MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak up to 10 minutes each.

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

WORLD WAR II MEMORIAL

Mr. STEVENS. Mr. President, in the early years of this Eisenhower years, I joined that administration and later came to Washington and then met a whole series of World War II veterans. We talked and dreamed then of a memorial to a war in which we had just been. Fourteen years ago, the World War II memorial was conceived and the process started, to have it built here in Washington, DC. Eight years ago, the Congress authorized this memorial; 6 years ago the first of 23 public hearings on the site and design of the memorial commenced.

Construction was scheduled to start last month, but the memorial is now bogged down in legal and procedural issues.

Of the 16 million men and women who served in World War II, only 5 million are alive today. We are now losing veterans of the greatest generation at the rate of 1,100 veterans a day. I questioned that, but we checked it: 1,100 veterans of World War II are passing away each day. By the year 2004, there will be less than 4 million of us.

In my home State of Alaska, in the last 10 years, we lost one-third of the veterans whom I had known and worked with so long.

The site design of our memorial has been endorsed by the Historic Preservation Officer of the District of Columbia, it has received four endorsements of the District of Columbia’s Preservation Review Board, and five approvals each from the Committee on Fine Arts and the National Capital Planning Commission.

The memorial is governed by the Commemorative Works Act of 1986. That act gave the final site and design approval to the Commission on Fine Arts and the National Capital Planning Commission and the Secretary of the Interior.

Eight sites were considered for the memorial. In 1998, the design was approved by the Commission on Fine Arts and the National Capital Planning Commission and the site selection was reaffirmed. In 1998, the National Park Service, in accordance with the National Environmental Policy Act, completed an environmental assessment and issued a finding of no significant impact. In the year 2000, the final design was approved by the Commission on Fine Arts and the National Capital Planning Commission, and on November 11 of last year, the year 2000, a ceremonial groundbreaking took place for this memorial.

More than 500,000 Americans have sent donations to the fundraising campaign, 48 State legislatures have done the same thing, 1,100 schools and more than 450 veterans groups, who represent 11 million veterans.

Even though all the procedural steps have been taken, the memorial has now been delayed because of a procedural issue involving the National Capital Planning Commission. The National Capital Planning Commission decision of 2 years ago of including a World War II memorial has been placed in question because the former National Capital Planning Commission chairman continued to serve after the expiration of his term. The legislation that would originally establish this commission permitted members to serve until replaced, but when that law was amended, inadvertently the language allowing continuous service fell out with no explanation. That created a technicality that has forced a review now, again, by the National Capital Planning Commission.

This memorial has been through 22 public hearings, it has complied with every applicable law, and this technicality regarding the National Capital Planning Commission Board should not penalize the millions of veterans who served our country honorably when asked to do so. They want to see this memorial.

I congratulate the House of Representatives, particularly Congressman STUMP, for sending this legislation to the Senate. I thank all who have been very considerate in trying to work out the problems relating to it. I believe I am joined by all the veterans of World War II who serve in this body in urging that the House bill be enacted and sent to the President for his signature immediately.

For many of us, this year marks the 55th year since we left the military service. We were in World War II and returned home.

We want to see this memorial finished while a significant number of our comrades are still alive. We want to be there when this memorial is opened.

Memorial Day for 2001 is just 1 week from next Monday. The veterans of this Nation intended to celebrate the initiation of this memorial on that day. They will not be able to do so unless the bill gets to the President in time to sign it. This is more than a dream of our veterans; it is a demand on our country. I urge no Senator stand in the way of the prompt enactment of this bill.

REQUEST FOR ABSENCE FROM THE SENATE

Mr. STEVENS. Mr. President, I ask unanimous consent that I be excused from the voting in the Senate until 6 p.m. next Tuesday, commencing at the adjournment today.

The PRESIDING OFFICER. Without objection, it is so ordered.
DEPARTMENT OF JUSTICE
NOMINATIONS

Mr. LEAHY. Mr. President, I come to the Senate to report on the progress the Judiciary Committee is making with respect to a number of administration nominations to the Department of Justice.

Over the last several weeks, I have been working to reach an understanding on how this committee will handle nominations. A number of procedural and substantive issues have been raised in these regards for both Executive and Judicial Branch nominations. The Democratic members have sought to work out arrangements and understandings so that all members of the committee would know what our rules are, know what our practices and procedures will be, and understand how this committee will approach our important responsibilities with respect to nominations.

Over the last 2 weeks the chairman’s insistence that the committee proceed with nominations before those practices and procedures had been agreed upon has lead to public reference to outstanding issues that we should have resolved first. I always regret when we are not able to work out matters through reason and cooperation. I do not believe it was appropriate for Republican members of this committee to deride Democratic members as acting “irresponsibly” or “despicably” or “in breach of their constitutional duties. I know that it was not helpful.

Nonetheless, I was proud of the Democratic members of this committee when we jointly sent our May 4 letter to the chairman and provided a way out of the impasse in spite of the name calling. A few days later the chairman responded with language that reflected our respectful tone and for which I thank him.

While I disagree with much of what the chairman says and asserts in his letter, I appreciate that he has now indicated that with respect to judicial nominations, he “intends to be fully respectful of [Democratic Senators’] views and will assist in any way to ensure that you and our other Senate colleagues receive real, meaningful consultation by the White House on judicial nominees.” I appreciate that in his letter he writes that he “respect[s] our views and efforts in ensuring [we] will be properly consulted in a meaningful manner on nominees to vacancies in [our] home states.”

For the last several weeks, we have also been seeking to resolve concerns about how this committee handles certain confidential information about nominations, information that may reflect on their fitness for office, and may be relevant to how Senators in this committee vote on reporting nominations to the Senate, as well as how Senate rules on confirmation apply. Those concerns have also been pending for several weeks now without resolution. Those concerns are what prompted our request for an executive session in accordance with Rule 26.5 of the Standing Rules of the Senate so that we could fully discuss these very important matters in accordance with the confidentiality rules that bind us.

Those concerns made it inappropriate to proceed with certain nominees over the last few weeks. Although our Republican colleagues knew about our concerns, they nonetheless berated us without any acknowledgment that those open issues, which affect executive as well as judicial nominations, were still pending. That, too, was most unfortunate.

Over the last several days I have also reached out to the Bush administration to work with us on ways to resolve these concerns. Those outreach efforts may provide the opportunity to reach a mutually acceptable resolution of these matters. I hope so.

In light of the cooperation we began receiving from the administration last week, we were able to proceed to report and confirm Tony George Thompson to be the Deputy Attorney General at the Department of Justice and Dan Bryant to be the Assistant Attorney General for the Office of Legislative Affairs. I understand that they were sworn in last Friday and, again, congratulate them and their families.

I have spoken to Attorney General Ashcroft about the staffing needs of the Department of Justice and assured him that I will do my part. For those with short memories, I note that Attorney General Ashcroft was confirmed 6 weeks before Attorney General Reno’s confirmation in the last administration and the Deputy Attorney General was confirmed 3 weeks before his counterpart in the last administration. Assistant Attorney General Bryant was confirmed 7 weeks before his counterpart in the previous administration.

The committee is moving expeditiously on the administration’s nominations to the Department of Justice. Indeed, we are ahead of the confirmations schedule of the Clinton administration for each and every nominee confirmed to date.

The committee’s administration’s Assistant Attorney General to head the Criminal Division was not confirmed until November. The committee proceeded to consider the Chertoff nomination this week, after a hearing last week. Indeed, Mr. Chertoff explained at his hearing that he understands the role of the head of the Criminal Division and will carry out those functions without regard to politics or partisanship. I believe him and look forward to working with him.

The Assistant Attorney General to head the Office for Policy Development in the last administration was not confirmed until August, 95 days after her nomination. Professor Dinh did not return his responses to written questions until this Tuesday. He was precipitously placed on the committee agenda last week. Once his responses were in, he was considered and reported out this week, months ahead of his counterpart in the last administration.

As we consider the current nominations, the many dedicated employees at the Department of Justice continue to work, do their jobs, and serve the public. Many of the comments made over the last several weeks disparage the work and I see no evidence that the Department is ‘floundering’ or that the dedicated public servants who staff the Department and the United States Attorneys’ offices around the country have stopped doing their jobs.

The chairman has noticed another hearing for Department of Justice nominees next week, although he has yet to specify who will be included at that hearing, which is less than a week away. Democrats on the committee are continuing to work expeditiously and cooperatively to consider, report and confirm the vast majority of the President’s nominations to the Department of Justice.

CONGRESSIONAL BUDGET ACT COMPLIANCE

Mr. DOMENICI. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the RECORD a list of material in S. 896 considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

To the best of my knowledge, S. 896, the Restoring Earnings to Lift Individuals and Empower Families (RELIEF) Reconciliation Act of 2001, contains no material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313 of the Congressional Budget Act of 1974.

PROJECT SAFE NEIGHBORHOODS

Mr. LEVIN. Mr. President, in a speech in Philadelphia on Monday, President Bush spoke out about gun violence in this country. Citing alarming statistics about gun deaths, the President emphasized that “we’re going to reduce gun violence in America, and those who commit crimes with guns will find a determined adversary in my administration.” I commend the President for his commitment to helping eliminate gun violence.

In his speech, the President introduced “Project Safe Neighborhoods,” an initiative to combat gun violence. The main focus of this initiative is on...
the increased enforcement of existing gun laws and more vigorous prosecution of crimes committed with handguns. The President plans to devote $550 million in funding to this initiative over the next 2 years. The majority of the funding will be dedicated to hiring new Federal and State prosecutors to focus on gun crimes, updating State criminal record systems, improving Federal ballistics testing that trace illegal guns and developing regional task forces of Federal, State and local law enforcement agencies to catch and prosecute criminals in gun cases.

Although there is often disagreement about the best approach to ending gun violence, we can all agree that enforcement of our gun laws and prosecution of people who use guns illegally are essential elements to any successful approach. Since 1993, increased law enforcement and prosecution efforts have resulted in a 16 percent increase in the number of gun cases filed and a 41 percent increase in the number of offenders sentenced to more than 5 years in prison. These increases in enforcement efforts enjoy broad bipartisan support. I commend the President for building upon this consensus by taking another step toward ensuring that gun criminals are prosecuted to the fullest extent of the law.

While I agree with the aims of the President’s initiative, I believe that it is not enough. We must also make it harder for criminals to get guns in the first place, by closing the gun show loophole that allows the purchase of handguns without a background check. Although he stated during the presidential campaign that he supported closing the gun show loophole, President Bush did not mention it in his speech on Monday. The President expressed that “Project Safe Neighborhoods is one step, an important step” toward making domestic tranquility a reality. I hope that the President will take the next, necessary step toward protecting the citizens of this country by supporting efforts to close the gun show loophole.

SUBMITTING CHANGES TO COMMITTEE ALLOCATIONS, FUNCTIONAL LEVELS, AND BUDGETARY AGGREGATES

Mr. DOMENICI. Mr. President, section 310(c)(2) of the Congressional Budget Act, as amended, provides the Chairman of the Senate Budget Committee with authority to revise committee allocations, functional levels, and budgetary aggregates for a reconciliation bill which fulfills an instruction with respect to both outlays and revenues. The Chairman’s authority under 310(c) may be exercised if the following conditions have been satisfied:

1. The Committee on Finance reports a bill which changes the mix of the instructed revenue and outlay changes by not more than 20 percent of the sum of the components of the instruction, and

2. The Committee on Finance still complies with the overall reconciliation instruction.

I find that S. 896, as reported, satisfies the two conditions above and, pursuant to my authority under section 310(c), I hereby submit revisions to H. Con. Res. 83, the 2002 Budget Resolution. The attached tables show the current 2002 Budget Resolution figures as well as the revised committee allocations, functional levels, and budgetary aggregates, and I ask unanimous consent to have them printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:
CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
CONFERENCE AGREEMENT

SECTION 101 (in billions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)(A) Revenues (on-budget)</td>
<td>1630.462</td>
<td>1600.529</td>
<td>3243.211</td>
<td></td>
</tr>
<tr>
<td>FY 2001</td>
<td>1630.462</td>
<td>1600.529</td>
<td>3243.211</td>
<td></td>
</tr>
<tr>
<td>FY 2002</td>
<td>1638.202</td>
<td>1476.841</td>
<td>2924.234</td>
<td></td>
</tr>
<tr>
<td>FY 2003</td>
<td>1706.044</td>
<td>1641.515</td>
<td>2691.176</td>
<td></td>
</tr>
<tr>
<td>FY 2004</td>
<td>1780.310</td>
<td>1709.251</td>
<td>2437.771</td>
<td></td>
</tr>
<tr>
<td>FY 2005</td>
<td>1852.646</td>
<td>1790.389</td>
<td>2170.550</td>
<td></td>
</tr>
<tr>
<td>FY 2006</td>
<td>1901.304</td>
<td>1837.846</td>
<td>1882.764</td>
<td></td>
</tr>
<tr>
<td>FY 2007</td>
<td>1994.674</td>
<td>1912.602</td>
<td>1555.637</td>
<td></td>
</tr>
<tr>
<td>FY 2008</td>
<td>2089.726</td>
<td>1994.838</td>
<td>1194.633</td>
<td></td>
</tr>
<tr>
<td>FY 2009</td>
<td>2193.954</td>
<td>2071.497</td>
<td>939.000</td>
<td></td>
</tr>
<tr>
<td>FY 2010</td>
<td>2318.055</td>
<td>2154.203</td>
<td>878.000</td>
<td></td>
</tr>
<tr>
<td>FY 2011</td>
<td>2436.550</td>
<td>2243.394</td>
<td>818.000</td>
<td></td>
</tr>
<tr>
<td>(1)(B) Changes in Federal Revenues</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2001</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2002</td>
<td>-65.286</td>
<td>29.933</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2003</td>
<td>-76.067</td>
<td>161.361</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2004</td>
<td>-84.025</td>
<td>64.529</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2005</td>
<td>-97.124</td>
<td>71.059</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2006</td>
<td>-138.279</td>
<td>62.257</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2007</td>
<td>-141.081</td>
<td>63.458</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2008</td>
<td>-153.084</td>
<td>82.072</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2009</td>
<td>-166.162</td>
<td>94.888</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2010</td>
<td>-171.247</td>
<td>122.457</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2011</td>
<td>-191.343</td>
<td>163.852</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2011</td>
<td>-193.156</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Budget Authority (on-budget)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1653.681</td>
<td>1510.948</td>
<td>1668.530</td>
<td>1733.617</td>
<td>1814.079</td>
<td>1866.139</td>
<td>1945.112</td>
<td>2025.075</td>
<td>2102.398</td>
<td>2186.341</td>
<td>2277.143</td>
</tr>
</tbody>
</table>

(4) Deficits or Surpluses (on-budget)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>29.933</td>
<td>161.361</td>
<td>64.529</td>
<td>71.059</td>
<td>62.257</td>
<td>63.458</td>
<td>82.072</td>
<td>94.888</td>
<td>122.457</td>
<td>163.852</td>
</tr>
</tbody>
</table>

(5) Public Debt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5660.699</td>
<td>5603.812</td>
<td>5654.952</td>
<td>5700.089</td>
<td>5751.561</td>
<td>5803.295</td>
<td>5832.676</td>
<td>5847.714</td>
<td>5988.315</td>
<td>6343.661</td>
<td>6720.963</td>
</tr>
<tr>
<td>Fiscal Year</td>
<td>BA</td>
<td>OT</td>
<td>BA</td>
<td>OT</td>
<td>BA</td>
<td>OT</td>
<td>BA</td>
<td>OT</td>
<td>BA</td>
<td>OT</td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
<td>----------</td>
<td>---------</td>
<td>----------</td>
<td>---------</td>
<td>----------</td>
<td>---------</td>
<td>----------</td>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td>FY 2009</td>
<td>349.561</td>
<td>347.987</td>
<td>221.933</td>
<td>221.933</td>
<td>221.933</td>
<td>221.933</td>
<td>221.933</td>
<td>221.933</td>
<td>221.933</td>
<td>221.933</td>
</tr>
<tr>
<td>FY 2011</td>
<td>371.593</td>
<td>369.419</td>
<td>207.328</td>
<td>207.328</td>
<td>207.328</td>
<td>207.328</td>
<td>207.328</td>
<td>207.328</td>
<td>207.328</td>
<td>207.328</td>
</tr>
</tbody>
</table>

*Note: BA = Baseline After, OT = Other Than.*
### CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83
REVISIONS TO CONFERENCE AGREEMENT
PURSUANT TO SECTION 310(c)(2)(A)

#### SECTION 101

<table>
<thead>
<tr>
<th>(1)(A) Revenues (on-budget)</th>
<th>(3) Budget Outlays (on-budget)</th>
<th>(6) Debt Held by the Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001 1597.318</td>
<td>FY 2001 1514.367</td>
<td>FY 2001 3190.193</td>
</tr>
<tr>
<td>FY 2002 1643.039</td>
<td>FY 2002 1480.721</td>
<td>FY 2002 2870.259</td>
</tr>
<tr>
<td>FY 2005 1847.188</td>
<td>FY 2005 1798.018</td>
<td>FY 2005 2149.356</td>
</tr>
<tr>
<td>FY 2006 1917.404</td>
<td>FY 2006 1845.505</td>
<td>FY 2006 1853.129</td>
</tr>
<tr>
<td>FY 2009 2208.199</td>
<td>FY 2009 2079.757</td>
<td>FY 2009 939.000</td>
</tr>
<tr>
<td>FY 2010 2327.565</td>
<td>FY 2010 2162.922</td>
<td>FY 2010 878.000</td>
</tr>
<tr>
<td>FY 2011 2453.350</td>
<td>FY 2011 2252.592</td>
<td>FY 2011 818.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(1)(B) Changes in Federal Revenues</th>
<th>(4) Deficits or Surpluses (on-budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001 -33.144</td>
<td>FY 2001 82.951</td>
</tr>
<tr>
<td>FY 2002 -60.449</td>
<td>FY 2002 162.318</td>
</tr>
<tr>
<td>FY 2003 -79.216</td>
<td>FY 2003 56.144</td>
</tr>
<tr>
<td>FY 2004 -88.395</td>
<td>FY 2004 58.749</td>
</tr>
<tr>
<td>FY 2005 -102.582</td>
<td>FY 2005 49.170</td>
</tr>
<tr>
<td>FY 2006 -122.179</td>
<td>FY 2006 71.899</td>
</tr>
<tr>
<td>FY 2007 -137.078</td>
<td>FY 2007 79.115</td>
</tr>
<tr>
<td>FY 2008 -145.566</td>
<td>FY 2008 94.706</td>
</tr>
<tr>
<td>FY 2009 -151.917</td>
<td>FY 2009 128.442</td>
</tr>
<tr>
<td>FY 2010 -161.737</td>
<td>FY 2010 164.643</td>
</tr>
<tr>
<td>FY 2011 -174.543</td>
<td>FY 2011 200.758</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(2) Budget Authority (on-budget)</th>
<th>(5) Public Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001 1567.519</td>
<td>FY 2001 5607.681</td>
</tr>
<tr>
<td>FY 2002 1514.828</td>
<td>FY 2002 5549.837</td>
</tr>
<tr>
<td>FY 2003 1673.766</td>
<td>FY 2003 5609.362</td>
</tr>
<tr>
<td>FY 2004 1739.557</td>
<td>FY 2004 5665.808</td>
</tr>
<tr>
<td>FY 2005 1821.708</td>
<td>FY 2005 5730.367</td>
</tr>
<tr>
<td>FY 2006 1873.799</td>
<td>FY 2006 5773.660</td>
</tr>
<tr>
<td>FY 2007 1952.072</td>
<td>FY 2007 5805.998</td>
</tr>
<tr>
<td>FY 2008 2032.774</td>
<td>FY 2008 5821.218</td>
</tr>
<tr>
<td>FY 2009 2110.659</td>
<td>FY 2009 5988.315</td>
</tr>
<tr>
<td>FY 2010 2195.060</td>
<td>FY 2010 6343.661</td>
</tr>
<tr>
<td>FY 2011 2286.341</td>
<td>FY 2011 6720.963</td>
</tr>
</tbody>
</table>
## CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002 - H. CON. RES. 83

### REVISIONS TO CONFERENCE AGREEMENT

Pursuant to Section 310(c)(2)(A)

<table>
<thead>
<tr>
<th>Year</th>
<th>BA</th>
<th>OT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001</td>
<td>255.942</td>
<td>256.932</td>
</tr>
<tr>
<td>FY 2002</td>
<td>280.412</td>
<td>278.694</td>
</tr>
<tr>
<td>FY 2003</td>
<td>291.726</td>
<td>290.473</td>
</tr>
<tr>
<td>FY 2004</td>
<td>303.109</td>
<td>301.499</td>
</tr>
<tr>
<td>FY 2005</td>
<td>318.305</td>
<td>316.780</td>
</tr>
<tr>
<td>FY 2006</td>
<td>325.713</td>
<td>324.264</td>
</tr>
<tr>
<td>FY 2007</td>
<td>332.525</td>
<td>331.096</td>
</tr>
<tr>
<td>FY 2008</td>
<td>347.396</td>
<td>346.068</td>
</tr>
<tr>
<td>FY 2009</td>
<td>359.366</td>
<td>357.792</td>
</tr>
<tr>
<td>FY 2010</td>
<td>370.774</td>
<td>369.066</td>
</tr>
<tr>
<td>FY 2011</td>
<td>382.756</td>
<td>380.582</td>
</tr>
</tbody>
</table>

### (18) Net Interest (900)

<table>
<thead>
<tr>
<th>Year</th>
<th>BA</th>
<th>OT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001</td>
<td>274.305</td>
<td>274.305</td>
</tr>
<tr>
<td>FY 2002</td>
<td>256.470</td>
<td>256.470</td>
</tr>
<tr>
<td>FY 2003</td>
<td>249.738</td>
<td>249.738</td>
</tr>
<tr>
<td>FY 2004</td>
<td>245.171</td>
<td>245.171</td>
</tr>
<tr>
<td>FY 2005</td>
<td>238.631</td>
<td>238.631</td>
</tr>
<tr>
<td>FY 2006</td>
<td>234.349</td>
<td>234.349</td>
</tr>
<tr>
<td>FY 2007</td>
<td>230.627</td>
<td>230.627</td>
</tr>
<tr>
<td>FY 2008</td>
<td>226.065</td>
<td>226.065</td>
</tr>
<tr>
<td>FY 2009</td>
<td>220.389</td>
<td>220.389</td>
</tr>
<tr>
<td>FY 2010</td>
<td>213.152</td>
<td>213.152</td>
</tr>
<tr>
<td>FY 2011</td>
<td>205.363</td>
<td>205.363</td>
</tr>
</tbody>
</table>

### (19) Allowances (920)

<table>
<thead>
<tr>
<th>Year</th>
<th>BA</th>
<th>OT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001</td>
<td>-0.472</td>
<td>-0.303</td>
</tr>
<tr>
<td>FY 2002</td>
<td>-118.548</td>
<td>-114.379</td>
</tr>
<tr>
<td>FY 2003</td>
<td>-6.115</td>
<td>-5.222</td>
</tr>
<tr>
<td>FY 2004</td>
<td>-6.268</td>
<td>-5.912</td>
</tr>
<tr>
<td>FY 2005</td>
<td>-6.423</td>
<td>-6.263</td>
</tr>
<tr>
<td>FY 2006</td>
<td>-6.580</td>
<td>-6.503</td>
</tr>
<tr>
<td>FY 2007</td>
<td>-6.744</td>
<td>-6.665</td>
</tr>
<tr>
<td>FY 2008</td>
<td>-6.908</td>
<td>-6.828</td>
</tr>
<tr>
<td>FY 2009</td>
<td>-7.079</td>
<td>-6.994</td>
</tr>
<tr>
<td>FY 2010</td>
<td>-7.251</td>
<td>-7.165</td>
</tr>
<tr>
<td>FY 2011</td>
<td>-7.429</td>
<td>-7.340</td>
</tr>
</tbody>
</table>
### SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT

**BUDGET YEAR TOTAL 2001**

(in millions of dollars)

Revised 5/16/01 pursuant to section 310(c)(2)(A)

