be set aside for the purpose of offering an amendment for Senator HOLLINGS.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. HOLLINGS, proposes an amendment numbered 3875.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike beginning with “Marriage Tax Relief Reconciliation Act of 2000” through the end of the bill.

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 3876

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, to increase, expand, and simplify the child and dependent care tax credit, to expand the adoption credit for special needs children, to provide incentives for employer-provided child care, and for other purposes)

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator DODD.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. DODD, proposes an amendment numbered 3876.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The text of the amendment is printed in today’s RECORD under “Amendments Submitted.”

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside for further business of the Senate.

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

Mr. DORGAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT AGREEMENT—H.R. 4516

Mr. ROTH. Mr. President, I ask unanimous consent that when the Senate considers H.R. 4516, the legislative branch appropriations bill, after the Senate amendment has been offered, Senator BOXER be recognized to offer her pesticide amendment; that she be recognized to speak for 5 minutes on the amendment, and the amendment be agreed to after her remarks; and that the Senate proceed to adopt Senate amendment as follows:

On page 2 after “Title 1 Congressional Operations” insert page 2, line 6, of S. 2603, as amended, through page 13, line 14;

On page 8, line 8, of H.R. 4516 strike through line 12, page 23; insert line 15, page 13, of S. 2603 through line 11, page 23;

In H.R. 4516, strike line 17, page 23, through line 6, page 45; insert line 12, page 23, of S. 2603 through line 17, page 76.

Finally, I ask unanimous consent that the bill then be read the third time and passed, the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

Mr. REID. We have no objection.

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

#### ESTABLISHING SOURCING REQUIREMENTS FOR STATE AND LOCAL TAXATION OF MOBILE TELECOMMUNICATION SERVICES

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 4391, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4391) to amend title 4 of the United States Code to establish sourcing requirements for State and local taxation of mobile telecommunication services.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWBACK. Mr. President, I am delighted to hail today the passage of the Mobile Telecommunications Sourcing Act. This legislation is the product of more than three year’s worth of negotiations between the governors, cities, State tax and local tax authorities, and the wireless industry.

The legislation represents an historic agreement between State and local governments and the wireless industry to bring sanity to the manner in which wireless telecommunications services are taxed.

For as long as we have had wireless telecommunications in this country, we have had a taxation system that is incredibly complex for carriers and costly for consumers. Today, there are several different methodologies that determine whether a taxing jurisdiction may tax a wireless call.