<table>
<thead>
<tr>
<th>Committee</th>
<th>Direct spending jurisdiction</th>
<th>Entitlements funded in annual appropriations acts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget Authority</td>
<td>Outlays</td>
</tr>
<tr>
<td>Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Purpose Discretionary</td>
<td>640,803</td>
<td>617,507</td>
</tr>
<tr>
<td><strong>Memo:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on-budget</td>
<td>637,372</td>
<td>614,136</td>
</tr>
<tr>
<td>off-budget</td>
<td>3,431</td>
<td>3,371</td>
</tr>
<tr>
<td>Highways</td>
<td>0</td>
<td>28,920</td>
</tr>
<tr>
<td>Mass Transit</td>
<td>0</td>
<td>4,639</td>
</tr>
<tr>
<td>Mandatory</td>
<td>332,768</td>
<td>316,432</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>973,571</td>
<td>965,498</td>
</tr>
<tr>
<td>Agriculture, Nutrition, and Forestry</td>
<td>26,339</td>
<td>22,544</td>
</tr>
<tr>
<td>Armed Services</td>
<td>50,881</td>
<td>50,764</td>
</tr>
<tr>
<td>Banking, Housing and Urban Affairs</td>
<td>11,512</td>
<td>4,075</td>
</tr>
<tr>
<td>Commerce, Science, and Transportation</td>
<td>394</td>
<td>(3,472)</td>
</tr>
<tr>
<td>Energy and Natural Resources</td>
<td>2,691</td>
<td>2,609</td>
</tr>
<tr>
<td>Environment and Public Works</td>
<td>39,185</td>
<td>1,838</td>
</tr>
<tr>
<td>Finance</td>
<td>707,396</td>
<td>704,780</td>
</tr>
<tr>
<td>Foreign Relations</td>
<td>11,369</td>
<td>10,433</td>
</tr>
<tr>
<td>Governmental Affairs</td>
<td>60,669</td>
<td>59,270</td>
</tr>
<tr>
<td>Judiciary</td>
<td>5,064</td>
<td>4,847</td>
</tr>
<tr>
<td>Health, Education, Labor, and Pensions</td>
<td>9,726</td>
<td>8,740</td>
</tr>
<tr>
<td>Rules and Administration</td>
<td>112</td>
<td>68</td>
</tr>
<tr>
<td>Veterans' Affairs</td>
<td>1,249</td>
<td>1,245</td>
</tr>
<tr>
<td>Indian Affairs</td>
<td>267</td>
<td>233</td>
</tr>
<tr>
<td>Small Business</td>
<td>(375)</td>
<td>(475)</td>
</tr>
<tr>
<td>Unassigned to Committee</td>
<td>(330,341)</td>
<td>(313,341)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,569,709</td>
<td>1,519,656</td>
</tr>
</tbody>
</table>
SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT
BUDGET YEAR TOTAL 2002
(in millions of dollars)
Revised 5/16/01 pursuant to section 310(c)(2)(A)

<table>
<thead>
<tr>
<th>Committee</th>
<th>Direct spending jurisdiction</th>
<th>Entitlements funded in annual appropriations acts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget Authority</td>
<td>Outlays</td>
</tr>
<tr>
<td>Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Purpose Discretionary</td>
<td>546,945</td>
<td>537,091</td>
</tr>
<tr>
<td>Memo:</td>
<td>543,366</td>
<td>533,566</td>
</tr>
<tr>
<td>on-budget</td>
<td>3,579</td>
<td>3,525</td>
</tr>
<tr>
<td>off-budget</td>
<td>0</td>
<td>28,489</td>
</tr>
<tr>
<td>Highways</td>
<td>0</td>
<td>28,489</td>
</tr>
<tr>
<td>Mass Transit</td>
<td>0</td>
<td>5,275</td>
</tr>
<tr>
<td>Conservation</td>
<td>1,760</td>
<td>1,232</td>
</tr>
<tr>
<td>Mandatory</td>
<td>358,567</td>
<td>350,837</td>
</tr>
<tr>
<td>Total</td>
<td>907,272</td>
<td>922,924</td>
</tr>
<tr>
<td>Agriculture, Nutrition, and Forestry</td>
<td>21,175</td>
<td>17,856</td>
</tr>
<tr>
<td>Armed Services</td>
<td>53,053</td>
<td>52,964</td>
</tr>
<tr>
<td>Banking, Housing and Urban Affairs</td>
<td>8,417</td>
<td>1,273</td>
</tr>
<tr>
<td>Commerce, Science, and Transportation</td>
<td>13,452</td>
<td>9,630</td>
</tr>
<tr>
<td>Energy and Natural Resources</td>
<td>2,543</td>
<td>2,435</td>
</tr>
<tr>
<td>Environment and Public Works</td>
<td>41,494</td>
<td>1,799</td>
</tr>
<tr>
<td>Finance</td>
<td>703,580</td>
<td>703,049</td>
</tr>
<tr>
<td>Foreign Relations</td>
<td>11,706</td>
<td>10,454</td>
</tr>
<tr>
<td>Governmental Affairs</td>
<td>62,982</td>
<td>61,810</td>
</tr>
<tr>
<td>Judiciary</td>
<td>5,195</td>
<td>4,669</td>
</tr>
<tr>
<td>Health, Education, Labor, and Pensions</td>
<td>10,179</td>
<td>9,419</td>
</tr>
<tr>
<td>Rules and Administration</td>
<td>87</td>
<td>33</td>
</tr>
<tr>
<td>Veterans' Affairs</td>
<td>1,620</td>
<td>1,622</td>
</tr>
<tr>
<td>Indian Affairs</td>
<td>272</td>
<td>280</td>
</tr>
<tr>
<td>Small Business</td>
<td>0</td>
<td>(100)</td>
</tr>
<tr>
<td>Unassigned to Committee</td>
<td>(329,947)</td>
<td>(320,947)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,513,080</td>
<td>1,478,970</td>
</tr>
</tbody>
</table>
### Senate Committee Budget Authority and Outlay Allocations Pursuant to Section 302 of the Congressional Budget Act

#### 5-Year Total: 2002-2006
(in millions of dollars)

Revised 5/16/01 pursuant to section 310(c)(2)(A)

<table>
<thead>
<tr>
<th>Committee</th>
<th>Direct spending jurisdiction Budget Authority</th>
<th>Direct spending jurisdiction Outlays</th>
<th>Entitlements funded in annual appropriations acts Budget Authority</th>
<th>Entitlements funded in annual appropriations acts Outlays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Nutrition, and Forestry</td>
<td>69,640</td>
<td>52,349</td>
<td>106,745</td>
<td>71,186</td>
</tr>
<tr>
<td>Armed Services</td>
<td>305,980</td>
<td>305,551</td>
<td>274</td>
<td>274</td>
</tr>
<tr>
<td>Banking, Housing and Urban Affairs</td>
<td>59,463</td>
<td>2,355</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commerce, Science, and Transportation</td>
<td>72,789</td>
<td>50,419</td>
<td>4,493</td>
<td>4,468</td>
</tr>
<tr>
<td>Energy and Natural Resources</td>
<td>11,145</td>
<td>10,947</td>
<td>200</td>
<td>230</td>
</tr>
<tr>
<td>Environment and Public Works</td>
<td>181,030</td>
<td>8,380</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Finance</td>
<td>3,770,695</td>
<td>3,767,949</td>
<td>1,086,697</td>
<td>1,086,656</td>
</tr>
<tr>
<td>Foreign Relations</td>
<td>59,747</td>
<td>54,108</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Governmental Affairs</td>
<td>337,994</td>
<td>331,886</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Judiciary</td>
<td>22,667</td>
<td>22,405</td>
<td>1,320</td>
<td>1,320</td>
</tr>
<tr>
<td>Health, Education, Labor, and Pensions</td>
<td>48,155</td>
<td>46,411</td>
<td>8,972</td>
<td>8,995</td>
</tr>
<tr>
<td>Rules and Administration</td>
<td>436</td>
<td>414</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Veterans' Affairs</td>
<td>9,989</td>
<td>9,964</td>
<td>148,529</td>
<td>147,804</td>
</tr>
<tr>
<td>Indian Affairs</td>
<td>1,103</td>
<td>1,116</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Small Business</td>
<td>0</td>
<td>(200)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Committee</td>
<td>Direct spending jurisdiction</td>
<td>Entitlements funded in annual appropriations acts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Budget Authority</td>
<td>Outlays</td>
<td>Budget Authority</td>
<td>Outlays</td>
</tr>
<tr>
<td>Agriculture, Nutrition, and Forestry</td>
<td>114,692</td>
<td>80,210</td>
<td>225,304</td>
<td>156,220</td>
</tr>
<tr>
<td>Armed Services</td>
<td>671,521</td>
<td>670,656</td>
<td>549</td>
<td>549</td>
</tr>
<tr>
<td>Banking, Housing and Urban Affairs</td>
<td>132,028</td>
<td>(3,390)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commerce, Science, and Transportation</td>
<td>164,611</td>
<td>118,775</td>
<td>10,178</td>
<td>10,292</td>
</tr>
<tr>
<td>Energy and Natural Resources</td>
<td>22,064</td>
<td>21,882</td>
<td>400</td>
<td>430</td>
</tr>
<tr>
<td>Environment and Public Works</td>
<td>371,833</td>
<td>15,995</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Finance</td>
<td>8,332,502</td>
<td>8,325,884</td>
<td>2,663,216</td>
<td>2,662,654</td>
</tr>
<tr>
<td>Foreign Relations</td>
<td>122,819</td>
<td>113,442</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Governmental Affairs</td>
<td>743,601</td>
<td>733,189</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Judiciary</td>
<td>45,724</td>
<td>44,848</td>
<td>2,640</td>
<td>2,640</td>
</tr>
<tr>
<td>Health, Education, Labor, and Pensions</td>
<td>102,173</td>
<td>97,860</td>
<td>17,950</td>
<td>17,973</td>
</tr>
<tr>
<td>Rules and Administration</td>
<td>875</td>
<td>916</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Veterans' Affairs</td>
<td>19,277</td>
<td>19,318</td>
<td>317,909</td>
<td>316,669</td>
</tr>
<tr>
<td>Indian Affairs</td>
<td>2,112</td>
<td>2,108</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Small Business</td>
<td>0</td>
<td>(200)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
NATIONAL BOXING SAFETY ACT OF 2001

Mr. MCCAIN. Mr. President, I am pleased to join my colleague from Nevada, Senator REID, as a cosponsor to the National Boxing Safety Act of 2001. Because professional boxing is the only major sport in the United States that is not governed by a strong, centralized association or league to enforce uniform rules and practices, there is no consistent level of state regulation overseeing the practices of those participating in the industry. As the scandal, controversies, and unethical practices continue to persist, the need for a centralized governing body to regulate the sport has become evident.

While I have certain differences with the legislation, I look forward to working with Senator REID to address these, and together work toward passage of this bill.

THE CUBAN SOLIDARITY ACT OF 2001

Mr. CRAIG. Mr. President, I am honored to support as an original cosponsor to the Cuban Solidarity Act of 2001. As many of us here know, the Cuban Solidarity Act of 2001 goes beyond what the original Helms-Burton Act of 1996 sought to accomplish. Not only does it send a clear signal to the Castro regime that there are consequences to violating political and religious freedoms and human rights, but that we are going to work fervently to bring about a change in his regime.

Four years ago, I spoke here on the Senate floor in condemnation of the cowardly acts of the Cuban government in the shooting down of two civilian aircraft. I also expressed my concerns about the unauthorized use of confiscated United States-citizen-owned property. The bill contains a number of provisions that seek compensation from the Cuban government on both matters.

In Castro’s Cuba, dissidents are routinely subjected to random arrests, exile, imprisonment and beatings for openly opposing the government. During the first two months of 2000, over 350 peaceful human rights activists were arrested. One of the most notable cases included that of Dr. Oscar Biscet of the Lawton Human Rights Foundation, who received three years in prison for protests against abortion and the death penalty.

These violations of human rights taking place only ninety miles from the United States, are a threat to international peace.

Furthermore, many observers are concerned that a successor to Castro is currently being groomed to maintain authoritarian control over the island.

This bill will authorize the President to pursue a more pro-active policy toward Castro’s regime in Cuba from within. It does so by amending trade sanctions, which will give the President enhanced tools in supporting pro-democracy and human rights groups. Such new tools include authorizing the export of religious, educational and journalistic materials to individuals and independent groups, as well as office supplies, telephones and fax machines. These individuals and groups may include victims of religious persecution, farm cooperatives, political prisoners, and worker’s rights groups just to name a few. The bill will also increase humanitarian aid in the form of food and medicine to children and the elderly.

Another large component of this bill, is the support it gives to micro-enterprise efforts in Cuba. By helping self-employed Cubans start their own businesses, we will help to plant the seeds of independent thinking, democracy and entrepreneurialism which will ensure a more peaceful transition to democracy.

Because Castro will not hold power in Cuba forever, we need to take the necessary steps to make sure a transition to democracy is possible and likely.

It is time for a reinvigorated approach towards Cuba, one that includes bipartisan support. Therefore I am pleased to support the Cuba Solidarity Act of 2001, and I would urge others to do the same.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator Kennedy last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a heinous crime that occurred October 31, 1999 in Inverness, Florida. After shouting anti-gay epithets, a teenager allegedly drove into a group of young people dressed in costume on Halloween night killing 17-year-old Allison Decravel and injuring another person. The teenager, Richard Burzynski Jr., 17, and passenger Thomas Alan Bonneville, 16, drove past the cross-dressed group several times shouting “faggots” at the boys in the group before steering the car into the group of teens.

The perpetrators fled the scene but were apprehended 50 miles north of the incident. On November 19, Burzynski was indicted on six counts, including first-degree murder.

I believe that Government’s first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

TREASURE THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, May 16, 2001, the Federal debt stood at $5,651,674,551,618.32, Five trillion, six hundred fifty-one billion, six hundred seventy-four million, five hundred ninety-one thousand, seven hundred sixteen dollars and thirty-two cents.

One year ago, May 16, 2000, the Federal debt stood at $5,113,662,000,000, Five trillion, one hundred thirteen billion, six hundred sixty-nine billion, three hundred sixty-six million.

Five years ago, May 16, 1996, the Federal debt stood at $3,460,706,000,000, Three trillion, four hundred sixty billion, seven hundred six million.

Fifteen years ago, May 16, 1986, the Federal debt stood at $2,030,755,000,000, Two trillion, thirty billion, seven hundred fifty-five million, which reflects a debt increase of more than $3.5 trillion.

The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a heinous crime that occurred October 31, 1999 in Inverness, Florida. After shouting anti-gay epithets, a teenager allegedly drove into a group of young people dressed in costume on Halloween night killing 17-year-old Allison Decravel and injuring another person. The teenager, Richard Burzynski Jr., 17, and passenger Thomas Alan Bonneville, 16, drove past the cross-dressed group several times shouting “faggots” at the boys in the group before steering the car into the group of teens.

The perpetrators fled the scene but were apprehended 50 miles north of the incident. On November 19, Burzynski was indicted on six counts, including first-degree murder.

I believe that Government’s first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

TRIBUTE TO STONEWALL JACKSON HIGH SCHOOL

Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to the accomplishments of Stonewall Jackson High School, in Manassas, VA. Stonewall Jackson has been named Time magazine’s High School of the Year and is featured in the May 21, 2001 issue.

Time’s Schools of the Year were judged on their approaches to the most pressing challenges in education; educating children in the poorest consolidating schools in rural areas; making effective use of technology in teaching; and getting parents and communities

TAIWANESE AMERICAN HERITAGE WEEK

Mr. KENNEDY. Mr. President, last week, Taiwanese Americans and all Americans celebrated Taiwanese American Heritage Week. I commend our many citizens of Taiwanese background for the contributions they have made to America.

More than 500,000 Americans are of Taiwanese heritage, and they have achieved impressive successes in business, in science and the arts, in the academic world, and in many other aspects of our national life. They are a vital part of our society and an important part of the strong fabric of American life.

All Americans continue to watch with great interest and support as Taiwan continues to become a stronger nation and a stronger democracy. I share the hope of Taiwanese Americans that Taiwan will continue to prosper in peace and growing economic strength.

ADDITIONAL STATEMENTS

Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to the accomplishments of Stonewall Jackson High School, in Manassas, VA. Stonewall Jackson has been named Time magazine’s High School of the Year and is featured in the May 21, 2001 issue.

Time’s Schools of the Year were judged on their approaches to the most pressing challenges in education; educating children in the poorest consolidating schools in rural areas; making effective use of technology in teaching; and getting parents and communities...
May 17, 2001

CONGRESSIONAL RECORD — SENATE

S5113

As we all know, today’s youth are tomorrow’s leaders, and schools such as Stonewall Jackson are paving the way to a prepared and intelligent generation. Stonewall Jackson High School is an inspiration to everyone in the community of Manassas, the Commonwealth of Virginia, the United States of America, and should take great pride in this recognition represents.

150TH ANNIVERSARY OF THE PHOENIX HOME LIFE

Mr. LIEBERMAN. Mr. President, I rise with my esteemed colleague, Senator Chris Dodd, to offer congratulations to Phoenix Home Life Mutual Insurance Company, which is celebrating its 150th anniversary today. Phoenix is actively engaged in so many facets of our society. This company embodies social leadership throughout charitable organizations and community involvement. The corporate infrastructure of Phoenix is permeated with a sense of compassion that looks beyond the bottom line and stresses to its employees the importance of investing in human capital as a means of promoting community development.

For example, Phoenix encourages employees to volunteer through a policy that allows them to devote 40 hours of company time per year to community activities, it is matched by the same amount of personal time. The company also rewards its top 20 professional advisors through its Doctor’s Award, a program that enables employees to designate up to $2,000 to a local charity. Since its inception, the award has benefited many organizations, including the Juvenile Diabetes Foundation, Lou Gehrig Baseball, and the Make-a-Wish Foundation.

Through this emphasis on community commitment, Phoenix employees adopt their favorite charities, lending their expertise, their leadership, and their time to a variety of local outreach initiatives. The Loaves and Fishes soup kitchen is one such beneficiary. The Phoenix home office employees in Hartford team up with Foodshare to harvest vegetables donated by Connecticut farmers for area soup kitchens and shelters. Another example is the planning and organization of employees in 1999, of Connecticut’s first Adoption and Foster Care Exposition, sponsored by Phoenix.

Additionally, Phoenix has spearheaded a three-million-dollar “Legacy Campaign” to sustain and promote the Doc Hurley Foundation. Through financial scholarships, mentoring from foundation trustees, and help with purchasing books, the campaign’s endowment will help city high school students go to college. Phoenix will contribute a total of $500,000 over the course of the campaign.

One of Phoenix’s greatest investments in our communities and in society has been its commitment to Special Olympics. In 1995, Phoenix made an eight-year commitment to Special Olympics International as its first Official Worldwide Partner, setting a standard for volunteerism few companies can match. Approximately 60 percent of home office employees volunteered at the Special Olympics World Games. Field offices also provided volunteers and raised money to assist local chapters with travel and lodging expenses, enabling athletes across the country to participate in a once-in-a-lifetime event.

Phoenix has proven itself to be an indispensable asset to Connecticut. By making community involvement a priority, Phoenix demonstrates that an alliance between the business sector and the community is not just possible, it is necessary.

At the end of the day, Phoenix is not a faceless multi-national corporation. Through its selfless endeavors within Connecticut’s communities, it has proven itself to be the consummate good neighbor. Phoenix is a leader in the competitive world of business and a winner in the hearts of Connecticut residents. It is with great appreciation and honor that I ask my colleagues to join me in offering congratulations to Phoenix Home Life Mutual Insurance Company on its 150th anniversary.

CHRIST EPISCOPAL CHURCH

Mr. BOND. Mr. President, I rise to speak for a few comments on the sesquicentennial anniversary of Christ Episcopal Church in St. Joseph, MO.

The first formal service of the Episcopal Church was held in the orchard of Mrs.Kate Howard’s home at 5th and Francis on September 1, 1851. The Reverend John McNamara, Missionary to the Platte Purchase, celebrated the service. On April 14, 1852, Christ Church parish was organized and the small group purchased a log structure at the northwest corner of 7th and Franklin.

On July 30, 1877 Bishop Robertson of the Diocese of Missouri laid the cornerstone of the new church. The building is brick in the English Gothic style. It is the second oldest building in the city in continuous use as a place of worship by one congregation.

During the 1896 renovation an organ was purchased from a church in Connecticut. This Johnson organ was built in 1859 by John W. Atkinson, an organ builder of the parish who sponsored three organists at the Tootle Opera House raised originally built in 1867. The women of the parish who sponsored three operettas at the Tootle Opera House raised the money for the organ. The original portion of the eldest organ in St. Joseph.

Christ Episcopal Church continues to be a presence in downtown St. Joseph. The members are involved in community outreach activities including the Open Door Food Kitchen, Downtown Partners Association, Ecumenical Corporation for Housing Opportunities, and a Mother’s Day Baby Shower to benefit the Division of Family Services.
I commend the congregation of Christ Episcopal Church on their continued commitment to maintain high standards of worship, music and fellowship for a church of 220 parishioners. I am pleased to join with the St. Joseph community and the State of Missouri in congratulating the congregation and wishing them continued growth and success for the next 150 years.  

HONORING CURTIS GIBSON  
• Mr. BAUCUS. Mr. President, I rise to recognize a young man who represents the best of Montana, Curtis Gibson. Curtis has distinguished himself as an intelligent, self-motivated Eagle Scout from troop nine in Billings and I am proud to speak about his accomplishment today. I would like to begin by stating that Curtis is the son of Robert and Linda Gibson and the brother of Kelly Gibson, who is also an Eagle Scout.

As you may know, a Boy Scout is called to follow a strict code of conduct. He must be trustworthy, loyal, helpful, friendly, courteous, kind and brave. I am proud to say that Curtis Gibson exemplifies all of these attributes. While upholding the principles of the Scout oath and law, a potential Eagle Scout must earn 21 merit badges and prove to be a capable and effective leader. Moreover, he must also show that he has planned, developed, and led others in various service projects. I am here to affirm that Curtis has met these criteria and has recently been awarded the rank of Eagle Scout.

Along the way to becoming an Eagle Scout, Curtis organized 20 scouts from Troop Nine to improve Montana’s park system. They designed and constructed covered information kiosks at the entrances to Two Moon Park and Norm Schoenthal Island to benefit the Yellowstone River Parks Association and the Yellowstone County Parks Department. These scouts volunteered more than 100 hours during the school year to complete the project and I am grateful for his dedication to the greater Billings community. Curtis’s project certainly benefits our park systems, but it also serves Troop Nine and those who gave their time for service and leadership.

I am proud to say that Curtis has been involved in scouting for more than ten years and that he has spent six of those years with Troop Nine. Even though Saint Bernard’s Parish in the Billings Heights is their home, Curtis has allowed his scouting activities to take him to Minnesota, Wyoming, South Dakota, the Florida Keys and Canada. In addition, Curtis recently joined Venture Crew Seven. This group joins together experienced Boy Scouts in the Billings area for extensive outdoor activities and service projects. However, Curtis did not limit himself solely to scouting. He is an active member of the student body at Skyview High School where he competes on the varsity swim team. Last year Curtis was named to the Montana all-state swim team.

Once again, I would like to express my appreciation to Curtis for his dedication to the state of Montana and his service to the city of Billings. Curtis has prepared himself well for a lifetime of leadership. The youth of our communities will certainly one day, direct the future greatness of our Nation. It gives me great joy to see that Curtis has taken an active role to ensure the continued success of Scouting in Montana and the United States.

TRIBUTE TO ROBERT “BUD” CLAY  
• Mr. HATCH. Mr. President, today I wish to pay tribute to a World War II veteran who brought hope to an occupied people.

On May 24th for more than half a century, the residents of the former German-occupied Als Island off the coast of Denmark celebrated Robert “Bud” Clay as a hero. However, until recently, Bud was unaware of this honor.

Robert B. Clay was a Lieutenant Colonel in the 317th Bomb Group stationed in Polebrook, England during World War II. He was leading a B-17 bombing raid when things went terribly wrong. The plane’s engines started falling one by one. Bud steered the plane toward neutral Sweden, but with the plane being an additional plane, it was clear that they would be unable to escape enemy territory. After ensuring that eight of the ten crewmen had safely bailed out of the plane, Clay and his copilot attempted a crash-landing in a nearby grassy clearing on Als Island. Als Island was first occupied by German troops in 1939. The crashing of the B-17 on May 24, 1944 was seen by the people of the island as a symbol of approaching liberation. In fact, the plane was such a beacon of hope to them that the plane wreckage and the hills and farmhouses surrounding it have been held in honor for 56 years.

Clay will forever live as a hero in the memories of Als Island people. He has received e-mails and letters from them expressing their thanks. They have told him that seeing his plane helped them realize for the first time that help was on the way. I am very proud that this great man, who continues to serve in his local community, will finally receive the personal recognition he earned so long ago.

MIAMI EDISON MIDDLE SCHOOL  
• Mr. GRAHAM. Mr. President, I rise today to share with you a remarkable story.

As sweeping a statement as this is, the story of Miami Edison Middle School is truly the story of America in the 20th Century.

It is the story of immigration, with all its challenges, and all its rewards.

It is the story of hard work, of cultural experiences, and cross-cultural understanding.

It is the story of a city, and a neighborhood and how each generation that passes through leaves behind a layer to build on.

With its Art Deco auditorium and full-sized gymnasium, Miami Edison High School, originally called Dade County Agricultural High, was as magnificent a structure as you could imagine when it was built, only better.

The original high-school building, when it was built, only better. However, looks much the same as it did when it was built, only better.
For years Edison, like many urban schools, was left to crumble. Finally, school and county officials decided it was time to put this piece of Florida history in the path of the wrecking ball. To many Edison alumni, organized as the "Over the Hill Gang", this was unconscionable.

In an age when too many children are being taught in makeshift classrooms, trailers and former utility closets, we were sacrificing what could truly have been a temple of learning. We were carelessly trampling our history and taking down with it the too-long-lost tradition of teaching our children in school buildings that reflect that grandeur of what goes on inside their walls.

A group of Edison alumni including Arva Moore Parks, one of Florida's great voices for preserving our history, fought to save the school.

In 1992, Dade County agreed to keep the original school standing and refurbish it to meet the needs of today's students.

While the alumni group had the best intentions, the parents of today's Edison students were wary, and not without cause.

The neighborhood had been promised a new middle school in 1988. It was supposed to be completed by 1992. Instead, children were still trying to learn in a decaying, leaking building.

The move to preserve the old school looked, to many neighborhood parents, like another broken promise.

In the middle of that area got the best of both worlds. The building, restored by architect Richard Hseinbottle of Coral Gables, is a magnificent melding of old and new. The architectural elements of the past are bolstered by a new wing, new lighting, plumbing and air-conditioning. Old classrooms were gutted and refurbished. The original wood floor of the gymnasium remains in place along with a 1,700-seat auditorium with Deco light fixtures and a carved, wraparound balcony. In 1997 the architect, the alumni group, the Dade County School Board and the Dade Heritage Trust received one of the National Trust for Historic Preservation's prestigious honor awards for the project.

The building itself is a tribute to all involved, but strangely enough, it may not be the most important structure that grew out of this effort. The men involved, but strangely enough, it may not be the most important structure that grew out of this effort. The men and women who fought to save the school also built a sturdy bridge connecting Miami's immigrants to its old guard, its present to its past.

One United Band: The Edison Linkage Foundation was formed to reassure the community's parents that today's students are as much to the alumni as the school building.

The foundation raises money for an aggressive mentoring program that offers a stipend to successful students at Edison High School to tutor younger, at-risk students, to serve as role models for navigating the challenging and often frightening world of adolescence.

For some immigrant children, that world is even more frightening than for most young people.

Language barriers are just a small part of the problem many of these children face. Some came from Haiti directly to middle school without having had any formal education before. They are illiterate in their own language as well as a new one.

Many live in poverty, with families who cannot spend as much time with them as they'd like to and cannot help them with their homework.

Tutors can help fill in the blanks, bridge the research gap between reading, understanding, learning and staying in school. They can offer a living, breathing vision of something to strive for.

The program has been a resounding success. In the 1989-2000 school year, 26 middle-school students showed measurable academic gains after being tutored.

Of the student's tutored, 15 percent were non-readers. Those students are now reading at a level three and above.

Meanwhile, the graduating seniors who served as tutors are all headed for college this fall.

The money to pay for the tutors' time is raised from Edison alumni scattered around the country and through fund-raisers including shows and sales of Haitian art.

The art shows are both a fund-raising tool and a mentoring program and provide college scholarships, and a source of pride for children from Haitian families.

The third of these three will take place May 21, 2001, in the Florida House in Washington, D.C.

All of this has been thanks to the hard work of a number of dedicated volunteers and professionals. These include: Martha Anne Collins, Linkage Foundation administrator; Ron Major, Edison Middle School principal; John Walker, coordinator of the tutoring program; and principal at Miami Edison High School; Alma King-Jones, Middle School coordinator and administrative assistant to the principal; Betsy Kaplan of the Dade County School Board; historian Arva Moore Parks and my wife, Adele Khoury Graham, who co-chaired the Linkage Foundation; Charles Keye, Linkage Foundation treasurer; Fred and Mary Exum and the "Over the Hill Gang", who have helped coordinate the brick donation program for the Dade County Public School system.

All these people, and many more, are responsible for the vision, and then the reality, that became the Edison Middle School and the Linkage Foundation.

These men and women reached across generations and through racial and cultural divides to unite Miami today with the Miami of yesterday.

In doing so, they have helped create a source of hope and opportunity for the Miami of tomorrow.
TRIBUTE TO DR. JAY C. DAVIS

Mr. DOMENICI. Mr. President, I wish to take this opportunity to recognize the accomplishments of Dr. Jay C. Davis, the first Director of the Defense Threat Reduction Agency, more commonly known as “DTRA.” Jay completes his tenure as the Director on June 21, 2001 and will be returning to Lawrence Livermore National Laboratory.

In October 1998, the Defense Threat Reduction Agency was established by the Department of Defense to respond to the growing threat posed by the proliferation of nuclear, chemical, and biological weapons, so called “weapons of mass destruction” or WMD. DTRA was charged to integrate and focus the capabilities of the Department on the present and future WMD threat.

The new Agency needed a Director and the Department picked Jay to establish the Agency, provide its vision, and assure its rapid success. Jay’s accomplishments make him an excellent choice for this job. While Jay, a nuclear physicist, had spent the majority of his career at Lawrence Livermore National Laboratory, he’s been active in treaty verification and nonproliferation technologies, as well as the design of research and development collaborations.

He served as scientific advisor to the United Nations Secretariat, several US agencies, and to the scientific agencies of the governments of Australia and New Zealand. He participated in two UN inspections in Iraq. Jay is a Fellow of the American Physical Society and was one of its Centennial Lecturers in its 100th Anniversary Year. The author of more than seventy published works in his discipline, he also holds three patents on analytical techniques and applications.

During his three years at DTRA, Jay created an agency that is widely respected. Today, DTRA performs many important missions. It is partnered with the Commanders-in-Chief of the combatant commands, the Services, and the Department of Energy on the maintenance of the physical and doctrinal components of our nuclear deterrent. It provides warfighters with tools to prevail against WMD. DTRA also executes all arms control treaty inspections, cooperative agreements, and technology control activities in the Department of Defense. In addition, Jay has been instrumental in leading and defining the Department’s role in supporting local and state agencies in WMD terrorism response operations.

Under his leadership, DTRA has contributed significantly to the evolving concern of homeland defense.

Jay has twice been awarded the Distinguished Public Service Medal by the Secretary of Defense, DoD’s highest civilian award, for his contributions to national security.

He and his wife May soon will return to the Livermore valley, where he will become the first National Security Fellow at the Lab’s Center for Global Security Research. In this new position, Jay will do his best, bringing together scientists and technologists with policy analysts to study ways in which technology can enhance national security. I congratulate Jay on all his accomplishments at DTRA and wish him the best in his future endeavors at Lawrence Livermore National Laboratory.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:51 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 622. An act to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

H.R. 1646. An Act to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes.

S. 700. An act to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as “mad cow disease”) and foot-and-mouth disease in the United States.

EXECUTIVE MESSAGES REFERRED

The following messages were referred to the appropriate committees:

H.R. 428. An act concerning the participation of Taiwan in the World Health Organization.

H.R. 802. An act to authorize the Public Safety Officer Medal of Valor, and for other purposes.

S. 700. An act to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as “mad cow disease”) and foot-and-mouth disease in the United States.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

At 4:28 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 135. A concurrent resolution expressing the sense of the Congress welcoming President Chen Shui-bian of Taiwan to the United States.

The message also announced that pursuant to 22 U.S.C. 276d and clause 10 of rule I, the Speaker appoints the following Members of the House of Representatives to the United States Interparliamentary Group, in addition to Mr. HoUGHTON of New York, Chairman, appointed on March 20, 2001: Mr. GILMAN of New York, Mr. DREIER of California, Mr. SHAW of Florida, Mr. STEARNS of Florida, Mr. PATTerson of Minnesota, Mr. MANZULLO of Illinois, Mr. ENGLISH of Pennsylvania, and Mr. SOUDER of Indiana.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 1646. An act to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes; to the Committee on Foreign Relations.

The following concurrent resolution was read, and referred as indicated:

The enrolled bills were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1902. A communication from the Managing Director, Financial Management and Assurance, General Accounting Office, transmitting, pursuant to law, a report relative to the financial statements of the Capitol Preservation Fund for Fiscal Years 1999 and 2000; to the Committee on Rules and Administration.

EC-1903. A communication from the Acting Assistant General Counsel for Regulatory Law, Office of Energy and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled “Procedural Rules for DOE Nuclear Activities; General Statement of Enforcement Policy” received on May 14, 2001; to the Committee on Energy and Natural Resources.

EC-1904. A communication from the Regulations Coordinator, Office of Child Support Enforcement, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled “Comprehensive Tribal Child Support Enforcement Programs” (RIN0097-AB73) received on May 14, 2001; to the Committee on Finance.

EC-1905. A communication from the Commissioner General of the United States, transmitting, pursuant to law, a report relative to
the Federal Deposit Insurance Corporation’s Financial Statements for calendar years 1999 and 2000; to the Committee on Banking, Housing, and Urban Affairs.

EC-1906. A communication from the Acting Administrator of the Small Business Administration, transmitting, a draft of proposed legislation entitled “Small Business Amendments Act of 2001”; to the Committee on Small Business.

EC-1907. A communication from the Acting Administrator of the Small Business Administration, transmitting, a draft of proposed legislation entitled “Small Business Amendments Act of 2001”; to the Committee on Small Business.

EC-1908. A communication from the Assistant Director for Budget and Administration, Executive Office, to the Committee, transmitting, pursuant to law, the report of a vacancy in the position of Associate Director, National Security and International Affairs; to the Committee on Commerce, Science, and Transportation.

EC-1909. A communication from the Comptroller General of the United States, transmitting, pursuant to two deferrals of budget authority; to the Committees on Appropriations; the Budget; and Foreign Relations.

EC-1910. A communication from the Principal Deputy Under Secretary of Defense, Acquisition and Technology, transmitting, pursuant to law, a report concerning revisions to the Quadrennial Defense Plan for Fiscal Years 2001 and 2002; to the Committee on Armed Services.

EC-1911. A communication from the Deputy Secretary of Defense, Technology Security Policy, transmitting, pursuant to law, the report of a delay on the report concerning military transfers; to the Committee on Armed Services.

EC-1912. A communication from the Deputy General Counsel of the Federal Bureau of Investigation, Department of Justice, transmitting, pursuant to law, the report of a rule entitled “National Instant Criminal Background Check System Regulation; Delay of Effective Date” (RIN1110-AA92) received on May 9, 2001; to the Committee on the Judiciary.

EC-1913. A communication from the Secretary of the Treasury, transmitting, a draft of proposed legislation entitled “Federal Judgeship Act of 2001”; to the Committee on the Judiciary.


EC-1915. A communication from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the report of the discontinuation of service in acting role, and a vacancy in the position of General Counsel; to the Committee on Health, Education, Labor, and Pensions.

EC-1916. A communication from the Acting Chief Executive Officer of the Corporation for National and Community Service, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of Chief Financial Officer; to the Committee on Health, Education, Labor, and Pensions.

EC-1917. A communication from the Acting Chief Executive Officer of the Corporation for National and Community Service, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of Chief Executive Officer; to the Committee on Health, Education, Labor, and Pensions.

EC-1918. A communication from the Deputy Director of the Office of the Comptroller of the Currency, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of Director; to the Committee on Financial Services.

EC-1919. A communication from the Assistant Secretary of Legislative Affairs, Department of the Treasury, transmitting, pursuant to law, the report of the Enterprise for the Americas Initiative and the Tropical Forest Conservation Act for 1999 and 2000; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-54. A joint resolution adopted by the Legislature of the State of Alaska relative to the Arctic National Wildlife Refuge; to the Committee on Energy and Natural Resources.

LEGISLATIVE RESOLVE NO. 5

Whereas, in sec. 1002 of the Alaska National Interest Lands Conservation Act (ANILCA), the Congress reserved the right to permit further oil and gas exploration, development, and production within the coastal plain of the Arctic National Wildlife Refuge; to the Committee on Natural Resources.

Whereas, the oil industry, the state, and the United States Department of the Interior consider the coastal plain to have the highest potential for discovery of very large oil and gas accumulations on the continent of North America, estimated to be as much as 10,000,000,000 barrels of recoverable oil; and Whereas, the “1902 study area” is part of the coastal plain located within the North Slope Borough, and residents of the North Slope Borough, who are predominantly Inupiat Eskimos, are supportive of development in the “1902 study area”; and Whereas, oil and gas exploration and development of the coastal plain of the refuge and the environment and natural resources that would reduce our nation’s future need for imported oil, help balance the nation’s trade deficit, and significantly increase the nation’s security; be it resolved, That the Congress of the United States is urged to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge, Alaska; and be it further Resolved, That the state’s workforce to the maximum extent possible be developed in a manner that protect the environment and naturally occurring population levels of the Porcupine Caribou herd and uses the state’s mineral resources to the fullest extent possible for the state at statehood.

Copies of this resolution shall be sent to the Honorable George W. Bush, President of the United States; the Honorable Richard B. Cheney, Vice-President of the United States and President of the U.S. Senate; the Honorable Gale Norton, Secretary of the Interior; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Trent Lott, Majority Leader of the U.S. Senate; to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska Congressional Delegation; and to all other members of the U.S. Senate and the U.S. House of Representatives serving in the 107th United States Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPECTER, from the Committee on Veterans’ Affairs:

Special Report entitled “Legislative and Oversight Activities During 106th Congress by the Senate Committee on Veterans’ Affairs” (Rept. No. 107–17).

May 17, 2001  S1117

CONGRESSIONAL RECORD—SENATE
EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. HATCH, from the Committee on the Judiciary:
Viet D. Dinh, of the District of Columbia, to be an Assistant Attorney General.
Michael Chertoff, of New Jersey, to be an Assistant Attorney General.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By ENZI:
S. 906. A bill to provide for protection of gun owner privacy and ownership rights, and for other purposes; to the Committee on the Judiciary.

By Mrs. CARNAHAN:
S. 907. A bill to amend the Internal Revenue Code of 1986 to encourage the use of ethanol and the adoption of other forms of value-added agriculture, and for other purposes; to the Committee on Finance.

By Mr. BROWNBACK (for himself, Mr. ALLARD, Mr. HELMS, Mr. HUTCHINSON, Mr. ISHKE, Mr. SESSIONS, and Mr. SHELEY):
S. 908. A bill to require Congress and the President to fulfill their Constitutional duty to take personal responsibility for Federal laws; to the Committee on Governmental Affairs.

By Mrs. LINCOLN (for herself and Mr. HUTCHINSON):
S. 909. A bill to improve the administration of the Animal and Plant Health Inspection Service of the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROCKEFELLER (for himself, Mr. DAYTON, and Mr. WELSTON):
S. 910. A bill to provide certain safeguards with respect to the domestic steel industry; to the Committee on Finance.

By Mr. SMITH of Oregon (for himself and Mr. BAUCUS):

By Ms. MIKULSKI (for herself and Mrs. HUTCHISON):
S. 912. A bill to amend title 38, United States Code, to increase burial benefits for veterans; to the Committee on Veterans’ Affairs.

By Ms. SNOWE (for herself, Mr. ROCKEFELLER, Mr. SMITH of Oregon, and Mrs. FEINSTEIN):
S. 913. A bill to amend title XVIII of the Social Security Act to provide for coverage under Medicare for program of all oral anticancer drugs; to the Committee on Finance.

By Mrs. BOXER (for herself, Mr. REID, and Mr. BAUCUS):
S. 914. A bill to designate the United States courthouse located at 95 Seventh Street in San Francisco, California, as the “James R. Browning United States Courthouse”; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCONNELL (for himself, Mr. HELMS, Mrs. FEINSTEIN, and Mr. LEAHY):
S. Con. Res. 38. A concurrent resolution recognizing the founding of the Alliance for Reform and Democracy in Asia, and for other purposes; to the Committee on Foreign Relations.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):
S. Con. Res. 39. A concurrent resolution expressing the sense of Congress that the moratorium on new oil and natural gas leasing activity on submerged land of the outer Continental Shelf should be maintained; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. ALLEN, Mr. BAYH, Mr. BENNETT, Mr. BINGAMAN, Mr. BOND, Mr. BREAUX, Mr. BROWNBACK, Ms. CANTWELL, Mrs. CARNAHAN, Mr. CHAFEE, Mrs. CLINTON, Ms. COLLINS, Mr. CRAIG, Mr. DASCHELLE, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. ENSIGN, Mr. FRINGOLD, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FREST, Mr. GRAHAM, Mr. GRASSLEY, Mr. HELMS, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KERRY, Ms. LANDRIEU, Mrs. LINCOLN, Ms. MIKULSKI, Mr. MILLER, Mr. MURKOWSKI, Mrs. MURRAY, Mr. REID, Mr. ROCKEFELLER, Mr. SANTORUM, Mr. SARBANES, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THURMOND, Mr. TORRECELLI, Mr. VOINOVICH, and Mr. WELLSTONE):
S. Con. Res. 40. A concurrent resolution expressing the sense of Congress regarding the designation of the week of May 20, 2001, as “National Emergency Medical Services Week”; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 37
At the request of Mr. LUCAS, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 37, a bill to amend the Internal Revenue Code of 1986 to provide incentives to introduce new technologies to reduce energy consumption in buildings.

S. 275
At the request of Mr. Nelson of Florida, his name was added as a cosponsor of S. 275, a bill to amend the Internal Revenue Code of 1986 to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers, to preserve a step up in basis of certain property acquired from a decedent, and for other purposes.

S. 381
At the request of Mr. ALLARD, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 381, a bill to amend the Uniformed and Overseas Citizens Absentee Voting Act, the Soldiers’ and Sailors’ Civil Relief Act of 1940, and title 10, United States Code, to maximize the access of uniformed services voters and recently separated uniformed services voters to the polls, to ensure that each vote cast by such voter is duly counted, and for other purposes.

S. 394
At the request of Mr. DOMENICI, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 394, a bill to make an urgent supplemental appropriation for fiscal year 2001 for the Department of Defense for the Defense Health Program.

S. 458
At the request of Mr. Nelson of Florida, his name was added as a cosponsor of S. 458, a bill to amend the Internal Revenue Code of 1986 to make higher education more affordable, and for other purposes.

S. 481
At the request of Mr. Nelson of Florida, his name was added as a cosponsor of S. 481, a bill to amend the Internal Revenue Code of 1986 to provide for a 10-percent income tax rate bracket, and for other purposes.

S. 500
At the request of Mr. BURNS, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 500, a bill to amend the Communications Act of 1934 in order to require the Federal Communications Commission to fulfill the sufficient universal service requirements for high cost areas, and for other purposes.

S. 554
At the request of Mr. Dewine, his name was added as a cosponsor of S. 554, a bill to amend title XVIII of the Social Security Act to expand medicare coverage of certain self-injected biologicals.

S. 565
At the request of Mr. DODD, the names of the Senator from Vermont (Mr. LEAHY), the Senator from Nevada (Mr. REID), the Senator from New York (Mrs. CLINTON), the Senator from Indiana (Mr. BAYH), the Senator from Rhode Island (Mr. REED), the Senator
from Florida (Mr. Nelson), the Senator from California (Mrs. Boxer), the Senator from North Carolina (Mr. Edwards), the Senator from Delaware (Mr. Biden), the Senator from Missouri (Mrs. Carnahan), the Senator from Maryland (Ms. Mikulski), the Senator from Ohio (Mrs. Murray), the Senator from Maryland (Mr. Sarbanes), the Senator from Michigan (Ms. Stabenow), the Senator from Minnesota (Mr. Wellstone), the Senator from New Jersey (Mr. Torricelli), the Senator from Louisiana (Ms. Landrieu), the Senator from South Dakota (Mr. Johnson), the Senator from Michigan (Mr. Levin), the Senator from Connecticut (Mr. Lieberman), the Senator from Georgia (Mr. Miller), the Senator from Nebraska (Mr. Nelson), the Senator from West Virginia (Mr. Rockefeller), the Senator from Oregon (Mr. Wyden), the Senator from Iowa (Mr. Harkin), the Senator from Washington (Ms. Cantwell), the Senator from Hawaii (Mr. Akaka), the Senator from Montana (Mr. Baucus), the Senator from New Mexico (Mr. Bingaman), the Senator from North Dakota (Mr. Dorgan), the Senator from Illinois (Mr. Durbin), the Senator from Wisconsin (Mr. Feingold), the Senator from California (Mrs. Feinstein), the Senator from Florida (Mr. Graham), the Senator from South Carolina (Mr. Hollings), and the Senator from Arkansas (Ms. Lincoln) were added as cosponsors of S. 565, a bill to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

S. 741
At the request of Mr. Hutchinson, the name of the Senator from New Hampshire (Mr. Smith) was added as a cosponsor of S. 565, a bill to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

S. 742
At the request of Mr. Bond, the name of the Senator from Louisiana (Ms. Landrieu) was added as a cosponsor of S. 724, a bill to amend title XXI of the Social Security Act to provide for coverage of pregnancy-related assistance for targeted low-income pregnant women.

S. 743
At the request of Mr. Nelson of Florida, his name was added as a cosponsor of S. 742, a bill to provide for pension reform, and for other purposes.

S. 756
At the request of Mr. Craig, his name was added as a cosponsor of S. 756, a bill to amend the Internal Revenue Code of 1986 to extend and modify the credit for electricity produced from biomass, and for other purposes.

S. 775
At the request of Mrs. Lincoln, the name of the Senator from New Mexico (Mr. Bingaman) was added as a cosponsor of S. 775, a bill to amend title XVIII of the Social Security Act to permit expansion of medical residency training programs in geriatric medicine and to provide for reimbursement of care coordination and assessment services provided under the medicare program.

S. 778
At the request of Mr. Hagel, the name of the Senator from New Jersey (Mr. Corzine) was added as a cosponsor of S. 778, a bill to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings.

S. 824
At the request of Mr. Hagel, the name of the Senator from Virginia (Mr. Allen) was added as a cosponsor of S. 824, a bill to extend the Internal Revenue Code of 1986 to provide a credit against income tax for certain energy-efficient property.

S. 828
At the request of Mr. Lieberman, the name of the Senator from Virginia (Mr. Allen) was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to extend and modify the credit for electricity produced from biomass, and for other purposes.

S. 836
At the request of Mrs. Feinstein, the name of the Senator from Illinois (Mr. Durbin) was added as a cosponsor of S. 836, a bill to amend the Immigration and Nationality Act to authorize applications for fiscal years 2002 through 2006 to carry out the State Criminal Alien Assistance Program.

S. 877
At the request of Mrs. Feinstein, the name of the Senator from California (Mrs. Boxer) was added as a cosponsor of S. 877, a bill to amend the Agricultural Marketing Act of 1946 to require that a warning label be affixed to arsenic-treated wood sold in the United States.

S. 880
At the request of Mr. DeWine, the name of the Senator from Maine (Ms. Collins) was added as a cosponsor of S. 880, a bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant, and for other purposes.

S. 881
At the request of Mr. Hatch, the name of the Senator from Vermont (Mr. Leahy) was added as a cosponsor of S. 881, a bill to amend the Taxpayer
At the request of Ms. Mikulski, the name of the Senator from Mississippi (Mr. Enzi) was added as a cosponsor of S. 882, a bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes.

At the request of Mr. Domenci, the name of the Senator from Arizona (Mr. Kyl) was added as a cosponsor of S. 884, a bill to improve port-of-entry infrastructure along the Southwest border of the United States, to establish grants to improve port-of-entry facilities, to designate a port-of-entry as a port technology demonstration site, and for other purposes.

At the request of Mr. Huchinson, the name of the Senator from Maine (Ms. Collins) was added as a cosponsor of S. 885, a bill to amend title XVIII of the Social Security Act to provide for national standardized payment amounts for inpatient hospital services furnished under the medicare program.

At the request of Mr. Bond, the names of the Senator from Louisiana (Ms. Landrieu) and the Senator from Oregon (Mr. Smith) were added as cosponsors of S. Res. 57, a resolution to express the sense of the Senate that the Federal investment in programs that provide health care services to uninsured and low-income individuals in medically underserved areas be increased in order to double access to care over the next 5 years.

At the request of Mr. Harkin, the names of the Senator from Maine (Ms. Collins) and the Senator from Montana (Mr. Baucus) were added as cosponsors of S. Res. 71, a resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery.

At the request of Mr. Kennedy, the names of the Senator from Pennsylvania (Mr. Specter) and the Senator from Vermont (Mr. Jeffords) were added as cosponsors of S. Res. 88, a resolution expressing the sense of the Senate on the importance of membership of the United States on the United Nations Human Rights Commission.

At the request of Mr. Graham, the names of the Senator from Maine (Ms. Collins), the Senator from Texas (Mrs. Hutchison), the Senator from Missouri (Mrs. Carnahan) were added as cosponsors of S. Res. 90, a resolution designating June 3, 2001, as “National Child’s Day.”

At the request of Mr. Schumer, the names of the Senator from Michigan (Mr. Levin), the Senator from Wisconsin (Mr. Kohl), and the Senator from New Jersey (Mr. Corzine) were added as cosponsors of S. Con. Res. 35, a concurrent resolution expressing the sense of Congress that Lebanon, Syria, and Iran should allow representatives of the International Committee of the Red Cross to visit the four Israelis, Adi Avitan, Binyamin Avraham, Omar Souaad, and Mohammad Abya, presently held by Hezbollah forces in Lebanon.

**AMENDMENT NO. 469**

At the request of Mr. Enzi, the name of the Senator from Idaho (Mr. Crapo) was added as a cosponsor of amendment No. 469.

**STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS**

By Mr. Enzi:

S. 906. A bill to provide for protection of gun owner privacy and ownership rights, and for other purposes; to the Committee on the Judiciary.

Mr. Enzi. Mr. President, I rise to announce that a number of bills of legislation that would make a technical correction to Chapter 44 of title 18 of the United States Code which would ensure that the rights of law-abiding gun owners are not further eroded by the Federal Government when it performs back- ground checks for the purchase of firearms.

My heart goes out to the families who have suffered harm or death at the hands of persons who have chosen to break State and Federal gun statutes. There is no excuse for violence. When one citizen suffers the effects of violence, all of America should be outraged and should demand the violation be prosecuted to the full extent of the law.

Unfortunately, many people have lost sight of the reason for these tragedies, and rather than focusing on preventing further gun violence by working to resolve the violent nature of modern society, the debate over gun control has deteriorated into an argument over ways to punish law-abiding citizens for the criminal actions of others. This leaves us far too often confronted with legislation that attempts to make people feel safer without providing any real security.

Because of the extreme seriousness that surrounds incidents of gun violence, and because of the deep grief and horror that accompanies those times when the value of a human life is taken so lightly, I cannot in good faith support any legislation that makes empty promises and then does nothing to protect America’s children.

Events during the past two years clearly show that no number of laws or actions will protect our children if those laws are not enforced. The key to curbing gun violence is stricter enforcement of existing laws and teaching our children that it is wrong to kill.

No legislative action in the world will keep anyone safe if it is not enforced. By that same token, taking away the rights of law-abiding citizens doesn’t make our children any safer, it just makes them more vulnerable. Moral and social changes must take place throughout the nation. People must become more involved in their communities. Parents must become more involved in the lives of their children. Our society must reinforce the importance of treating others as you would like to be treated yourself.

The legislation I am introducing today would correct a misguided oversight that has occurred in the enforcement of the background check requirements of gun laws. It would require law enforcement agencies who conduct background checks for the transfer of a firearm; secondly, it would require law enforcement agencies who conduct background checks to immediately destroy the records of those firearm purchasers who, as a result of the background check, are determined to be a legal pur- chaser; and finally, it imposes civil penalties for Federal agencies who fail to comply with this requirement.

The United States stands out as the example of democracy and freedom for the rest of the world. We hold this position because of our unswerving dedication to our Constitution, and to a Federal court system that has diligently worked to uphold the individual rights created by that historic document. This legislation makes it possible for law enforcement agencies to prevent conflicts that have arisen between an individual’s right to privacy and an enumerated right to own a firearm. These conflicts have arisen as a result of a bad policy decision that allows Federal agencies to hold onto background check records for up to 90 days for “Internal Audit” reasons. Because of an inability to monitor what agencies do with those records during that time, the immediate record destruction requirement is absolutely necessary to prevent abuses that could place the rights of our citizens in further conflict. Once again, this does not apply to persons whose background checks show they are attempting to illegally purchase a firearm but only applies to law-abiding citizens whose background checks demonstrate that they can legally purchase a firearm.

The underlying background check statute that this legislation amends authorizes federal agencies to conduct background searches for one reason and one reason only, to determine if the applicant can legally purchase a firearm. Once that purpose has been fulfilled there is no further authorization to retain the records of legal and
First, it would extend the ethanol motor fuel excise tax. Currently, this exemption is due to expire in 2007. My legislation would extend the exemption through 2015.

Second, the legislation would expand eligibility of the federal 10% tax credit to farmer-owned cooperatives. It would also increase the production capacity limit to allow plants producing up to 60 million gallons of ethanol to receive the credit.

Third, the legislation would encourage private investment in new-generation cooperatives by creating a 50 percent tax credit on investments in these enterprises. New-generation cooperatives are producer-owned entities designed to add a step to the production process that adds value to crops.

With this legislation I want to continue to help farmers in Missouri and to also help farmers throughout the United States by bringing proven Missouri programs to the federal level. During the Carnahan administration, Missouri made great strides to encourage ethanol production and value-added agriculture.

To encourage ethanol production in the state, Governor Carnahan provided the initial funding for the Missouri Qualified Fuel Ethanol Producer Incentive Fund. Under the incentive fund, Missouri ethanol producers are eligible for a maximum annual grant of $3.125 million for 5 years.

Two farmer-owned ethanol plants are not operating in Missouri. Both plants utilized funds from this incentive fund. In 1997, Missouri established a value-added grant and loan programs to help farmers process and add value to their raw commodities and earn more profit on their products. As of last year this program awarded more than $1.6 million in grants.

In addition, the Value-Added Loan Guarantee Program has issued loan guarantees for more than $1.7 million. This program offers commercial lenders added security on agricultural development loans for projects that add value to Missouri farm products.

One of Governor Carnahan’s top priorities was the creation of an Agricultural Innovation Center. This Center, run out of the Missouri Department of Agriculture, serves as a one-stop shop for Missouri producers seeking help to implement creative ideas for raising, processing and marketing agricultural products.

It is my sincere hope that this legislation will help encourage adoption and investment in value-added agriculture. Value-added agriculture holds the promise of invigorating the rural landscape and keeping jobs and income in our local communities.

By Mr. BROWNBACK (for himself, Mr. ALLARD, Mr. HELMS, Mr. HUTCHINSON, Mr. INHOFE, Mr. SHELBY): S. 908. A bill to require Congress and the President to fulfill their constitutional duty to take personal responsibility for Federal laws: to the Committee on Governmental Affairs.

Mr. BROWNBACK. Mr. President, today I am introducing the Congressional Responsibility Act of 2001. The underlying principle of this legislation is that the Congress holds the delegation of legislative powers to any other branch of government.

Following the preamble to the Constitution, Article I, Section 1 begins: ‘All legislative powers herein granted shall be vested in a Congress’ The Founders clearly believed that this included the power to regulate, as they had noted John Locke’s wise admonition that, the legislative [branch] cannot transfer the power of making law to any other hands.’ They understood that if this transfer did occur, legislators would no longer be responsible for the laws that government imposes on the people.

Throughout the late eighteenth century and the entire nineteenth, in fact for the first 150 years of our republic, the Supreme Court held that the transfer of legislative powers to another branch of government was unconstitutional. Unfortunately, in the late 1920’s a radical break with the Constitution, and especially an precedent in previous Supreme Court rulings, occurred with the landmark case, J.W. Hampton, Jr. & Co. v. United States. This was, essentially, a ruling in favor of political expediency, and it started Congress down a slippery slope.

Since the Hampton case, Congress has ceded its basic legislative responsibilities to executive branch agencies that craft and enforce regulations, which have the full force of law. Consequently, our constituents can be taxed, fined, and even imprisoned without any congressional action. This is unjust. The Founders purposely designed the Congress to be the most accountable branch of government, but Congress has grown too big and irresponsible. The fundamental link between voter and lawmaker has been severed. A handful of broadly written laws has spawned a virtual alphabet soup of government agencies and an overwhelming regulatory burden that undermines the very idea of representative government. During the 106th Congress, 2,510 new rules and revisions of old rules went into effect. Of these, 75 were considered to be major rules— or rules with an impact of $100 million or more. The case is egregious that many regulatory analysts believe more consequential law is generated in the executive branch than in the legislative branch.

The bottom line is that the executive branch has assumed the law-making authority given to the Congress. This is wrong.

‘The Congressional Responsibility Act would restore the constitutional responsibility of the Congress over the formulation of all laws by making executive branch agencies accountable to the American people through their elected representatives in Congress.
short, it would return power to Congress, and ultimately it would return power to the people who elect us.

Under the Congressional Responsibility Act all rules and regulations would have to come before the President prior to enactment, or, unless a majority of Members of Congress vote to send it through the normal legislative process. Under the bill, if Congress did not take action on the rule, then it would die by default. This approach not only puts Congress back in control of the legislative process, it also ends the horrendous practice of delegation without representation—and it makes Congress accountable for the laws that affect the lives of every American. It is about returning power, responsibility and authority back to Congress.

This non-partisan, ideologically neutral concept was first offered by then Judge Stephen Breyer who wrote that we should end delegation as a means to satisfy “the literal wording of the Constitution” and prevent “inequities.” The concept offered in the Congressional Responsibility Act also takes into account the Supreme Court’s 1963 decision in INS v. Chadha, which held a one-house veto to be unconstitutional. Other supporters of this concept include Judge Robert Bork; David Schoenbrod, a professor at New York Law School; and numerous other constitutional scholars.

The Constitution suffered greatly in the twentieth century. Now, at the beginning of the twenty-first century, we have a tremendous opportunity to restore the Constitution to its rightful preeminence as the guarantor of our freedoms, the protector of our liberties, and the guiding force for our form of government.

Delegation of legislative powers is as wrong today as taxation without representation was in the 1700s. With enactment of this legislation, we will send a clear message to the bureaucrats in Washington and to the American people at home: Congress must not delegate its constitutionally-granted powers.

Mrs. LINCOLN. Mr. President, the Wildlife Services Division of the United States Department of Agriculture needs assistance in expediting proper bird management activities. I am here today to introduce legislation that accomplishes this goal.

Proper migratory bird management is important to the State of Arkansas for a number of reasons. We are deemed “The Natural State” due to the numerous outdoor recreational opportunities that exist in the State. Fishing, hunting, and bird watching opportunities abound in Arkansas. Maintaining proper populations of wildlife, especially migratory birds, is essential for sustaining a balanced environment.

In Arkansas, aquaculture production has taken great strides in recent years. The catfish industry in the State has grown rapidly and Arkansas currently ranks second nationally in acreage and production of catfish. The baitfish industry is not far behind, selling more than 15 billion annually, with a cash value in excess of $43 million. I have been a great supporter of this industry since my days in the House of Representatives and I am concerned about the impact the double-crested cormorant has on this industry. In the words of one of my constituents, “The double-crested cormorant has become a natural disaster!” I am pleased that the Fish and Wildlife Service has agreed to develop a national management plan for the double breasted corormant and I am hopeful that an effective management program will be the result of these efforts.

One of my top priorities since coming to Congress in 1992 has been to work to make government more efficient and effective. To specifically address what I see as an inequity among government agencies regarding this issue, I am introducing a bill today that gives Wildlife Service employees as much authority to manage and take migratory birds as any U.S. Fish and Wildlife Service employee. After all, Wildlife Services biologists are professional wildlife managers providing the front line of defense against such problems.

With this legislation, I would like to recognize the excellent job that Wildlife Services has done and is doing for bird management.

Currently, USDA-Wildlife Services is required to apply for and receive a permit from the U.S. Fish and Wildlife Service before they can proceed with any bird collection or management activities. This process is redundant and unnecessary. Oftentimes, Wildlife Services finds that by the time a permit arrives, the situation it was applied for are already gone. I hope that this legislation will lead to a more streamlined effort for management purposes and I urge both agencies, USDA and the Fish and Wildlife Service, to work together to accomplish this goal.

I would like to thank my colleague from Arkansas, Senator Tim Hutchinson, for joining me in this effort and look forward to working with my colleagues to ensure that government is operating efficiently.

By Mr. ROCKEFELLER (for himself, Mr. DAYTON and Mr. WINEGARDNER):

S. 910. A bill to provide certain safe guards with respect to the domestic steel industry; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, today I introduce the Save the American Industry Act of 2001. As you all know, the domestic steel industry is currently faced with the most devastating crisis in its history, one that could lead to its decimation if the Administration fails to initiate action under Section 201 of our trade laws.

Over two-thirds of our largest steelmakers have entered bankruptcy since 1997, and some analysts predict that as much as half of the U.S. steelmaking capacity may be idled by year’s end if the President does not take immediate and decisive action to provide the industry with desperately needed relief. The surge of dumped, subsidized, and disrupted steel that was initially triggered by the onset of the Asian financial crisis has not abated, but has in fact worsened over the past few months. Steel prices have plummeted over the last 3 years, with no hopes of rebounding, and an additional five U.S. steel companies entered Chapter 11 in the first 4 months of this year, with more certain to follow absent Presidential action on Section 201.

My State has two major steel facilities, one owned by Weirton and the other by Wheeling-Pittsburgh. Wheeling-Pitt is in bankruptcy and Weirton is struggling. The steel industry and two important communities in a small, relatively poor State are threatened. It is a situation that is all too common in the American steel belt, and one that demands immediate attention.

Throughout the steel belt, tens of thousands of jobs are at stake; more than 20,000 have already been lost. Hundreds of communities are endangered. Billions of dollars in wages and shareholder value are threatened. Most importantly, our national security is threatened. Unless we act decisively, the United States could soon be as dependent on foreign steel as we are on foreign oil. We are facing a permanent loss of capacity that has the potential to harm every heavy industry in this country, including automakers, defense contractors and, in my home State of West Virginia, aerospace companies.

For some time now, I have advocated consolidating the steel industry to ensure the survival of the domestic steel industry in the face of this massive surge of imports. Merged companies create greater economies of scale and with their enhanced capacity and purchasing power, stand a better chance of competing against their heavily subsidized foreign competitors. While consolidation by itself will not relieve the hardships of the steel crisis for our steelworkers, their families and communities, the steel industry can really only recover with the imposition of remedies under Section 201. I believe that it is a step in the right direction.

Presently, the pace of consolidation in the domestic industry has been slowed due to companies’ fears of assuming the tremendous legacy and environmental compliance costs of acquired entities. Legacy costs, in particular, are a tremendous expense for companies, as there are more retired steelworkers than steelworkers currently employed. The burden of assuming such substantial costs has acted as
a deterrent to industry consolidation, which I believe, gives our industry a much better chance of long-term survival.

The Save the American Steel Industry Act of 2001 attempts to address these issues. Title I of the Act establishes a Steel Retiree Health Care Board in the Department of Labor to administer a newly-created Health Care Benefit Costs Assistance Program. Under the program, the board will contribute funds to eligible steelworker group health plans. The funds will be allocated from a Steelworker Retiree Health Care Trust Fund in the U.S. Treasury financed by a 2 percent Federal excise tax on all steel products sold in the United States.

Title I is critical, because by some estimates, 10 percent of the cost of steel in the U.S. consists of payments to provide health care benefits. This new fund would be accessible to all steel companies providing health insurance to retirees and, as the pool of eligible retirees declines, the tax will be reduced. In the meantime, U.S. steelworkers employed by the acquired company, must be retained to qualify for a grant. Title II provides for substantial penalties if a company receiving a grant subsequently violates these thresholds.

Together, these two actions could make a tremendous difference for many domestic steel mills, especially small and mid-sized operations by providing a strong incentive for domestic companies to consider joining forces. The Health Care Benefit Costs Assistance Program proposed under Title I makes mergers more likely by ensuring that a large portion of legacy costs inherited in consolidation plans would be covered by the Federal Government. By providing domestic steelmakers with substantial funds to bring merged facilities into compliance with environmental laws, Title II of the bill provides further incentives for consolidation.

By Mr. SMITH of Oregon (for himself and Mr. Baucus):


Mr. SMITH of Oregon. Mr. President, on Monday, May 7, I traveled once again to Klamath Falls, OR, to address a rally for the Save Klamath River Basin Institute. I have been told by the Institute that seafood workers and their families are not sacrificed in the merger process by requiring that most jobs and production capacity are retained and by heavily penalizing companies that receive funding and subsequently do not stick to the agreement.

The American steel industry has earned the respect and consideration of the rest of the world. These companies have taken some very tough medicine not so very long ago. During the first steel crisis, the U.S. steel industry got very little sympathy. As the first wave of imports washed across our coasts, the industry was told that it was too old, too inefficient, and too unresponsive to save.

But rather than walk away, the American steel industry put itself through a wrenching, and almost miraculous revitalization, transforming century-old mills into miracles of modern production. No steel industry on earth gets more production per man hour than the U.S. industry. None has a cleaner environmental record. No one has been faster or more effective at integrating computer technology into its production.

And yet, having done that, the industry finds itself threatened again—not by better steelmakers, but by subsidized producers. Companies who have taken advantage of their government support, and not their manufacturing skill. It is not fair. It is not just. And I don’t believe that our Government should stand by idly and let the painful years and billions of dollars our steel industry invested be stolen away by companies who do not play by the rules.

The Save the American Steel Industry Act of 2001 represents the first step in the Federal Government’s commitment to ensure that the United States continues to have a healthy and competitive steel industry. While I do not believe that we can survive without a comprehensive Section 201 action on all steel products and ultimately, negotiation of a multilateral steel agreement with our trading partners to address the foreign overcapacity problem, this act provides greater incentives for domestic steel companies to consider consolidation, which, I believe, substantially enhances their chances of survival in today’s increasingly turbulent steel marketplace. Failure to act now, in this Congress, would be a grave mistake.

By Mr. Smith of Oregon (for himself and Mr. Baucus):
I remain committed to enhancing our environmental stewardship. But right now, we have a situation where over 1,100 species have been listed under the existing Act, and less than two dozen have been delisted. Litigation is consuming far too much of the time and resources of federal agencies that could be better spent actually recovering species.

The time has come to admit that there must be a better way to protect wildlife. I hope that this will be the beginning of a dialogue that results in effective improvements in the Act.

In the meantime, I will continue to press for the assistance that the residents of the Klamath Falls area need to make it through this year. It has become increasingly apparent to me over the last three weeks that existing federal disaster assistance programs and crop insurance programs are simply not geared toward the type of situation we have in the Klamath Falls area. I will continue to press the Administration for an assistance package that will provide meaningful relief to these families.

By Ms. MIKULSKI (for herself and Mrs. HUTCHISON):

S. 912. A bill to amend title 38, United States Code, to increase burial benefits for veterans; to the Committee on Veterans' Affairs.

Ms. MIKULSKI. Mr. President. I rise to introduce the Veterans Burial Benefits Improvement Act of 2001. I am pleased that my colleague, Senator HUTCHISON, joins me in introducing this legislation today.

During the upcoming Memorial Day holiday, we will honor our U.S. soldiers who died in the name of their country. These service men and women are America’s true heroes and on this day we pay tribute to their courage and sacrifice. At the same time, we give the families for our country. All have given their time and dedication to ensure our country remains the land of the free and the home of the brave. We owe a special debt of gratitude to each and every one of them.

This holiday serves as an important reminder that our nation has a sacred commitment to honor the promises made to soldiers when they signed up to serve our country. As the Ranking Member of the Senate Appropriations Subcommittee that funds veterans programs, I fight hard to make sure promises made to our service men and women are promises kept. These promises include access to quality, affordable health care and a proper burial for our veterans.

I am deeply concerned that the Federal Government has not increased veterans’ burial benefits for the families of our wounded or disabled veterans in over a decade. We are losing over 1,100 World War II veterans each day, but Congress has failed to increase veterans’ burial benefits to keep up with rising costs and inflation. While these benefits were never intended to cover the full costs of burial, they now pay for only a fraction of what they covered in 1973, when the Federal Government first started paying burial benefits for our veterans.

That’s why I am introducing the Veterans Burial Benefits Improvement Act. This bill will increase burial benefits to cover the same percentage of funeral costs as they did in 1973. It will also provide for these benefits to be increased annually to keep up with inflation.

In 1973, the service-connected benefit paid for 72 percent of veterans’ funeral costs. But this benefit has not been increased since 1988, and it now covers just 29 percent of funeral costs. My bill will increase the service-connected benefit from $1,500 to $3,713, bringing it back up to the original 72 percent level.

In 1973, the non-service connected benefit paid for 22 percent of funeral costs. This allowance was increased since 1978, and today it covers just 6 percent of funeral costs. My bill will increase the non-service connected benefit from $300 to $1,135, bringing it back up to the original 22 percent level.

In 1973, the plot allowance paid for 13 percent of veterans’ funeral costs. This benefit has never been increased, and it now covers just 3 percent of funeral costs. My bill will increase the plot allowance from $150 to $670, bringing it back up to the original 13 percent level.

Finally, the Veterans Burial Benefits Improvement Act will also ensure that these burial benefits are adjusted for inflation annually, so veterans won’t have to fight this fight again.

This legislation is just one way to honor our nation’s service men and women. I want to thank the millions of veterans, Marylanders, and people across the Nation for their patriotism, devotion, and commitment to honoring the true meaning of Memorial Day. U.S. soldiers from every generation have shared in the duty of defending America and protecting our freedom. For these sacrifices, America is eternally grateful.

I ask unanimous consent that the text of the bill and a letter from several veterans advocacy groups support it, be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

S. 912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans Burial Benefits Improvement Act of 2001”.

SEC. 2. INCREASE IN BURIAL BENEFITS FOR VETERANS.

(a) BURIAL AND FUNERAL EXPENSES.—(1) Section 2302(a) of title 38, United States Code, is amended by striking "$300" and inserting "$1,135 (as increased from time to time under section 2309 of this title)"

(2) Section 2303(b) of that title is amended by striking "$300" and inserting "$1,135 (as increased from time to time under section 2309 of this title)"

(b) PLOT ALLOWANCE.—Section 2303(b) of title 38, United States Code, is amended by striking "$150" the first place it and inserting "$670 (as increased from time to time under section 2309 of this title)"; and

(2) by striking "$150" the second place it appears and inserting "$670 (as so increased)"

(c) ANNUAL ADJUSTMENT.—(1) Chapter 23 of title 38, United States Code, is amended by adding at the end of the following new section:

"§ 2309. Annual adjustment of amounts of burial benefits

"With respect to any fiscal year, the Secretary shall provide for an adjustment increase (rounded to the nearest dollar) in the burial and funeral expenses under sections 2302(a), 2303(a), and 2307 of this title, and in the plot allowance under section 2303(b) of this title, equal to the percentage by which—

"(1) the Consumer Price Index (all items, United States city average) for the 12-month period preceding the beginning of the fiscal year for which the increase is made, exceeds

"(2) the Consumer Price Index for the 12-month period preceding the 12-month period described in paragraph (1)."

(2) The table of sections at the beginning of this chapter is amended by adding at the end the following new item:

"§ 2309. Annual adjustment of amounts of burial benefits.

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall be effective beginning with any fiscal year after fiscal year 2002.

(2) No adjustments shall be made under section 2309 of title 38, United States Code, as added by subsection (c), for fiscal year 2002.


HON. BARBARA MIKULSKI, U.S. Senator, Washington, DC.

DEAR SENATOR MIKULSKI: We are pleased to support your proposed legislation, the Veterans Burial Benefits Improvement Act, to increase burial benefits for veterans. A meaningful increase in benefits provided by our Government to cover veterans’ burial and funeral expenses is long overdue.

This proposed legislation would increase burial allowances to reflect the increasing costs of burial for veterans. Benefits would be increased to cover the same percentage of veterans’ burial costs as in 1973. It would also provide for these benefits to be adjusted to the costs of inflation.

The Independent Budget (IB) produced by AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars fully supports an adjustment of burial allowances to reflect the increases in burial costs. The allowance for service-connected deaths was last adjusted in 1988, and the allowance for other deaths was last adjusted in 1978. Over these several years without adjustment, the value of the burial allowance has eroded. Clearly, it is time these allowances be raised to make them a more meaningful contribution to the costs of burial for our veterans.

We greatly appreciate your efforts to increase veterans burial allowances to a level that reflects the intended benefit. This proposed legislation would help ensure that our
By Ms. SNOWE (for herself, Mr. ROCKEFELLER, Mr. SMITH of Oregon, and Mrs. FEINSTEIN).

S. 913. A bill to amend title XVIII of the Social Security Act to provide for coverage under the Medicare program of all oral anticancer drugs; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce a small bill, but one with important consequences. My measure, the Access to Cancer Therapies Act, would provide coverage of all oral anticancer drugs under the Medicare program. I am pleased to be joined by my colleagues, Mr. SMITH of Oregon, Mr. ROCKEFELLER, Mr. S MITH of Oregon, and Mrs. FEINSTEIN in introducing this measure.

As my colleagues know, there is no Medicare outpatient prescription drug benefit today. If there was, we would not need this legislation. There would be and there must be a Medicare prescription drug benefit this year. Seniors are reeling from the burden of the prescription drug benefit this year. Seniors do not need this legislation. There should be and there must be a Medicare prescription drug benefit this year. Seniors do not need this legislation. There should be and there must be a Medicare prescription drug benefit this year. Seniors do not need this legislation. Therefore, there is no Medicare prescription drug benefit today. If there was, we would not need this legislation. There would be and there must be a Medicare prescription drug benefit this year. Seniors are reeling from the burden of the prescription drug benefit today. If there was, we would not need this legislation. Therefore, there is no Medicare prescription drug benefit today. If there was, we would not need this legislation. Therefore, there is no Medicare prescription drug benefit today. If there was, we would not need this legislation. Therefore, there is no Medicare prescription drug benefit today. If there was, we would not need this legislation. Therefore, there is no Medicare prescription drug benefit today. If there was, we would not need this legislation. Therefore, there is no Medicare prescription drug benefit today. If there was, we would not need this legislation. Therefore, there is no Medicare prescription drug benefit today. If there was, we would not need this legislation.

This legislation also reminds us of the importance of adding a prescription drug benefit to Medicare. There are new, more targeted, and less toxic methods of treatment through new oral anticancer drugs that patients can safely take in the comfort of their own homes, Medicare policy is currently unable to provide reliable access to these medications for beneficiaries with cancer.

At the very least, we must ensure all oral anti-cancer drugs are available to our seniors. The Access to Cancer Therapies Act, Mr. President, would extend the Medicare policy by ensuring coverage of all oral anti-cancer drugs, whether oral or injectable, are available to Medicare beneficiaries. The Act will provide beneficiaries with access to innovative new therapies that are less toxic and more convenient, more clinically effective and more cost-effective than many currently covered treatment options. I urge my colleagues to support this bill.

Mr. SMITH of Oregon. Mr. President, I have spoken many times about the importance of adding a prescription drug benefit to Medicare. There are other ways in which the Medicare program could be strengthened, for example, by upgrading for innovative medical technologies not covered under the old structure of Medicare. One example of advanced technologies that should be in use are oral anti-cancer drugs. I rise today in support of the Access to Cancer Therapies Act.

Most pharmacists are surprised to know that oral cancer therapies are covered under Medicare. This situation is due to an accident of fate. When Medicare was created in 1965, orally administered cancer drugs were completely unknown. While 90 to 95 percent of anti-cancer drug therapy is covered under Medicare Part B, this coverage is largely limited to injectable drugs that are administered incident to covered physician services. Orally administered anticancer drugs are not covered if they have an injectable equivalent. Currently there are only seven of these pharmaceuticals available. Researchers fully expect that in the near future, anticancer care will be much more heavily based on oral drugs; while oral drugs currently make up around 5 percent of the oncology market, it is projected that they will become 25 percent or more within a decade. Continuing to exclude coverage of oral cancer medications will impose significant unnecessary cost burdens on Medicare beneficiaries, and could influence treatment decisions more on the basis of cost than quality.

The cure for cancer has long been the goal of medical research, eluding the grasp of even the most intrepid scientists. But today, in Oregon, we are one step close to a cure. At Oregon Health & Science University, in Portland, Dr. Brian Druker has discovered a treatment for a specific form of leukemia—a treatment that offers hope to cancer patients everywhere. Dr. Druker’s treatment, known as Gleevec, offers hope to cancer patients everywhere because it shows us how to cure cancer at the gene level. As Dr. Peter Kohler, President of OHSU, said: “People have won the Nobel Prize for lesser work.”

For Dr. Druker, this was a dream that began over twenty years ago, as a medical student. He sat through a lecture on chemotherapy and thought the practice barbaric. He dreamed of the day that chemotherapy could be replaced with a more humane treatment that killed cancerous cells, but didn’t damage healthy cells. In 1986, Dr. Druker developed an interest in the proteins responsible for signaling cell growth. He believed these proteins were perfect targets for new therapies. In particular, he felt that BCR-ABL, an abnormal protein responsible for overproduction of white blood cells in a certain type of leukemia, was the best bet for targeted therapy.

In 1993, he came to Oregon to head up his own leukemia research lab at Oregon Health & Science University. When he was at that time, his research really started to blossom. He began to experiment with potential treatments for chronic myelogenous leukemia, or CML. One chemical compound, STI 571, immediately showed the most promise. Clinical testing began in June 1996, and the results were nothing less than astonishing. In every case, white blood cell counts returned to normal within six weeks. “I thought it was too good to be true,” Dr. Druker said.

In fact, further clinical trials have shown that STI 571, now known as Gleevec, is, if anything, more effective than Dr. Druker originally thought.
Trials have been extended to 30 countries and nearly 3000 patients. Over 90 percent of those in the disease’s acute, or blast, phase have seen their white blood cell counts return to normal, and one-third in the same phase have no remaining traces of leukemia. In other words, not only did Gleevec treat the leukemia symptoms, it began to eliminate the molecular basis of the disease altogether. Not surprisingly, the Food and Drug Administration last week approved the treatment for CML, the fastest ever approval by the FDA for an anti-cancer treatment.

Further clinical trials have shown that Gleevec is effective for a rare form of cancer known as gastrointestinal stromal tumor, or GIST. Similar to the way Gleevec inhibits the BCR-ABL protein that is found in nearly all CML sufferers, Gleevec also appears to inhibit the so-called KIT protein that is prevalent in most gastrointestinal tumor patients. Trials are also planned or already underway to test Gleevec on brain tumors and soft tissue sarcoma.

As Dr. Druker says, Gleevec is unlikely to be a cure for every form of cancer. Nevertheless, it does provide a road map. The important step is to find the molecular defect that underlies each form of cancer and target it for therapy. And with the completion of the Human Genome Project, the information to help find those molecular defects is now available.

The discovery of Gleevec secures Dr. Druker’s reputation as one of the foremost scientists of his generation, and may well put him in line for that Nobel Prize mentioned by Dr. Kohler. But it also symbolizes the growing strength of the Oregon Cancer Institute at OHSU. The institute is relatively new, but that hasn’t hindered it from having a large impact on the field. That’s a testament to the high intellectual caliber of the staff there. As Dr. Grover Bagby points out: the Oregon Cancer Institute was founded on the principle of fighting cancer at the molecular level. And thanks to Dr. Druker, fighting cancer at the molecular level is now the guiding principle for cancer researchers everywhere.

As I said at the beginning of my remarks, the cure for cancer has long been the golden ring of medical research. Yet today, thanks to the work of Dr. Druker and others at OHSU, we are closer than ever. This is a proud day for medical research, and a proud day for Oregon.

Passage of the Access to Cancer Therapies Act would give hope to Oregonians such as Jim Underwood, a Medicare beneficiary in Oregon in the last stages of leukemia. Because Medicare does not currently cover oral cancer treatments, many patients like Jim Greenwood may not benefit form the most innovative, appropriate cancer fighting technologies. I urge my colleagues on both sides of the aisle to move quickly to pass the Access to Cancer Therapies Act so that all Medicare beneficiaries can have access to the most technologically advanced medications available and appropriate for their conditions.

Mrs. FEINSTEIN. Mr. President, I am pleased today to join as an original sponsor with Senators S SOWE, SMITH and ROCKEFELLER, a bill to provide Medicare for cancer drugs.

More than 8 million Americans require some form of cancer care: 1.2 million of these are newly diagnosed patients; some are already on treatment; some need follow-up care. Over half a million people will die from cancer this year.

Medicare, generally, does not cover cancer drugs. This bill will provide that coverage.

Providing Medicare coverage of cancer drugs is particularly important in light of a promising new class of drugs that are becoming available. One of those drugs is Gleevec, formerly known as STI 571.

I am greatly heartened by the news that on May 10 the Food and Drug Administration approved Gleevec for the treatment of chronic myelogenous leukemia. Gleevec is revolutionary because it can precisely target the dysfunctional proteins that cause this cancer, and it can disable cancer cells to the point that they are metabolically inactivated with 12 hours of administering the drug.

Furthermore, Gleevec does not destroy the “good” cells, as other treatments do. It helps over 90 percent of patients in clinical trials and holds great promise for other cancers. Scientists say this drug is the wave of the future.

Not only is this drug highly medically effective, it is cost-effective. Gleevec is expected initially to cost around $25,000 annually. While that is a high price, in my view, the other alternative, or standard treatment for this kind of leukemia, is a bone marrow transplant. Bone marrow transplants cost on average $250,000 per procedure. So this drug will be cheaper than the conventional treatment.

Sixty percent of cancer cases occur among people over age 65, a number that will grow as the American population ages, so Medicare is a major payer of cancer care. Cancer therapies have evolved to the point where most cancer care is delivered on an outpatient basis, not in a hospital.

In terms of Medicare, oral, outpatient, prescription cancer drugs are currently covered by Medicare only if the drugs have the same active ingredient as the equivalent injectable cancer drug. This means that very few cancer drugs are covered.

No one really knows how much Medicare patients pay out-of-pocket for cancer drugs, but according to the Institute of Medicine, “available evidence suggests that it is substantial.”

One study found that Medicare covered 83 percent of typical charges for lung cancer and 65 percent of typical charges for breast cancer. Out-of-pocket expenses ranged from less than $100 to near $4,000. One-third of Medicare beneficiaries have private insurance that covers the prescription drugs that Medicare does not cover. Even if beneficiaries have private drug coverage, that coverage often has high deductibles and other limits so that beneficiaries still have high out of pocket expenses.

The bill we are introducing today addresses just part of the problem. Clearly, we must work for a comprehensive Medicare drug benefit for all illnesses and we must work to improve private health insurance coverage.

The cost of delivering cancer care is $50 billion a year, says the National Cancer Institute. These are costs that we can reduce and this bill is one step.

I hope that by expanding Medicare coverage for cancer drugs, we can encourage drug companies to make many more new drugs and we can give hope to millions who suffer from cancer.

I urge my colleagues to support this bill.

By Mrs. BOXER (for herself, Mr. REID, and Mr. BAUCUS):

S. 914. A bill to designate the United States courthouse located at 95 Seventh Street in San Francisco, California, as the “James R. Browning United States Courthouse”; to the Committee on Environment and Public Works.

Mrs. BOXER. Mr. President, I am introducing legislation today to name the courthouse in San Francisco, CA as the “James R. Browning United States Courthouse.”

Judge Browning was appointed to the court by President Kennedy and has spent 40 years as a circuit judge on the Court of Appeals for the Ninth Circuit. For twelve of those years, he served as Chief Judge. As chief judge, Judge Browning reorganized and modernized the administration of the Ninth Circuit. Now, he is on Senior Status.

He is originally from Montana and graduated from Montana State University in 1938 and from Montana University Law School in 1941, achieving the highest scholastic record in his class and serving as editor-in-chief of the law review. Before being appointed to the Court, Judge Browning served in the U.S. Army and worked for Department of Justice and in private practice.

I can think of no more appropriate honor for Judge Browning than to place his name on the courthouse building where he has worked for 40 years.
SENATE CONCURRENT RESOLUTION 38—RECOGNIZING THE ALLIANCE FOR REFORM AND DEMOCRACY IN ASIA, AND FOR OTHER PURPOSES

Mr. McCONNELL (for himself, Mr. HELMS, Mrs. FEINSTEIN, and Mr. LEAHY) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 38

Whereas authoritarian governments in Asia deny their citizens basic freedoms of belief, speech, and association, and engage in intimidation and other human rights abuses designed to ensure that political opposition to those governments is nonexistent or weak;

Whereas established and emerging democracies in Asia offer hope and inspiration to democrats and reformers across the region;

Whereas democracy activists in Asia are firmly committed to advancing democracy, human rights, good governance, and the rule of law, often at great personal risk;

Whereas leading democrats and reformers created the Alliance for Reform and Democracy in Asia (referred to in this Resolution as ARDA) in Bangkok, Thailand, on October 8, 2000, as a broad-based, nonviolent movement to encourage and accelerate the march of democracy in Asia;

Whereas the members of the ARDA have rejected as false any definition of ‘Asian values’ that does not include respect for human rights, democracy, freedom, and good governance;

Whereas the members of the ARDA have pledged in a declaration of unity to promote democracy, human rights, and the rule of law in Asia;

Whereas the members of the ARDA support each other through words and deeds in times of political crisis;

Whereas the members of the ARDA have frequently met to reaffirm their collective commitment to democracy, the rule of law, and human rights, most recently in Taiwan and Mongolia; and

Whereas Congress recognizes that the establishment of democratic governments in Asia is vital to the United States national security interests: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) recognizes and commends the members of the Alliance for Reform and Democracy in Asia for joining forces in a common struggle for freedom and the rule of law;

(2) calls upon governments in Asia to heed the calls by the ARDA for political and legal reforms, and to engage members of the ARDA in dialog; and

(3) calls for an immediate end to human rights violations committed against Asian democracy activists and reformers.

SENATE CONCURRENT RESOLUTION 39—EXPRESSING THE SENSE OF CONGRESS THAT THE MORATORIUM ON NEW OIL AND NATURAL GAS LEASING ACTIVITY ON SUBMERGED LAND OF THE OUTER CONTINENTAL SHELF SHOULD BE MAINTAINED

Mrs. FEINSTEIN (for herself and Mrs. BOXER) submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 39

Whereas during the last 8 years, the Federal Government has operated robust offshore oil and natural gas leasing programs that matched or exceeded production levels during the administrations of former President Reagan and former President Bush;

Whereas offshore, the United States has leased and currently manages more than 44,000,000 acres of outer Continental Shelf land;

Whereas proposals to provide more access to currently protected Federal land for development by the oil, gas, and coal industries ignore the quantity of land that is already available for that purpose;

Whereas it is not necessary to drill in sensitive areas to meet the energy needs of the United States;

Whereas since 1982, there has been in effect a statutory moratorium on new leasing, preleasing, and related activities on submerged land of the outer Continental Shelf;

Whereas in 1990, former President Bush used his authority to declare areas of the outer Continental Shelf along the coastlines of California, Washington, Bristol Bay, Alaska, and the eastern Gulf of Mexico, and more than 100 miles off the Florida coast, off limits to new drilling through calendar year 2003;

Whereas in 1998, former President Clinton extended the Bush limitation through June 2012;

Whereas citizens of California, Florida, and other States affected by the outer Continental Shelf drilling moratorium are overwhelmingly opposed to new oil drilling off their coast; they are concerned about plans to open the Florida Gulf Coast to new leasing;

Whereas a majority of people of the United States are growing increasingly concerned about the environment and believe that protecting the environment should take precedence over economic development;

Whereas the people of the United States have made a decision to protect the coastlines of the United States from oil development, because the people know that far better alternatives exist; and

Whereas there are many other worthy options before Congress that could increase energy independence and reduce reliance on foreign oil, such as the Strategic Petroleum Reserve, incentives to improve energy efficiency, research into renewable energy and alternative fuels, and full funding of energy conservation and efficiency programs (including programs for solar and renewable energy, weatherization, and other initiatives): Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the moratorium in effect as of the date of adoption of this Resolution on new oil and natural gas leasing, preleasing, and related activities on submerged land of the outer Continental Shelf should be maintained.

Mrs. FEINSTEIN, Mr. President, today I am pleased to introduce a resolution to maintain the moratorium on new oil and natural gas leasing activity on submerged lands of the Outer Continental Shelf. I am happy to be joined by Senator BOXER.

With this resolution, we are urging President Bush to continue the existing executive order that places coastline areas of several States, including California, off limits to new drilling. This moratoria was initiated by former President George H. Bush in 1990, and extended through 2012 by President Clinton in 1998.

The timing of this resolution is important because the Bush administration’s energy plan will focus on drilling for new oil and gas reserves. With this focus, many of us in Congress fear that the Administration may pave the way for new exploration of the Outer Continental Shelf. This would be a tragic mistake that endangers the coastlines of many States, including California, which is one of the greatest environmental treasures in the world.

One oil spill from offshore oil wells almost did destroy the beautiful California coastline. In 1969 an oil spill in Federal waters off the coast of Santa Barbara killed thousands of birds, as well as dolphins, seals, and other animals. Estimates of the amount of oil released range up to 200,000 barrels. Within days, oil spread from California’s Channel Islands to the Mexican border, an area of approximately 800 square miles. The people of California were so concerned that shortly thereafter they voted to create the California Coastal Commission.

Since the 1969 spill, there have been more than thirty additional significant oil spills off the California coast. Each spill has imperiled the environment, the economy, and the beautiful landscape of California.

We can try to measure the economic cost of oil spills. For example, the value of our coast as ocean-dependent industry is estimated to contribute $17 million per year to our state economy. But we cannot measure the value placed on our quality of life. In 1991, the California Department of Parks and Recreation found that almost 70 percent of Californians had participated in beach activities, and that 25 percent of California had participated in saltwater fishing. We simply cannot endanger this resource for limited production.

There is widespread and bipartisan agreement that oil drilling presents serious environmental dangers, and I urge the President to maintain the moratorium on new oil and gas leasing activity on the Outer Continental Shelf.

SENATE CONCURRENT RESOLUTION 40—EXPRESSING THE SENSE OF CONGRESS REGARDING THE DESIGNATION OF THE WEEK OF MAY 20, 2001 AS ‘NA-TIONAL EMERGENCY MEDICAL SERVICES WEEK’

Mr. HATCH (for himself, Mr. BAUCUS, Mr. ALLEN, Mr. BAYH, Mr. BENNETT, Mr. BINGAMAN, Mr. BOND, Mr. BREAUX, Mr. BROWNBACK, Ms. CANTWELL, Mrs. CANTWELL, Mr. CARHAN, Mr. CHAFFEE, Mrs. CLINTON, Ms. COLLINS, Mr. CRAIG, Mr. DASCHLE, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. ENZIGN, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr.
Mr. GRASSLEY, Mr. HELMS, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KERRY, Ms. LANDRIEU, Mrs. LINCOLN, Ms. MIKULSKI, Mr. MILLER, Mr. MURkowski, Mrs. MURRAY, Mr. REID, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THURMOND, Mr. TOHRICHELLI, Mr. VINOvICH, and Mr. WELLSTONE) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES 40

Whereas emergency medical services are a vital public service;
Whereas the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, 7 days a week;
Whereas access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury;
Whereas providers of emergency medical services have traditionally served as the safety net of America’s health care system;
Whereas emergency medical services teams consist of emergency physicians, emergency nurses, paramedics, medical technicians, firefighters, educators, administrators, and others;
Whereas approximately two-thirds of all emergency medical services providers are volunteers;
Whereas the members of emergency medical services teams, whether career or volunteer, undergo thousands of hours of specialized training and continuing education to enhance their lifesaving skills;
Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;
Whereas injury prevention and the appropriate use of the emergency medical services system will help reduce health care costs: Now, therefore, be it
Resolved by the Senate (the House of Representatives concurring):
(1) the week of May 20, 2001, is designated as “National Emergency Medical Services Week”;
(2) the President should issue a proclamation calling upon the people of the United States to observe such week with appropriate programs and activities.

Mr. HATCH, Mr. President. I am rising to introduce a bipartisan resolution to designate May 20-26, 2001 as National Emergency Medical Services Week in honor of the 750,000 Emergency Medical Services, EMS, personnel who are on the front lines every day saving the lives of Americans. I am delighted that my esteemed colleague, Senator Baucus, is joining me as the primary cosponsor, in addition to 50 other original cosponsors.

The theme of this year’s week is “EMS: Answering the Call,” emphasizing the responsiveness of emergency medical services around the country, while underscoring the importance of the national 9-1-1 emergency number system. This observance also honors the passion and commitment of those serving the emergency medical community, including emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, and many other dedicated individuals who provide lifesaving care 24 hours a day, seven days a week.

The continued strength and growth of our Emergency Medical Services System has been an important issue to me for many years. I worked closely with several of our colleagues to enact legislation to establish the Nation’s first Emergency Medical Services for Children program, EMSC.

Over the past decade, this pediatric EMS program has improved the availability of child-size equipment in ambulances and emergency departments. It has fostered literally hundreds of state and local programs to prevent injuries, and has supported thousands of hours of training for Emergency Medical Technicians, EMTs, paramedics, and other emergency medical care providers. EMSC efforts have led to legislation mandating programs in several States, and to the development of educational materials examining every aspect of pediatric emergency care. However, most importantly, EMSC efforts are saving kids’ lives.

EMS providers, be they career or volunteer, which the majority are, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills. It is well known that access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury. In fact, emergency medical services providers have traditionally served as the safety net of America’s health care system.

However, this healthcare safety net today is in crisis. On the front lines, emergency medical service providers are faced with crowded emergency departments and dwindling resources. These, and many other complex issues are threatening the ability of health professionals to deliver high-quality care.

A solution to the overcrowding of our nation’s emergency departments requires a national commitment. This will mean allocating significant financial resources and convening Federal and State policymakers, local hospitals, community leaders and public and private health plan payers to develop workable solutions. We will also need adequate monitoring and data collection efforts to understand the scope of these problems and to uncover the best methods for solving this crisis.

To continue to deliver quality healthcare in this country, we must not only recognize those individuals who have dedicated their careers to caring for the very sickest Americans, but also the enormous stress and burden this system in crisis places on them each and every day. We must work toward resolving this crisis so we can continue to attract quality healthcare professionals to the EMS field and to give them the resources they need to continue to save lives.

It is appropriate to recognize the value and the accomplishments of emergency medical service providers by designating this May 20-26, Emergency Medical Services Week.

I ask my colleagues to join with me in supporting this resolution.

AMENDMENTS SUBMITTED AND PROPOSED

SA 650. Mr. GRASSLEY (for himself and Mr. Baucus) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002.

SA 651. Ms. LANDRIEU (for herself and Mr. Chai) submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 652. Mr. LEAHY (for himself and Mr. BENNETT) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 654. Mr. CONRAD (for himself and Mr. Kennedy) proposed an amendment to the bill H.R. 1836, supra.

SA 655. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 657. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 658. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 659. Mrs. HUTCHINSON (for herself and Mr. Brownback) proposed an amendment to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 660. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 661. Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 662. Mr. INOUYE (for himself and Mr. Akaka) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 663. Mr. INOUYE (for himself and Mr. Akaka) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 664. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 665. Mr. TOHRICHELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 666. Mr. TOHRICHELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 667. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 668. Mr. SCHUMER (for himself, Mr. BIDEN, Mr. BAYH, Mr. LIEBERMAN, Mr. DURBIN, Mr. TOHRICHELLI, Mrs. CLINTON, Mr.
### Section 1. Short Title, etc.

#### (a) Short Title—This Act may be cited as the “Restoring Earnings To Lift Individuals, and Empower Families (RELIEF) Act of 2001”.

#### (b) Amendment of 1986 Code—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

#### (c) Section 15 Not To Apply.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

#### (d) Table of Contents—The table of contents of this Act is as follows:

**Title I—Individual Income Tax Rate reductions**

| Sec. 101 | Reduction in income tax rates for individuals. |
| Sec. 102 | Increase in amount of income required before phaseout of itemized deductions. |
| Sec. 103 | Repeal of phaseout of deduction for personal exemptions. |
| Subtitle B—Compliance With Congressional Budget Act |
| Sec. 111 | Sunset of provisions of title. |
| Sec. 112 | Restoration of provisions of title. |

**Title II—Child Tax Credit**

**Subtitle A—In General**

| Sec. 201 | Modifications to child tax credit. |

**Subtitle B—Compliance With Congressional Budget Act**

| Sec. 211 | Sunset of provisions of title. |
| Sec. 212 | Restoration of provisions of title. |

**Title III—Death Relief**

**Subtitle A—In General**

| Sec. 301 | Elimination of marriage penalty in standard deduction. |
| Sec. 302 | Phaseout of marriage penalty in 15- percent bracket. |
| Sec. 303 | Marriage penalty relief for earned income credit. |
| Subtitle B—Compliance With Congressional Budget Act |
| Sec. 311 | Sunset of provisions of title. |
| Sec. 312 | Restoration of provisions of title. |

**Title IV—Affordable Education Provisions**

**Subtitle A—Education Savings Incentives**

| Sec. 401 | Modifications to education individual retirement accounts. |
| Sec. 402 | Modifications to qualified tuition programs. |

**Subtitle B—Educational Assistance**

| Sec. 411 | Permanent extension of exclusion for employer-provided educational assistance. |
| Sec. 412 | Elimination of 80-month limit and increase in income limitation on student loan interest deduction. |

**Title V—Estate, Gift, and Generation-Skipping Transfer Tax Provisions**

**Subtitle A—Repeal of Estate and Generation-Skipping Transfer Taxes**

| Sec. 501 | Repeal of estate and generation-skipping transfer taxes. |

**Subtitle B—Reductions of Estate and Gift Tax Rates**

| Sec. 511 | Additional reductions of estate and gift tax rates. |

**Subtitle C—Increase in Exemption Amounts**

| Sec. 521 | Increase in exemption equivalent of unified credit, lifetime gift exemption, and GST exemption amounts. |

**Subtitle D—Credit for State Death Taxes**

| Sec. 531 | Reduction of credit for State death taxes. |

**Subtitle E—Credit for State death taxes replaced with deduction for such taxes.**

**Subtitle F—Conservation Easements**

| Sec. 551 | Expansion of estate tax rule for conservation easements. |

**Subtitle G—Modifications of Generation-Skipping Transfer Tax**

| Sec. 561 | Deemed allocation of GST exemption to lifetime transfers to trusts; retroactive allocations. |

**Subtitle H—Severing of trusts.**

**Subtitle I—Modification of certain valuation rules.**

**Subtitle J—Repeal provisions.**

**Subtitle K—Extension of Time for Payment of Estate Tax**

| Sec. 571 | Expansion of availability of installment payment for estates with interests qualifying lending and finance businesses. |

**Subtitle L—Clarification of availability of installment payment.**

**Subtitle M—Compliance With Congressional Budget Act**

| Sec. 581 | Sunset of provisions of title. |
| Sec. 582 | Restoration of provisions of title. |
(Section 531 is amended by striking “equal to” and all that follows and inserting “equal to the product of the highest rate of tax under section 1(c) and the undistributed personal holding company income.”)

(Section 541 is amended by striking “equal to” and all that follows and inserting “equal to the product of the highest rate of tax under section 1(c) and such payment.”)

(Section 5402(q)(1) is amended by striking “15 percent” and inserting “10 percent.”)

(Section 3402(q)(1) is amended by striking “equal to 28 percent of such payment” and inserting “equal to the product of the third lowest rate of tax under section 1(c) and such payment.”)

(Section 3402(q)(3) is amended by striking “31 percent” and inserting “the fourth lowest rate of tax under section 1(c)”.)

(Section 3406(a)(1) is amended by striking “equal to 31 percent of such payment” and inserting “equal to the product of the fourth lowest rate of tax under section 1(c) and such payment.”)

(Section 13253 of the Revenue Reconciliation Act of 1993 is amended by striking “28 percent” and inserting “the third lowest rate of tax under section 1(c) of the Internal Revenue Code of 1986.”)

(c) EFFECTIVE DATES.—

(1) In GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (a)(9), (10), and (11) of subsection (b) shall apply to amounts paid after the 60th day after the date of the enactment of this Act.

SEC. 102. INCREASE IN AMOUNT OF INCOME REQUIRED BEFORE PHASEOUT OF Itemized Deductions Begins.

(a) In General.—Section 66(b)(1) (defining applicable amount) is amended—

(1) by striking “$100,000” and inserting “$150,000”, and

(2) by striking “$50,000” and inserting “$75,000”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 103. REPEAL OF PHASEOUT OF DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) In General.—Section 151(b)(4) (relating to exemption amount) is amended by striking paragraph (3).

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (b) of section 151(f) is amended—

(A) by striking “section 151(d)(d)” in subparagraph (A) and inserting “section 151(d)(3)”;

(B) by striking “section 151(d)(d)4(A)” in subparagraph (B) and inserting “section 151(d)(3)”;

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

Subtitle B—Compliance With Congressional Budget Act

SEC. 111. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE II—Child Tax Credit

Subtitle A—In General

SEC. 201. MODIFICATIONS TO CHILD TAX CREDIT.

(a) INCREASE PER CHILD AMOUNT.—Subsection (a) of section 24 (relating to child tax credit) is amended to read as follows:

(1) ALLOWANCE OF CREDIT.—

(2) PER CHILD AMOUNT.—For purposes of paragraph (1), the per child amount shall be determined as follows:

In the case of any tax year beginning in—

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$900</td>
</tr>
<tr>
<td>2002</td>
<td>$600</td>
</tr>
<tr>
<td>2003</td>
<td>$500</td>
</tr>
<tr>
<td>2004</td>
<td>$500</td>
</tr>
<tr>
<td>2005</td>
<td>$500</td>
</tr>
<tr>
<td>2006</td>
<td>$500</td>
</tr>
<tr>
<td>2007</td>
<td>$500</td>
</tr>
<tr>
<td>2008</td>
<td>$500</td>
</tr>
<tr>
<td>2009</td>
<td>$500</td>
</tr>
<tr>
<td>2010</td>
<td>$500</td>
</tr>
<tr>
<td>2011</td>
<td>$500</td>
</tr>
</tbody>
</table>

(b) CREDIT ALLOWED ALONG WITH ALTERNATIVE MINIMUM TAX.

(1) IN GENERAL.—Subsection (b) of section 24 (relating to child tax credit) is amended by adding at the end the following new paragraph:

(3) LIMITATION BASED ON AMOUNT OF TAX.

The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

(B) the sum of the credits allowable under this subsection (other than this section and section 27) for the taxable year.

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 24(b) is amended to read as follows: “LIMITATIONS.—

(B) The heading for section 24(b)(1) is amended to read as follows: “LIMITATION BASED ON ADJUSTED GROSS INCOME.”

(C) Section 24(d) is amended—

(1) by striking “26(c)” each place it appears and inserting “subsection (b)(3),”;

and

(ii) in paragraph (1)(B) by striking “aggregate amount of credits allowed by this subpart” and inserting “amount of credit allowed by this section;”

(D) Paragraph (1) of section 26(b) is amended by inserting “(other than section 24)” after “this subpart.”

(E) Subsection (c) of section 23 is amended by striking “(and section 1400C)” and inserting “(and sections 24 and 1400C)”.

(F) Subparagraph (C) of section 25(e)(1) is amended by inserting “, 24,” after “sections 23”.

(G) Section 904(h) is amended by inserting “(other than section 24)” after “chapter.”

(H) Section (d) of section 1400C is amended by inserting “and section 24” after “this section;”

(c) REFUNDABLE CHILD CREDIT.—

(1) IN GENERAL.—So much of section 24(d) (relating to additional credit for families with 3 or more children) as precedes paragraph (2) is amended to read as follows:

(d) PORTION OF CREDIT REFUNDABLE.—

(1) IN GENERAL.—The aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

(A) the credit which would be allowed under this section without regard to this subsection and the limitation under subsection (b)(3), or

(B) the amount by which the amount of credit allowed by this section (determined without regard to this subsection) would increase if the limitation imposed by subsection (a)(1) were increased by the greater of—

(1) 15 percent of so much of the taxpayer’s earned income (within the meaning of section 32) for the taxable year as exceeds $10,000, or

(ii) in the case of a taxpayer with 3 or more qualifying children, the excess (if any) of—

(I) the taxpayer’s social security taxes for the taxable year, over

(II) the credit allowed under section 32 for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the tax otherwise allowable under subsection (a) without regard to subsection (b)(3).”.

(2) CONFORMING AMENDMENTS.—Section 32 is amended—

(a) by striking “section 24(b)”;

and

(b) ELIMINATION OF REDUCTION OF CREDIT TO TAXPAYER SUBJECT TO ALTERNATIVE MINIMUM TAX PROVISION.—Section 24(d) is amended—

(1) by striking paragraph (2), and

(2) by redesignating paragraph (3) as paragraph (2).

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2009.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Compliance With Congressional Budget Act

SEC. 211. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

SEC. 212. RESTORATION OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which were terminated under section 211 shall begin to apply again as of October 1, 2011, as provided in each such proviso or amendment.

TITLE III—Marriage Penalty Relief

Subtitle A—In General

SEC. 301. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) In General.—(Paragraph 2 of section 63(c) (relating to standard deduction) is amended—

(1) by striking “$5,000” in subparagraph (A) and inserting “the applicable percentage of the dollar amount in effect under subparagraph (C) for the taxable year”;

(2) by adding “or” at the end of subparagraph (B); and

(3) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case.”; and

(4) by striking subparagraph (D).

(b) APPLICABLE PERCENTAGE.—Section 63(c) (relating to standard deduction) is amended by adding at the end the following new paragraph:

(7) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>174</td>
</tr>
<tr>
<td>2006</td>
<td>180</td>
</tr>
<tr>
<td>2007</td>
<td>187</td>
</tr>
<tr>
<td>2008</td>
<td>193</td>
</tr>
<tr>
<td>2009 and thereafter</td>
<td>200.”</td>
</tr>
</tbody>
</table>
SEC. 303. MARRIAGE PENALTY RELIEF FOR MARRIAGE PENALTY IN 15-PERCENT BRACKET.

(A) IN GENERAL.—Section 1(f)(6), as amended by section 103(b), is amended by striking "(other than with respect to sections 63(c)(4) and 151(d)(3)(A)) shall be applied." (B) by adding at the end the following new subparagraph:

(1) I N GENERAL .—An individual bears a relationship to a dependent described in subparagraph (I) if the child resides with both parents and—

(i) the child is under the age of 18,

(ii) the child is a full-time student under section 152(c)(3)(C), or

(iii) the child is a disabled person as defined in section 152(c)(3). (2) Q UALIFIED STATE TUITION PROGRAMS .—Paragraph (1) of section 529(c) is amended to read as follows:

(1) I N GENERAL .—Section 529(c)(1) is amended by striking "qualified state tuition programs" and inserting "private schools".

SEC. 401. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(1) IN GENERAL.—Section 401(a)(17), as amended by section 103(b), is amended by striking "$2,000" and inserting "$2,000".

(2) C OMPETING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking "$500" and inserting "$2,000".

(3) MODIFICATION OF AGI LIMITS TO REMOVE MARRIAGE PENALTY.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended to read as follows:

(1) by striking "$150,000" in paragraph (A)(i) and inserting "$100,000", and

(2) by striking "$10,000" in paragraph (B) and inserting "$30,000".

(4) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(A) IN GENERAL.—Section 530(b)(2) (defining qualified elementary and secondary education expenses) is amended to read as follows:

(2) QUALIFIED EDUCATION EXPENSES.—

(i) qualified higher education expenses (as defined in section 529(e)(3)), and

(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

(B) QUALIFIED STATE TUTON PROGRAMS.—

Such term shall include any contribution to a qualified state tuition program (as defined in section 529(b) on behalf of the designated beneficiary (as defined in section 529(c)(1)), but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of section 408(b).

(C) MODIFIED QUALIFIED ELECTED OFFICIAL EDUCATION EXPENSES.—

(a) M AXXIMUM ANNUAL CONTRIBUTIONS.—

(i) IN GENERAL.—

(1) Election to Require.—Subsection (a) is amended by inserting "qualified education expenses'" after "receipt of such expenses'".

(2) Q UALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

(iii) qualified elementary and secondary education expenses (as defined in paragraph (4)).
“(A) IN GENERAL.—The term ‘qualified ele-
mentary and secondary education expenses’ means—

(i) expenses for tuition, fees, academic tu-
tor fees, books, supplies, computer equipment (including related 
software and services), and other equipment which are incurred in connection with the 
engagement or attendance of the designated beneficiary of the trust as an elementary or 
secondary school student at a public, private, or religious school, and 

(ii) expenses for room and board, uni-
forms, transportation, and supplementary 
items and services (including extended day 
programs) which are required or provided by a public, private, or religious school 
connection with such enrollment or attendance.

“(B) SCHOLL.—The term ‘school’ means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.”

(3) CONFORMING AMENDMENTS.—Section 530 is amended—

(A) by striking “higher” each place it ap-
ppears in subsections (b)(1) and (d)(2), and 

(b) by striking “higher” in the heading for 
subsection (d)(2).

(4) WAIVER OF AGE LIMITATIONS FOR CHIL-
DREN WITH SPECIAL NEEDS.—Section 530(b)(1) 
(definition education individual retirement ac-
count) is amended by adding at the end the 
following flush sentence:

“The age limitations in subparagraphs (A)(ii) and (E), and paragraphs (5) and (6) of subsection (d), shall not apply to any de-
gnated beneficiary with special needs (as de-
termined under regulations prescribed by the 
Secretary).”

(e) PERMITS PERMITTED TO CONTRIBUTE TO 
ACCOUNTS.—Section 530(c)(1) (relating to re-
duction in permitted contributions based on 
adjusted gross income) is amended by strik-
ing “(B)” and inserting “(B) or (C)”:

(B) Section 135(d)(2)(A) is amended by 
striking “allowable” and inserting “al-
lowed”.

(C) Section 530(e)(2)(D) is amended—

(i) by striking “or credit”, and 

(ii) by striking “CREDIT OR” in the 
heading.

(D) Section 529(f)(1) is amended by adding 
“and” at the end of subparagraph (A), by 
striking subparagraph (B), and by redesign-
ating subparagraph (C) as subparagraph (B).

(E) Effective date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 402. MODIFICATIONS TO QUALIFIED TUI-
TION PROGRAMS.

(a) ELIGIBLE EDUCATIONAL INSTITUTIONS 
PERMITTED TO MAINTAIN QUALIFIED TUTION 
PROGRAMS.

(1) IN GENERAL.—Section 529(b)(1) (defining 
qualified State tuition program) is amend-
ed—

(A) by inserting “or by 1 or more eligible 
educational institutions” after “maintained 
by a State or agency or instrumentality thereof” in the matter preceding subpara-
graph (A), and 

(B) by adding at the end the following new 
flush sentence:

“Except to the extent provided in regula-
tions prescribed by the Secretary, a 
program maintained by 1 or more eligible 
educational institutions shall not be treated as a qualified tuition 
program unless such program has re-
eived a written election by the time the 
program is maintained by 1 or more eligible 
educational institutions.”

(2) PRIVATE QUALIFIED TUTION PROGRAMS 
LIMITED TO STATE PLANS.—Clause (ii) of 
section 529(b)(1)(A) is amended by inserting “in the case of a program established and maintained by a State or agency or instru-
mentality thereof, the time an election 
made.”

(3) CONFORMING AMENDMENTS.—

(a) Sections 72(e)(9), 135(c)(2)(C), 
135(d)(1)(D), 529, 530(b)(2)(B), 
4973(e), and 
4693(a)(2)(C) are amended by striking “quali-
fied State tuition” each place it appears and 
inserting “qualified tuition”.

(b) The headings for sections 72(e)(9) and 
135(c)(2)(C) are amended by striking “quali-
fied State tuition” each place it appears and 
inserting “qualified tuition”.

(c) The heading for section 529 is amended 
by striking “Quali-
ified State tuition”.

(d) The item relating to section 529 in the 
table of sections for part VIII of subchapter 
F of chapter 1 is amended by striking “State”.

(b) EXCLUSION FROM GROSS INCOME OF EDU-
CATION DISTRIBUTIONS FROM QUALIFIED TUI-
TION PROGRAMS.

(1) IN GENERAL.—Section 529(c)(3)(B) (relating 
to distributions) is amended to read as 
follows:

“B. DISTRIBUTIONS FOR QUALIFIED HIGHER 
EDUCATION EXPENSES.—For purposes of this 
paragraph—

(i) DER-KIND DISTRIBUTIONS.—No amount 
shall be includible in gross income under 
subparagraph (A) by reason of a distribution 
which consists of providing a benefit to the 
designated beneficiary which, if paid for by the 
distributee, would constitute payment of a 
qualified higher education expense.

(ii) CASH DISTRIBUTIONS.—In the case of 
distributions not described in clause (i), if—

(1) such distributions do not exceed the 
qualified higher education expenses (reduced by 
expenditures described in clause (i)), no 
amount shall be includible in gross income, and 

(II) in any other case, the amount other-
wise includible in gross income shall be re-
duced by an amount which bears the same 
ratio to such amount as such expenses bear 
to such distributions.

(c) EXCEPTION FOR INSTITUTIONAL PRO-
GRAMS.—In the case of any taxable year be-
ginning before January 1, 2004, clauses (i) 
and (ii) shall not apply with respect to any 
distribution for a qualified tuition program 
established and maintained by 1 or more 
eligible educational institutions.

(d) TREATMENT AS DISTRIBUTIONS.—Any 
benefit furnished to a designated beneficiary 
under a qualified tuition program shall be 
treated as a distribution to the beneficiary 
for purposes of this paragraph.

(e) COORDINATION WITH HOPE AND 
LIFETIME LEARNING CREDITS.—The total amount 
of qualified higher education expenses with re-
spect to an individual for the taxable year 
shall be reduced—

(1) as provided in section 25A(g)(2), and 

(II) by the amount of such expenses which 
were taken into account in determining the 
credit allowed to the taxpayer or any other 
individual under section 25A.

(f) COORDINATION WITH EDUCATION IN-
DUSTRY INITIATIVES.—Clause (i) with re-
spect to an individual for any taxable year—

(1) the aggregate distributions to which 
clauses (i) and (ii) and section 530(d)(2)(A) 
apply, exceed 

(II) the total amount of qualified higher 
education expenses otherwise taken into 
account under clauses (i) and (ii) after the 
application of clause (vi) for such year;

(2) the tax liability to which such distri-
butions are related is reduced by—

(i) the amount of such distributions to which 
clauses (i) and (ii) apply, and 

(ii) by the amount of such expenses which 
were taken into account in determining the 
credit allowed to the taxpayer or any other 
individual under section 25A.

(2) CONFORMING AMENDMENTS.—

(a) Section 135(d)(2)(B) is amended by 
striking “the exclusion under section 
529(d)(2)” and inserting “the exclusions 
under sections 529(c)(3)(B) and 530(d)(2)”.

(b) Section 221(e)(2)(A) is amended by in-
serting “529(d)” after “135,”.

(c) ROLLOVER TO DIFFERENT PROGRAM FOR 
BENEFIT OF SAME DESIGNATED BENEFICIARY.— 
Section 529(c)(3)(C) (relating to change in 
beneficiaries) is amended—

(1) by striking “transferred to the credit” in 
clause (i) and inserting “transferred—

(1) to another qualified tuition program for 
the benefit of the designated beneficiary, or 

(II) to the credit”;

(2) by adding at the end the following new 
clause—

(III) LIMITATION ON CERTAIN ROLL-OVERS. — 
Clause (i)(I) shall only apply to the first 3
transfers with respect to a designated bene-

(c) by inserting “or programs” after “bene-

(d) every family includes first-

(2) by inserting “as determined by the

(iii).—The amount treated as quali-

subsection (d), and added in section 67 of the

earlier education expenses by reason of

shall apply to taxable

(b) INCREASE IN INCOME LIMITATION.—

(i) IN GENERAL.—Section 221(b)(2)(B) (relat-

(b) Technical Amendments.—Section

of the Secretary,

(v) LIMITATION.—The amount treated as quali-

(d) Adjustment of Limitations on Room

and Board Distributions.—Section

(ii).—The subscriber’s modified adjusted gross

end of subparagraph (B), by striking the

and Board distributions by inserting “;”, and,

and by adding at the end the following new

paragraph:

(ii).—The subscriber’s modified adjusted gross

income for such taxable year, over

section 221(b)(2)(B) (relating to

and by striking clauses (i) and (ii) and inserting the

(i) the excess of—

(b) Inclined to Room and Board.

(ii) LIMITATION.—The amounts made by this

(a) IN GENERAL.—Section 117(c) (relating to

(b) Technical Amendments.—Section

(c) Conforming Amendment.—Section

(a) in General.—Section 142 (relating to

amounts treated as a qualified scholarship) is amend-

(b) Effective Date.—The amendments

(b) Repeal of Limitation on Graduate Edu-

(1) IN GENERAL.—Section 221 (relating to in-

(a) Elimination of 60-Month Limit and

(a) Elimination of 60-Month Limit.—

(b) Inclined to Room and Board.

section 6005 of the Higher Education Act of 1965 (20 U.S.C.

the guarantee amount of the issue to be used to

(b) Repeal of Limitation on Graduate Edu-

(a) Elimination of 60-Month Limit.—

(b) Technical Amendments.—Section

(ii) LIMITATION.—The amounts made by this

(a) in General.—Section 142 (relating to

(a) in General.—Section 127 (relating to

(a) in General.—Section 142 (relating to

(iii).—The amount treated as qual-

(b) Technical Amendments.—Section

(iv) LIMITATION.—The amounts made by

(a) in General.—Section 127 (relating to

(a) in General.—Section 142 (relating to

(i) LIMITATION.—The amounts made by this

section 6005, to be described in subsection (a) of this

(ii).—The subscriber’s modified adjusted gross

income for such taxable year, over

section 221(b)(2)(B) (relating to

section 221(b)(2)(B) (relating to

(iii).—The amount treated as quali-

(ii).—The subscriber’s modified adjusted gross

section 221(b)(2)(B) (relating to

(ii) LIMITATION.—The amounts made by this

(a) in General.—Section 117(c) (relating to

(i) LIMITATION.—The amounts made by this

(i) LIMITATION.—The amounts made by this

(a) in General.—Section 142 (relating to

(a) in General.—Section 142 (relating to

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments

section 127(c)(1) is amended by striking “;”, and

(b) Effective Date.—The amendments
and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

“(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—(A) IN GENERAL.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public education bonds) or section 501(c)(3) bonds and inserting ‘‘Certain Bonds’’.

(e) CONFORMING AMENDMENT.—The heading for section 147(h) is amended by striking ‘‘MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS’’ and inserting ‘‘Certain Bonds’’.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

Subtitle D—Other Provisions

SEC. 431. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) DEDUCTION ALLOWED.—Part VII of chapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 222A and by inserting after section 222 the following:

“SEC. 222A. QUALIFIED TUITION AND RELATED EXPENSES.

(1) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified tuition and related expenses paid by the taxpayer during the taxable year.

(b) DOLLAR LIMITATIONS.—

(1) IN GENERAL.—The amount allowed as a deduction under subsection (a) with respect to the taxpayer for any taxable year shall not exceed the applicable dollar limit.

(2) APPLICABLE DOLLAR LIMIT.—

(A) 2002 and 2003.—In the case of a taxable year beginning in 2001, the applicable dollar limit shall be equal to

(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $55,000 ($110,000 in the case of a joint return), $5,000, and

(ii) in the case of any other taxpayer, zero.

(B) After 2003.—In the case of a taxable year beginning in 2004 or 2005, the applicable dollar amount shall be equal to

(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $5,000,

(ii) in the case of a taxpayer not described in clause (i) whose adjusted gross income for the taxable year does not exceed $80,000 ($160,000 in the case of a joint return), $2,000, and

(iii) in the case of any other taxpayer, zero.

(c) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income shall be determined—

(I) without regard to this section and sections 911, 931, and 933, and

(II) after application of sections 86, 135, 137, 212, 221, and 669.

(d) NO DOUBLE BENEFIT.—

(1) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense to the extent such expense is taken into account in determining the taxpayer’s adjusted gross income for any taxable year.

(2) DETERMINATION.—The deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 159 may be allowed to another taxpayer for a taxable year if such expenses are incurred in connection with the pursuit of higher education during the taxable year.

(3) IMPROVEMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified tuition and related expenses paid during a taxable year if such expenses are in connection with the pursuit of higher education purposes during the taxable year.

(4) NONRESIDENT ALIENS.—In the case of a nonresident alien individual for any purpose of this section, the following rules shall apply:

(A) NONQUALIFIED TUITON.—No deduction shall be allowed under subparagraph (B) if the taxpayer is a nonqualified alien.

(B) TAXPAYER IDENTIFICATION NUMBER.—If the taxpayer identifies a person in a manner (including, for purposes of this section, the submission of a taxpayer identification number of the individual to the taxpayer with respect to the qualified tuition and related expenses) that is consistent with the requirements of this section, the deduction shall be allowed under subsection (a) for the taxable year.

(e) CONFORMING AMENDMENT.—Subsection (d) of section 221 is amended by striking ‘‘subchapter B of chapter 1’’ and by inserting ‘‘subchapter B of chapter 1 (relating to qualified educational expenses for which an election is made under section 25A)’’.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

SEC. 432. CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.

(a) IN GENERAL.—Subpart A of part IV of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

“SEC. 25B. INTEREST ON HIGHER EDUCATION LOANS.

(1) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the interest paid by the individual during the taxable year on any qualified education loan.

(2) LIMITATION BASED ON MODIFIED AdjustED GROSS INCOME.—

(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds $35,000 ($70,000 in the case of a joint return), the amount which would (but for this paragraph) be allowable as a credit under this section shall be reduced (but not below zero) by the amount which bears the same ratio to the amount taxable year of the modified adjusted gross income as the amount of interest on a qualified education loan.

(B) MODIFIED ADJUSTED GROSS INCOME.—The term ‘‘modified adjusted gross income’’ means adjusted gross income determined without regard to sections 911, 931, and 933.

(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2009, the $35,000 and $70,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to such dollar amount, multiplied by

(i) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘‘2008’’ for ‘‘1992’’.

(ii) $20,000 in the case of a joint return.

(D) Rounding.—If any amount as adjusted under subparagraph (C) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(E) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section to an individual if a deduction is allowed under section 159 with respect to such individual.

(F) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this subsection, any loan and all refinancings of such loan shall be treated as 1 loan. Such 60 months shall be determined in the manner prescribed by the Secretary in the regulations which may be prescribed by, or serviced as, a single loan and in the case of loans incurred before January 1, 2003.

(2) DEFINITIONS.—For purposes of this section—

(A) QUALIFIED EDUCATION LOAN.—The term ‘‘qualified education loan’’ has the meaning given such term by section 221(e)(1)

(B) ‘‘DEPENDENT’’—The term ‘‘dependent’’ has the meaning given such term by section 152.

(1) DEFALAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section if any amount of interest on a qualified education loan taken into account in determining the credit under any other provision of this chapter for the taxable year.
### SEC. 511. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2003</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2004</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2005</td>
<td>47%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2006</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2007</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2008</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2009</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

#### Gift Exemption Amounts

- **(a) IN GENERAL.**—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following:

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Table amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2003</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>
```

- **(b) LIFETIME GIFT EXEMPTION INCREASED TO $1,000,000.**

#### Generation-Skipping Transfer Tax Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2003</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2004</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2005</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2006</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2007</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2008</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2009</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

### Title VI—Estate, Gift, and Generation-Skipping Transfer Tax Provisions

- **Subtitle A—Repeal of Estate and Generation-Skipping Transfer Taxes**

- **Section 501. REPEAL OF ESTATE AND GENERATION-SKIPPING TRANSFER TAXES.**

- **(a) ESTATE TAX REPEAL.**—Subchapter C of chapter 11 of subtitle B (relating to miscellaneous income) is amended by striking the end thereof and inserting the following:

```
[...]
```

- **(b) GENERATION-SKIPPING TRANSFER TAX REPEAL.**—Subchapter G of chapter 13 of subtitle B (relating to administration) is amended by striking the end thereof and inserting the following:

```
[...]
```

### Table of Rates

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Rate</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2003</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2004</td>
<td>45%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2005</td>
<td>47%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2006</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2007</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2008</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2009</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>49%</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

### Title VII—Reductions of Estate and Gift Tax Rates

- **Section 511. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.**

- **(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.**—The table contained in section 2010(c)(1) is amended by striking the two highest brackets and inserting the following:

```
Over $2,500,000 ................. $1,025,800, plus 50% of the excess over $2,500,000.
```

- **(b) REPEAL OF PHASEOUT OF GRANTED RATES.**—Subsection (c) of section 2011 is amended by striking paragraph (2).

- **(c) ADDITIONAL REDUCTIONS OF MAXIMUM RATE TAX.**—Subsection (c) of section 2011, as amended by subsection (b), is amended by adding at the end the following new paragraph:

```
(2) PHASEDOWN OF MAXIMUM RATE OF TAX—

(A) IN GENERAL.—In the case of estates of decedents dying, and gifts made, in calendar years after 2008, the maximum rate of tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

(i) the maximum rate of tax for any calendar year shall be determined in the table under subparagraph (A), and

(ii) the brackets and the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under subparagraph (A).

(B) MAXIMUM RATE—

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>45%</td>
</tr>
<tr>
<td>2009</td>
<td>45%</td>
</tr>
<tr>
<td>2010</td>
<td>45%</td>
</tr>
<tr>
<td>2011</td>
<td>45%</td>
</tr>
</tbody>
</table>
```

- **(d) Repeal of Special Benefit for Family-Owned Business Interests.—**

- **(e) EFFECTIVE DATES.**—

- **(f) REPEAL OF SPECIAL BENEFIT FOR FAMILY-OWNED BUSINESS INTERESTS.—**

- **(g) TREATMENT OF CERTAIN TRANSFERS IN TRUST.**

- **(h) TREATMENT OF CERTAIN TRANSFERS IN TRUST.—**

- **(i) EFFECTIVE DATES.**—
(3) Subsections (c) and (d).—The amendment made by subsections (c) and (d) shall apply to estates of decedents dying, and generation-skipping transfers made, after December 31, 2001.

Subtitle D—Credit for State Death Taxes

SEC. 531. REDUCTION OF CREDIT FOR STATE DEATH TAXES.

(a) Maximum Credit Reduced to 8 Percent.—

(1) In General.—The table contained in section 2011(b) is amended by striking the ten highest brackets and inserting the following:

<table>
<thead>
<tr>
<th>Gross Estate Amount</th>
<th>Tax Exemption</th>
<th>Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $1,540,000</td>
<td>$70,800</td>
<td>$70,800</td>
</tr>
<tr>
<td>Plus $1,540,000</td>
<td>$70,800 plus 7.04% of the excess over $1,540,000</td>
<td></td>
</tr>
</tbody>
</table>

(b) Maximum Credit Reduced to 7.2 Percent.—

(1) In General.—The table contained in section 2011(b), as amended by subsection (a), is amended by striking the two highest brackets and inserting the following:

<table>
<thead>
<tr>
<th>Gross Estate Amount</th>
<th>Tax Exemption</th>
<th>Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $1,540,000</td>
<td>$70,800</td>
<td>$70,800</td>
</tr>
<tr>
<td>Plus $1,540,000</td>
<td>$70,800 plus 7.2% of the excess over $1,540,000</td>
<td></td>
</tr>
</tbody>
</table>

(c) Effective Date.—The amendment made by this subsection shall apply to estates of decedents dying after December 31, 2001.

(b) Maximum Credit Reduced to 7.2 Percent.—

(1) In General.—The table contained in section 2011(b), as amended by subsection (a), is amended by striking the two highest brackets and inserting the following:

<table>
<thead>
<tr>
<th>Gross Estate Amount</th>
<th>Tax Exemption</th>
<th>Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $1,540,000</td>
<td>$70,800</td>
<td>$70,800</td>
</tr>
<tr>
<td>Plus $1,540,000</td>
<td>$70,800 plus 7.04% of the excess over $1,540,000</td>
<td></td>
</tr>
</tbody>
</table>

(2) Effective Date.—The amendment made by this subsection shall apply to estates of decedents dying after December 31, 2003.

(c) Maximum Credit Reduced to 7.04 Percent.—

(1) In General.—The table contained in section 2011(b), as amended by subsections (a) and (b), is amended by striking the highest bracket and inserting the following:

<table>
<thead>
<tr>
<th>Gross Estate Amount</th>
<th>Tax Exemption</th>
<th>Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $1,540,000</td>
<td>$70,800</td>
<td>$70,800</td>
</tr>
<tr>
<td>Plus $1,540,000</td>
<td>$70,800 plus 7.04% of the excess over $1,540,000</td>
<td></td>
</tr>
</tbody>
</table>

(2) Effective Date.—The amendment made by this subsection shall apply to estates of decedents dying after December 31, 2005.

SEC. 532. CREDIT FOR STATE DEATH TAXES REPLACED WITH DEDUCTION FOR SUCH TAXES.

(a) Repeal of Credit.—Section 2011 (relating to credit for State death taxes) is repealed.

(b) Deduction for State Death Taxes.—Part IV of subchapter A of chapter 11 is amended by adding at the end the following new section 2055:

“SEC. 2055. STATE DEATH TAXES.

(a) Allowance of Deduction.—For purposes of the tax imposed by section 2011, the value of the taxable estate shall be determined by deducting from the value of the gross estate the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or the District of Columbia, in respect of any property included in the gross estate (not including any such taxes paid with respect to the estate of a person other than the decedent).

(b) Period of Limitations.—The deduction allowed by this section shall include only such taxes as were actually paid and deducted therefor claimed before the later of—

(1) 4 years after the filing of the return required by section 6018, or

(2) if—

(A) a petition for redetermination of a deficiency has been filed with the Tax Court within the time prescribed in section 6221(a), the expiration of 60 days after the decision of the Tax Court becomes final, or

(B) an extension of time has been granted under section 6501 or 6666 for payment of the tax shown on the return, or of a deficiency, the date of the expiration of the period of the extension, or

(C) a claim for refund or credit of an overpayment of tax by someone other than the decedent has been filed within the time prescribed in section 6511, the latest of the expiration of—

(1) 60 days from the date of mailing by the Secretary of any notice of deficiency, or

(2) if—

(A) a petition for redetermination of a deficiency has been filed with the Tax Court within the time prescribed in section 6221(a), the expiration of 60 days after the decision of the Tax Court becomes final, or

(B) an extension of time has been granted under section 6501 or 6666 for payment of the tax shown on the return, or of a deficiency, the date of the expiration of the period of the extension, or

(C) a claim for refund or credit of an overpayment of tax by someone other than the decedent has been filed within the time prescribed in section 6511, the latest of the expiration of—

(1) 60 days from the date of mailing by certified mail or registered mail by the Secretary to the taxpayer of a notice of the disallowance of a part of any claim, or

(3) 2 years after a notice of the waiver of disallowance is filed under section 6532(a)(3).

Notwithstanding sections 6511 and 6512, refund based on the deduction may be made if the claim for refund is filed within the period provided in the preceding sentence. Any such refund shall be interest-free.

(c) Conforming Amendments.—

(1) Subsection (a) of section 2012 is amended by striking “the credit for State death taxes provided by section 2011” and inserting “the deduction for State death taxes”.

(2) Paragraph (A) of section 2013(c)(1) is amended by striking “2011.”.

(3) Paragraph (2) of section 2011(b) is amended by striking “2011.”.

(4) Sections 2015 and 2016 are each amended by striking “2011” or “2012”.

(5) Subsection (d) of section 2053 is amended to read as follows:

“(c) Certain Foreign Death Taxes.—

(1) In general.—Notwithstanding the provisions of subsection (c)(1)(B), for purposes of the tax imposed by section 2011, the value of the taxable estate shall be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6601, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary) of any estate, inheritance, legacy, or succession tax imposed by any foreign country, in respect of any property situated in such foreign country and included in the gross estate of a citizen or resident of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055. The determination under this paragraph of the country within which property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is situated in the United States. Any election under this paragraph shall be exercised in accordance with regulations prescribed by the Secretary.

(2) Carryover Basis at Death; Other Provisions.—

(C) Section 2102(b)(5) (as redesignated by subsection (b) and section 2107(c)(3)) are each amended by striking “2011” or “2012”.

(d) Effective Date.

(1) Paragraph (2) of section 6511(i) is amended by striking “2011(c), 2014(b),” and inserting “2011(c),”.

(2) Paragraph (b) of section 6161 is amended by striking “section 2011(c) relating to refunds due to credit for State taxes”.

(3) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2011.

(4) The table of sections for part IV of subchapter A of chapter 11 is amended by striking the item relating to section 2055.

(5) The table of sections for subchapter A of chapter 13 is amended by striking the item relating to section 2055.

“Sec. 2056. State death taxes.”

“Sec. 2057. State death taxes.”

“Sec. 2058. State death taxes.”

“Sec. 2059. State death taxes.”

(e) Effectiv Date.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2004.

Subtitle E—Carryover Basis at Death; Other Changes Taking Effect With Repeal

Title 26—Internal Revenue Code of 1986

CHAPTER 11—Estate and Gift Taxes

SEC. 1014. TERMINATION OF STEP-UP IN BASIS AT DEATH.

This section shall not apply with respect to decedents dying after December 31, 2010.

Subtitle F—Treatment of Property Acquired From a Decedent Dying After December 31, 2010

(a) General Rule.—Part II of subchapter O of chapter 11 (relating to basis of property acquired from a decedent) is amended by inserting after section 1012 the following new section:

“Sec. 1013. Basis of property acquired from a decedent dying after December 31, 2010.”
SEC. 1022. TREATMENT OF PROPERTY ACQUIRED BY A DECEDEENT DYING AFTER DECEMBER 31, 2010.

"(a) IN GENERAL.—Except as otherwise provided in this section, property acquired by a decedent dying after December 31, 2010, shall be treated for purposes of this subsection as transferred by gift.

"(b) BASIS INCREASE FOR CERTAIN PROPERTY.—

"(1) IN GENERAL.—In the case of property to which this subsection applies, the basis of such property under subsection (a) shall be increased by its basis increase under this subsection.

"(2) BASIS INCREASE.—For purposes of this subsection—

"(A) IN GENERAL.—The basis increase under this subsection for any property is the portion of the aggregate basis increase which is allocated to the property pursuant to this section.

"(B) AGGREGATE BASIS INCREASE.—In the case of any estate, the aggregate basis increase under this subsection is $1,300,000.

"(C) EXCEPTION.—

"(i) property acquired from a decedent during the 3-year period ending on the date of the decedent’s death and which would not have the effect of an annuity for life or for a term of years for purposes of this section shall be treated as an excluded interest.

"(ii) In the case of property which would not have the effect of an annuity for life or for a term of years for purposes of this section, the term ‘excluded interest’ includes an interest (1) which passes from the decedent, and (2) which is treated as an excluded interest for purposes of this section if—

"(II) the property acquired from the decedent is transferred for less than an adequate and full consideration in money or money’s worth in a transaction not at arm’s length.

"(III) in any case (to which subclause (I) does not apply) in which the decedent furnished consideration for the acquisition of the property, the decedent shall be treated as the owner to the extent of the portion of the property which is proportionate to such consideration, and

"(II) property acquired from a decedent during the 3-year period ending on the date of the decedent’s death and which would not have the effect of an annuity for life or for a term of years for purposes of this section shall be treated as an excluded interest.

"(ii) In the case of property which would not have the effect of an annuity for life or for a term of years for purposes of this section, the term ‘excluded interest’ includes an interest (1) which passes from the decedent, and (2) which is treated as an excluded interest for purposes of this section if—

"(II) the property acquired from the decedent is transferred for less than an adequate and full consideration in money or money’s worth in a transaction not at arm’s length.

"(III) in any case (to which subclause (I) does not apply) in which the decedent furnished consideration for the acquisition of the property, the decedent shall be treated as the owner to the extent of the portion of the property which is proportionate to such consideration, and

"(III) in any case (to which subclause (I) does not apply) in which the decedent furnished consideration for the acquisition of the property, the decedent shall be treated as the owner to the extent of the portion of the property which is proportionate to such consideration, and

"(III) in any case (to which subclause (I) does not apply) in which the decedent furnished consideration for the acquisition of the property, the decedent shall be treated as the owner to the extent of the portion of the property which is proportionate to such consideration, and

"(IV) PROPERTY ACQUIRED BY DECEDENT BY GIFT WITHIN 3 YEARS OF DEATH.—

"(1) IN GENERAL.—Subsections (b) and (c) shall not apply to property acquired by the decedent by gift (or by inter vivos transfer for less than adequate and full consideration in money or money’s worth) during the 3-year period ending on the date of the decedent’s death.

"(II) EXCEPTION FOR CERTAIN GIFTS FROM SPOUSE.—Clause (i) shall not apply to property acquired by the decedent from the decedent’s spouse unless, during the 3-year period, such spouse acquired the property in whole or in part by gift or by inter vivos transfer for less than adequate and full consideration in money or money’s worth.

"(D) Stock of certain entities.—Subsections (b) and (c) shall not apply to—

"(i) stock or securities of a foreign personal holding company,

"(ii) stock of a DISC or former DISC,

"(iii) stock of a foreign investment company, or

"(iv) stock of a passive foreign investment company unless such company is a qualified electing fund (as defined in section 1295) with respect to the decedent.

"(E) FAIR MARKET VALUE LIMITATION.—The adjustments under subsections (b) and (c) shall not increase the basis of any interest in property acquired from the decedent above the property’s fair market value on the date of the decedent’s death as of the date of the decedent’s death.

"(F) ALLOCATION RULES.
(a) In general.—The executor shall allocate the adjustments under subsections (b) and (c) on the return required by section 6018.

(b) Changes in allocation.—Any allocation made pursuant to subparagraph (A) may be changed only as provided by the Secretary.

(d) Inflation adjustment of basis adjustment amounts.—

(1) In general.—(A) In general.—In the case of decedents dying in a calendar year after 2011, the $1,300,000, $60,000, and $3,000,000 dollar amounts in subsections (b) and (c)(2)(B) shall each be increased by an amount equal to the product of—

(i) such dollar amount, and

(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 2011 for ‘‘1992’’ in subparagraph (B) thereof.

(B) Rounding.—If any increase determined under subparagraph (A) is not a multiple of—

(i) $100,000 in the case of the $1,300,000 amount,

(ii) $5,000 in the case of the $60,000 amount, and

(iii) $250,000 in the case of the $3,000,000 amount,

such increase shall be rounded to the next lower multiple of $1,000,000.

(e) Property acquired from the decedent.—(1) For purposes of this section, the following property shall be included in the gross estate of a decedent:

(i) Property acquired from bequest, devise, or inheritance, or by the decedent’s estate from the decedent.

(ii) Property acquired from the decedent during his lifetime—

(A) to a qualified revocable trust (as defined in section 2702(b)(1)), or

(B) by a trust with respect to which the decedent reserved the right to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust.

(2) Any other property passing from the decedent by reason of death to the extent that such property passed without consideration.

(f) Coordination with section 691.—This section shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 691.

(g) Certain liabilities disregarded.—(1) In general.—In determining whether gain is recognized on the acquisition of property—

(A) from a decedent by a decedent’s estate or any beneficiary other than a tax-exempt beneficiary, and

(B) from the decedent’s estate by any beneficiary other than a tax-exempt beneficiary, and

(C) in determining the adjusted basis of such property, liabilities in excess of basis shall be disregarded.

(2) Tax-exempt beneficiary.—For purposes of paragraph (1)(B)—

(A) In general.—The term ‘‘tax-exempt beneficiary’’ means—

(i) the United States, any State or political subdivision thereof, any possession of the United States, any Indian tribal government (within the meaning of section 7871), or any agency or instrumentality of any of the foregoing,

(ii) an organization (other than a cooperative described in section 521) which is exempt from such a tax or is organized under chapter 1, and

(iii) any foreign person or entity (within the meaning of section 164(h)(2)).

(B) Regulations.—The Secretary shall prescribe regulations as may be necessary to carry out the purposes of this section.

(h) Information returns.—(1) Large transfers at death.—So much of subsection C of paragraph II of chapter 10 as precedes section 6019 is amended to read as follows:

‘‘Subpart C—Returns relating to transfers during life or at death

Sec. 6018. Returns relating to large transfers at death.

Sec. 6019. Gift tax returns.

Sec. 6020. Returns relating to large transfers at death.

(a) In general.—(1) If this section applies to property acquired from a decedent, the executor of the estate of such decedent shall make a return containing the information specified in subsection (c) with respect to such property.

(b) Property to which section applies.—

(1) Large transfers.—This section shall apply to all property (other than cash) acquired from a decedent if the fair market value of such property acquired from the decedent exceeds the dollar amount applicable under section 1022(b)(2)(B) (without regard to section 1022(b)(2)(C)).

(2) Transfers of certain gifts received by decedent within 3 years of death.—This section shall apply to transfers of property acquired from the decedent if—

(A) subsections (b) and (c) of section 1022 do not apply to such property by reason of section 1022(d)(1)(C), and

(B) such property was required to be included on a return required to be filed under section 6019.

(3) Nonresidents not citizens of the United States.—In the case of a decedent who is a nonresident not a citizen of the United States, paragraphs (1) and (2) shall be applied—

(A) by taking into account only—

(i) tangible property situated in the United States, and

(ii) other property acquired from the decedent by a United States person, and

(B) by substituting the dollar amount applicable under section 1022(b)(3)(B) for the dollar amount referred to in paragraph (1).

(4) Returns by trustees or beneficiaries.—If the executor is unable to make a complete return as to any property acquired from a decedent, the executor shall include in the return a description of such property and the name of every person holding a legal or beneficial interest therein. Upon notice from the Secretary, such person shall in like manner make a return as to such property.

(h) Information required to be furnished to beneficiaries.—The information specified in this subsection with respect to any property acquired from the decedent is—

(1) the name and TIN of the recipient of such property,

(2) an accurate description of such property,

(3) the adjusted basis of such property in the hands of the decedent and its fair market value at the time of death,

(4) the decedent’s holding period for such property,

(5) sufficient information to determine whether any gain on the sale of the property would be treated as ordinary income, and

(6) the amount of basis increase allocated to the property under section (b) or (c) of section 1022, and

(7) such other information as the Secretary may by regulations prescribe.

(2) Statements to be furnished to certain persons.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return (other than the person required to make such return) a written statement showing—

(1) the name, address, and phone number of the person required to make such return, and

(2) the information specified in subsection (c) with respect to property acquired from, or passing from, the decedent to the person required to receive such statement.

The written statement shall be furnished under the preceding sentence shall be furnished not later than 30 days after the date that the return required by subsection (a) is filed.

(i) Gift returns.—Section (a) (relating to gift tax returns) is amended—

(A) by striking ‘‘Any individual’’ and inserting ‘‘(a) in general.—Any individual’’, and

(B) by adding at the end the following new subsection:

(3) Time for filing section 6018 returns.—(A) Returns relating to large transfers at death.—Subsection (a) of section 6018 is amended to read as follows:

‘‘(a) Returns relating to large transfers at death.—The return required by section 6018 with respect to a decedent shall be filed with the return of the tax imposed by chapter 1 for the decedent’s last taxable year or such later date specified in regulations prescribed by the Secretary.

(B) Conforming amendments.—Paragraph (3) of section 6018(b) is amended—

(I) by striking ‘‘estate tax return’’ in the heading and inserting ‘‘section 6018 return’’, and

(II) by striking ‘‘(relating to estate tax returns)’’ and inserting ‘‘(relating to returns relating to large transfers at death)’’.

(C) Penalties.—Part I of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

‘‘Sec. 6714. Failure to file information with respect to certain transfers at death and gifts.

(a) Information required to be furnished to the Secretary.—Any person required to furnish any information under section 6018 who fails to furnish such information shall be subject to a penalty of $10,000 ($500 in the case of information required to be furnished under section 6018(b)(2)) for each such failure.

(b) Information required to be furnished to beneficiaries.—Any person required to furnish in writing to each person described in section 6018(e) or 6019(b) the information required under such section who fails to furnish such information shall pay a penalty of $50 for each such failure.

(c) Reasonable cause exception.—No penalty shall be imposed under subsection (a) with respect to a failure if it is shown that such failure is due to reasonable cause.'
“(d) INTENTIONAL DISREGARD.—If any failure under subsection (a) or (b) is due to intentional disregard of the requirements under sections 6018 and 6019(b), the penalty under subsection (a) shall be 5 percent of the fair market value as of the date of death or, in the case of section 6019(b), the date of the gift (or posthumous transfer, in the case of property acquired in an estate or trust) of the property with respect to which the information is required.

(e) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

(1) RECOGNITION OF GAIN ON TRANSFERS TO NONRESIDENTS.—

(A) Subsection (a) of section 684 is amended by inserting “or to a nonresident alien after “or trust”.

(B) Subsection (b) of section 684 is amended by striking “any person” and inserting “any United States person”.

(C) The section heading for section 684 is amended by inserting “and nonresident aliens” after “estates”.

(2) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) In GENERAL.—Subparagraph (C) of section 1221(a)(3) (defining capital asset) is amended by inserting “(other than by reason of section 1022)” after “is determined”.

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain transfers of ordinary income and capital gain property zero) is amended by inserting “and nonresident aliens” at the end of the following: “For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the inclusion contained in section 1221(a)(3)(C) for basis determined under section 1022.”

(3) RECOGNITION OF PROPERTY ACQUIRED IN AN EXCHANGE.—Section 1022(a)(1) (relating to deferrals of recognition of gain) is amended by inserting “and nonresident aliens” after “estates”.

(4) CERTAIN TRUSTS.—Subparagraph (A) of section 1291 is amended by striking “direct” and inserting “indirect”.

(5) CLERICAL AMENDMENTS.—(A) Section 1221(b)(3) is amended by striking “bequest” and inserting “bequest or devise” in the place where it first occurs.

(B) Subsection (i) of section 1291(e) is amended by inserting “(other than by reason of section 1022)” after “(c)(2)”.

(C) Subsection (c)(2) is amended by striking “determined under section 1022” and inserting “determined under section 1022 after December 31, 2010” in the place where it first occurs.

(6) DETERMINATION OF EARLY EXCISABLE PERIOD.—Section 1291(d) (relating to early excisable period) is amended by striking “bequest” and inserting “bequest or devise” in the place where it first occurs.

(7) CONFERENCE REPORT.—The conference report on the bill passed by the 110th Congress, H.R. 2980, is amended by striking “bequest” and inserting “bequest or devise” in the place where it first occurs.

(8) AMENDMENTS TO INTENDED TREATY.—The amendments made by section 331(b)(2) (relating to the application of section 1291(e) to transfers after 2009) are made to apply to any transfer that is made after December 31, 2010, and before January 1, 2016.
general power of appointment exercisable by one or more of such individuals.

(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person die immediately after the transfer.

(v) the trust is a charitable lead annuity trust, as within the meaning of section 2642(e)(3)(A) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(b)), or

(vi) the trust within which to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined year by year) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transfer, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

(4) AUTOMATIC ALLOCATIONS TO CERTAIN GST TRUSTS. Pursuant to the provisions of section 2641(a)(3)(C), an indirect skip to which section 2642(d) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

(5) APPLICABILITY AND EFFECT. —

(A) IN GENERAL. — An individual—

(i) may elect to have this subsection not apply to—

(1) an indirect skip, or

(2) any or all transfers made by such individual to a particular trust, and

(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

(B) ELECTIONS.—

(i) ELECTIONS WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year ending immediately before such death.

(ii) SEVERING OF TRUSTS.—The term ‘qualified severance’ means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of—

(I) the single trust was divided on a fractional basis, and

(II) the terms of the new trusts, in the aggregate, provide the same interests of beneficiaries as are provided in the original trust.

(iii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into two trusts, one of which receives a fractional share of the total fair market value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

(iv) REGULATIONS.—The term ‘qualified severance’ includes any other severance permitted under regulations prescribed by the Secretary.

(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to paragraph (b) may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after December 31, 2000.
taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.”.

(1) EFFECTIVE DATE—

(1) RELIEF FROM LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, December 31, 2000.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g) of such code (as so added) shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 2000. No implication is intended from the availability of relief from late elections or the application of a rule of substantial compliance on or before such date.

Subtitle II—Extension of Time for Payment of Estate Tax

SEC. 571. EXPANSION OF AVAILABILITY OF INSTALLMENT PAYMENT FOR ESTATES WITH INTERESTS QUALIFYING LENDING AND FINANCE BUSINESSES.

(a) In General.—Section 616(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

(10) STOCK IN QUALIFYING LENDING AND FINANCE BUSINESS TREATED AS STOCK IN AN ACTIVE TRADE OR BUSINESS COMPANY.—(A) IN GENERAL.—If the executor elects the benefit of this paragraph, then—

(1) STOCK IN QUALIFYING LENDING AND FINANCE BUSINESS TREATED AS STOCK IN AN ACTIVE TRADE OR BUSINESS COMPANY.—For purposes of this section, any asset used in a qualifying lending and finance business shall be treated as an asset which is used in carrying on a trade or business.

(2) 5-YEAR DEFERRAL FOR PRINCIPAL NOT TO APPLY.—The executor shall be treated as having selected under subsection (a)(3) the date prescribed by section 615(a).

(3) 5 EQUAL INSTALLMENTS ALLOWED.—For purposes of applying subsection (a)(1), ‘5’ shall be substituted for ‘10’.

(B) DEFINITIONS.—For purposes of this paragraph—

(1) QUALIFYING LENDING AND FINANCE BUSINESS.—The term ‘qualifying lending and finance business’ means a lending and finance business, if—

(I) based on all the facts and circumstances immediately before the date of the decedent’s death, such business had at least 1 full-time employee substantially all of the services of whom were in the active management of such business, 10 full-time, nonowner employees substantially all of the services of whom were directly related to such business, and $5,000,000 in gross receipts from activities described in clause (A) and

(II) during at least 3 of the 5 taxable years ending after the date of the decedent’s death, such business had at least 1 full-time employee substantially all of the services of whom were in the active management of such business, 10 full-time, nonowner employees substantially all of the services of whom were directly related to such business, and $5,000,000 in gross receipts from activities described in clause (A).

(2) LENDING AND FINANCE BUSINESS.—The term ‘lending and finance business’ means a trade or business of—

(I) making loans,

(II) purchasing or discounting accounts receivable, notes, or installment obligations,

(III) engaging in rental and leasing of real and tangible personal property, including entering into leases and purchasing, servicing, and disposing of leases and leased assets,

(IV) rendering services or making facilities available in connection with activities described in subclauses (I) through (IV) carried on by the corporation rendering services or making facilities available, or another corporation which is a member of the same affiliated group (as defined in section 1564 without regard to section 1569(b)(3)).

(III) LIMITATION.—The term ‘qualifying lending and finance business’, shall not include any interest in an entity, if the stock or debt of such entity or a controlled group (as defined in section 267(f)(1)) of which such entity or a controlled group is a member is readily tradable on an established securities market or secondary market (as defined by the Secretary) at any time within 3 years before the date of the decedent’s death. The term ‘lending and finance business’ shall not include any entity if the stock or debt of such entity is readily tradable on an established securities market or secondary market (as defined by the Secretary) at any time within 3 years before the date of the decedent’s death.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2001.

SEC. 572. CLARIFICATION OF AVAILABILITY OF INSTALLMENT PAYMENT.

(a) IN GENERAL.—Subparagraph (b) of section 616(b)(8) (relating to all stock must be nonreadily-tradable stock) is amended to read as follows:

(2) ALL STOCK MUST BE NON-READILY-TRADEABLE STOCK.

(1) IN GENERAL.—No stock shall be taken into account for purposes of applying this paragraph unless it is non-readily-tradable stock (within the meaning of paragraph (7)(B)).

(2) SPECIAL APPLICATION WHERE NON-READILY-HOLDING COMPANY STOCK IS NON-READILY-TRADEABLE STOCK.—If the requirements of clause (i) are not met, but all of the stock of any holding company taken into account is non-readily-tradable, then this paragraph shall apply, but subsection (a)(1) shall be applied by substituting 5 for 10.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2001.

Subtitle I—Compliance With Congressional Budget Act

SEC. 581. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VI—PENSION AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS

Subtitle A—Individual Retirement Accounts

SEC. 601. MODIFICATION OF IRA CONTRIBUTION LIMIT.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deductible amount) is amended by inserting “$2,000” and inserting “the deductible amount”.

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

(5) DEDUCTIBLE AMOUNT.—For purposes of paragraph (1)(A)—

(A) IN GENERAL.—The deductible amount shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>For taxable years</th>
<th>The deductible amount is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 through 2005</td>
<td>$2,500</td>
</tr>
<tr>
<td>2006 and 2007</td>
<td>$3,000</td>
</tr>
<tr>
<td>2008 and 2009</td>
<td>$3,500</td>
</tr>
<tr>
<td>2010</td>
<td>$4,000</td>
</tr>
<tr>
<td>2011 and thereafter</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

(B) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS 50 OR OLDER.—(A) IN GENERAL.—The deductible amount shall be increased by the amount of any catch-up contributions made by the individual for the taxable year, determined by subtracting ‘50’ from ‘60’.

(1) APPLICABLE AMOUNT.—For purposes of paragraph (1)(A), the applicable amount shall be the amount determined in accordance with the following table:

<table>
<thead>
<tr>
<th>For taxable years</th>
<th>The applicable amount is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 through 2005</td>
<td>$500</td>
</tr>
<tr>
<td>2006 through 2009</td>
<td>$1,000</td>
</tr>
<tr>
<td>2010</td>
<td>$1,500</td>
</tr>
<tr>
<td>2011 and thereafter</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

(c) COST-OF-LIVING ADJUSTMENT.—

(1) IN GENERAL.—Beginning with any taxable year beginning in a calendar year after 2011, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to:

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 215(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2010’ for ‘calendar year 1992’ in subparagraph (B) thereof.

(2) Rounding rules.—If any amount after adjustment under clause (i) is not a multiple of $500, such amount shall be rounded to the next lower multiple of $500.

(b) CONFORMING AMENDMENTS.

(1) Section 408(a)(1) is amended by striking “in excess of $2,000 on behalf of any individual” and inserting “on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)”.

(2) Section 408(b)(2)(B) is amended by striking “$2,000” and inserting “the dollar amount in effect under section 219(b)(1)(A)”.

(3) Section 408(b)(8) is amended by striking “$2,000” in the matter following paragraph (4) and inserting “the dollar amount in effect under section 219(b)(1)(A)”.

(4) Section 408(j) is amended by striking “$2,000”.

(5) Section 408(p)(8) is amended by striking “$2,000” and inserting “the dollar amount in effect under section 219(b)(1)(A)”.

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 602. DEEMED IRAS UNDER QUALIFIED EMPLOYER PLANS.

(a) IN GENERAL.—Section 408 (relating to individual retirement plans) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

(7) DEFINITIONS.—For purposes of this subsection—

(A) QUALIFIED EMPLOYER PLAN.—The term ‘qualified employer plan’ has the meaning given such term by section 72(p)(4); except that such plan shall only include deferred compensation plan (as defined in section 457(b)) which is maintained by an eligible employer described in section 457(b).

(B) VOLUNTARY EMPLOYER CONTRIBUTION.—The term ‘voluntary employee contribution’
means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

(i) which is made by an individual as an employer to a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

(ii) with respect to which the individual has designated the contribution as a contribution to which this subsection applies.

(2) AMENDMENT OF ERISA—

(1) IN GENERAL.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) is amended by adding at the end the following new subsection:

"(c) E FFECTIVE DATE.

(2) C ONFORMING AMENDMENT .

(A) Section 411(a)(6) is amended by striking "(as so defined) by reason of a qualified charitable distribution to such fund." and inserting "(as defined in section 170(c)) made directly from the account to—"

(B) an organization described in section 170(c), or

(C) a trust, fund, or annuity described in subparagraph (B).

(3) D ENIAL OF DEDUCTION.—The amount allocable as a deduction to the taxpayer for the taxable year under section 170 (before the application of section 170(b) for qualified charitable distributions shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which (but for this paragraph) would have been includable in the gross income of the account holder or beneficiary.

SEC. 603. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR PERMISSIBLE CHARITABLE PURPOSES.

(a) In General.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(d) Distributions for charitable purposes.—

(A) In general.—In the case of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c), no amount shall be includible in the gross income of the account holder or beneficiary.

(B) Special rules relating to charitable remainder trusts, pooled income funds, and charitable gift annuities.—

(1) In general.—In the case of a qualified charitable distribution from an individual retirement account—

(I) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)), and

(II) to a pooled income fund (as defined in section 408(p) (relating to charitable gift annuities), no amount shall be includible in gross income of the account holder or beneficiary.

"(2) Determination of inclusion of amounts distributed.—In determining the amount includable in the gross income of the distributee of a distribution from a trust described in clause (i) or (ii) or an annuity described in clause (ii)(III), the portion of any qualified charitable distribution to such trust or to such annuity which would (but for this subparagraph) have been includible in gross income—

(I) in the case of any such trust, shall be treated as an income described in section 664(b)(1), or

(II) in the case of any such annuity, shall not be treated as an investment in the contract.

(III) No inclusion for distribution to pooled income fund.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

"(3) Qualified charitable distribution.—For purposes of this paragraph, the term ‘qualified charitable distribution’ means any distribution from an individual retirement account—

(i) which is made after the date that the individual for whose benefit the account is maintained has attained age 70½, and

(ii) which the account holder or beneficiary designates the contribution as a charitable contribution within the meaning of section 170(c) (relating to exclusion of benefit, fiduciary and co-fiduciary responsibilities)."

(2) Conforming Amendment.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting "or (c)" after "subsection (b)."

(3) Effective Date.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2002.

SEC. 611. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) Defined Benefit Plans.—

(1) Dollar Limit.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking "$90,000" and inserting "$150,000".

(B) Section 415(b) is amended by adding at the end the following new paragraph:

"(2) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph, the applicable dollar amount shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Taxable Year</th>
<th>Applicable Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$150,000</td>
</tr>
<tr>
<td>2003</td>
<td>$190,000</td>
</tr>
<tr>
<td>2004 or thereafter</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

(B) Section 401(a)(17)(A) is amended by inserting "$150,000" and inserting "the applicable dollar amount in effect under section 401(a)(17)(A), and

(C) by striking "$5,000" and inserting "$10,000".

(2) Cost-of-Living Adjustments.—

(A) In general.—Subsection (b) of section 415(b)(2) is amended by striking the dollar amount shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Taxable Year</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$90,000</td>
</tr>
<tr>
<td>2003</td>
<td>$95,000</td>
</tr>
<tr>
<td>2004 or thereafter</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

(B) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking "the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for $90,000 and the amount otherwise applicable for such year under paragraph (1)(A) for the applicable limit" and inserting "the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for $90,000 and the amount otherwise applicable for such year under paragraph (1)(A) for the applicable limit".

(C) Section 415(b)(3) is amended by striking the dollar amount shall be increased by the cost-of-living adjustment determined under section 415(b)(1) .

(D) Subparagraphs (c) and (d) of section 415(b)(2) are each amended—

(i) in the headings, by striking "$90,000 and inserting "$150,000";

(ii) in subparagraph (A), by striking "$90,000" and inserting "$150,000";

(iii) by striking "$90,000 and inserting "$150,000";

(iv) by striking "$10,000" and inserting "$20,000";

(v) in subparagraph (B), by striking "$5,000" and inserting "$10,000";

(vi) by striking "$5,000" and inserting "$10,000";

(vii) by striking the second sentence, and inserting "the applicable dollar amount in effect under section 401(a)(17)(A), and

(ii) by striking the preceding sentence and inserting "the applicable dollar amount in effect under section 401(a)(17)(B), and

(iii) by striking "the preceding sentence and inserting "the applicable dollar amount in effect under section 401(a)(17)(B), and

(B) Section 401(a)(17)(A) is amended—

(1) by inserting "$150,000" and inserting "the applicable dollar amount in effect under section 401(a)(17)(A), and

(2) by striking "$5,000" and inserting "$10,000".

(3) Section 401(a)(17)(B) is amended—

(1) by inserting "$150,000" and inserting "the applicable dollar amount in effect under section 401(a)(17)(B), and

(ii) by striking the second sentence.

(2) Base Period and Rounding of Cost-of-Living Adjustment.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking "The Secretary" and inserting "In calendar years beginning after 2005, the Secretary".

(B) by striking "October 1, 1993" and inserting "July 1, 2006"; and

(C) by striking "$10,000" both places it appears and inserting "$5,000".

(c) Elective Deferrals.—

(1) In General.—Paragraph (1) of section 402(g) (relating to limitations on exclusion for elective deferrals) is amended to read as follows:

"(1) In General.—

(A) Limitation.—Notwithstanding subsections (a)(3)(B) and (b), the elective deferrals of any individual for any taxable year shall be included in such individual’s gross income of a sufficient amount to pay all taxes attributable to such deferrals."

(2) Special Rule for Commercial Airline Pilots.—In the case of any participant who is a commercial airline pilot, if, as of the time of the participant’s retirement, regulations prescribed by the Federal Aviation Administration require an individual to separate from service as a commercial airline pilot after attaining any age occurring on or after age 60 and before age 62, paragraph (2)(C) shall be applied by substituting such age for age 62.

(C) Section 415(b)(10)(C)(i) is amended by striking "applied without regard to paragraph (2)(F)", (2)(G), (2)(H), and (2)(I)."
income to the extent the amount of such de-

ferrals for the taxable year exceeds the ap-
plicable dollar amount.

(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subsection (A) the applicable dollar amount shall be the amount deter-
mained in accordance with the following table:

<table>
<thead>
<tr>
<th>For taxable years beginning in calendar year:</th>
<th>The applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$11,000</td>
</tr>
<tr>
<td>2003</td>
<td>$11,500</td>
</tr>
<tr>
<td>2004</td>
<td>$12,000</td>
</tr>
<tr>
<td>2005</td>
<td>$12,500</td>
</tr>
<tr>
<td>2006</td>
<td>$13,000</td>
</tr>
<tr>
<td>2007</td>
<td>$13,500</td>
</tr>
<tr>
<td>2008</td>
<td>$14,000</td>
</tr>
<tr>
<td>2009</td>
<td>$14,500</td>
</tr>
<tr>
<td>2010 or thereafter</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

(2) COST-OF-LIVING ADJUSTMENT.—Para-

graph (5) of section 402(g) is amended to read as follows:

“(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2010, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 2505(b)(1) of title 25, and insert therein the applicable dollar amount which is adjusted under this paragraph.

(3) CONFORMING AMENDMENTS.—(A) Section 402(g) (relating to limitation on elective deferrals) is amended by striking paragraph (1) and redesignating paragraphs (2) through (7) as paragraphs (1) through (6), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking “402(g)(6)(A)” and inserting “402(g)(7)(A)”

(C) Clause (ii) of section 501(c)(18)(D) is amended by striking “(other than paragraph (4) thereof)”.

(d) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking “dollar amount” wherever it appears and inserting “the applicable dollar amount”;

and

(B) in subsection (b)(3)(A) by striking “$15,000” and inserting “twice the dollar amount in effect under subsection (b)(2)(A)”.

(2) APPLICABLE DOLLAR AMOUNT: COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

“(15) APPLICABLE DOLLAR AMOUNT.—

(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

<table>
<thead>
<tr>
<th>For taxable years beginning in calendar year:</th>
<th>The applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$9,000</td>
</tr>
<tr>
<td>2003</td>
<td>$9,500</td>
</tr>
<tr>
<td>2004</td>
<td>$10,000</td>
</tr>
<tr>
<td>2005</td>
<td>$10,500</td>
</tr>
<tr>
<td>2006</td>
<td>$11,000</td>
</tr>
<tr>
<td>2007</td>
<td>$11,500</td>
</tr>
<tr>
<td>2008</td>
<td>$12,000</td>
</tr>
<tr>
<td>2009</td>
<td>$12,500</td>
</tr>
<tr>
<td>2010 or thereafter</td>
<td>$13,000</td>
</tr>
</tbody>
</table>

(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2010, the Secretary shall adjust the $15,000 amount under paragraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2009, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.”

(4) thereof)

(5) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

<table>
<thead>
<tr>
<th>For taxable years beginning in calendar year:</th>
<th>The applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 and 2003</td>
<td>$7,000</td>
</tr>
<tr>
<td>2004 and 2005</td>
<td>$8,000</td>
</tr>
<tr>
<td>2006 and 2007</td>
<td>$9,000</td>
</tr>
<tr>
<td>2008 or thereafter</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

(6) CONFORMING AMENDMENTS.—(A) Subclause (I) of section 401(k)(11)(B)(1) is amended by striking “$6,000” and inserting “the amount in effect under section 408(p)(2)(A)(ii)”.

(B) Section 401(k)(11) is amended by striking subparagraph (E) and redesignating subparagraph (F) as subparagraph (E).

(7) ROUNING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

“(4) Rounding.—

“(A) APPLICABLE LIMIT AMOUNT.—Any in-

crease under subparagraph (A) of paragraph (1)(B) which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.

(B) $30,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $500 shall be rounded to the next lowest multiple of $1,000.

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SECTION 612. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRI-

ETORS.—(a) IN GENERAL.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions to not apply to certain transactions) is amended by adding at the end the following new clause:

“(iii) For purposes of subparagraph (A)(i), the term ‘owner-employee’ shall only include a person described in subclause (II) or (III) of clause (I).”

(b) AMENDMENT OF ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

“(C) For purposes of paragraph (1)(A), the term ‘owner-employee’ shall only include a person described in clause (ii) or (iii) of subparagraph (A).”

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SECTION 613. MODIFICATION OF TOP-HEAVY RULES.—(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(1)(A) (defin-

ing key employee) is amended—

(A) by striking “or any of the 4 preceding plan years” in the matter preceding clause (i) and inserting “or any of the 5 preceding plan years”;

(B) by striking clause (i) and inserting the following:

“(i) an officer of the employer having an annual compensation greater than the amount in effect under section 414(q)(1)(B)(i) for such plan year;”;

(C) by striking clause (ii) and redesign-

ing clauses (ii) and (iii) as clauses (i) and (ii), respectively;

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C); and

(E) by adding at the end the following:

“(j) For purposes of this subparagraph, in the case of an employee who is not employed during the preceding plan year or is em-

ployed for a portion of such year, such em-

ployee shall be treated as a key employee if it can be reasonably anticipated that such employee will be described in 1 of the pre-

ceding clauses for the current plan year.”;

(2) CONFORMING AMENDMENT.—Section 416(i)(3)(B) is amended by striking “and” and inserting “and”;

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to minimum contributions not included in the minimum required contribution determined by adding at the end the following: “Employer matching contributions (as defined in section 410(m)(4)(A)) shall be taken into account for purposes of this subparagraph.”

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

“(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

“(A) IN GENERAL.—For purposes of deter-

mining—

(i) the present value of the cumulative ac-

crued benefit for any employee, or

(ii) the amount of the account of any em-

ployee, such present value or amount shall be in-

cluded in the aggregate contributions distributed with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall apply to distributions under a ter-

minated plan which if it had not been termi-

nated would have been required to be in-

cluded in an aggregation group.

(ii) the amount of the account of any em-

ployee, such present value or amount shall be in-

cluded in the aggregate contributions distributed with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall apply to distributions under a ter-

minated plan which if it had not been termi-

nated would have been required to be in-

cluded in an aggregation group.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking “LAST 5 YEARS” in the head-

ing and inserting “LAST YEAR BEFORE DETER-

MINATION DATE”; and

(B) by striking “5-year period” and insert-

ing “1-year period”.

(d) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking “clause (ii)” in clause (i) and inserting “clause (ii) or (iii)”;

and

(B) by adding at the end the following:

“(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee’s years of service with the employer, any service the employee is treated as having been credited to the extent that such service occurs during a plan year when the plan benefits (within the
meaning of section 401(h) no key employee or former key employee.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 614. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) In General.—Section 404 (relating to deduction for contributions of an employer to an employees’ trust or annuity plan and compensation under an account established under any eligible deferred compensation plan) is amended by adding at the end the following new subsection:

“(7) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—

(1) In General.—The applicable percentage of any elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of section 404(a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

For taxable years beginning in 2002 through 2010 25 percent
2011 and thereafter 100 percent

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 615. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) In General.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 611, is amended to read as follows:

“(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by the adjustment provided under subsection (b)(3)).”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

SEC. 616. DEDUCTION LIMITS.

(a) MODIFICATION OF LIMITS.—

(1) STOCK BONUS AND PROFIT SHARING TRUSTS.—

(A) In General.—Subclause (I) of section 404(a)(3)(A)(i) (relating to stock bonus and profit sharing trusts) is amended by striking “15 percent” and inserting “25 percent”.

(B) CONFORMING AMENDMENT.—Subparagraph (C) of section 404(b)(1) is amended by striking “16 percent” each place it appears and inserting “25 percent”.

(2) DEFINED CONTRIBUTION PLANS.—

(A) In General.—Clause (v) of section 404(a)(3)(A) (relating to the taxable year for which the stock bonus and profit sharing trust is amended to read as follows:

“(v) DEFINED CONTRIBUTION PLANS SUBJECT TO SECTION 412.—Except as provided by the Secretary, a defined contribution plan which is subject to the funding standards of section 412 shall be treated in the same manner as a stock bonus and profit sharing plan for purposes of this subparagraph.”.

(B) CONFORMING AMENDMENTS.—

(i) Section 404(a)(3)(A) is amended by inserting “(other than a trust to which paragraph (3) applies) after “pension trust”.

(ii) Section 404(b)(2) is amended by striking “stock bonus or profit-sharing trust” and inserting “trust subject to subsection (a)(3)(A)”.

(iii) The heading of section 404(b)(2) is amended by striking “stock bonus and profit-sharing trust” and inserting “certaintrusts”.

(iv) COMPENSATION.—

(1) In General.—Section 404(a) (relating to general rule) is amended by adding at the end the following new subparagraph:

“(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term compensation shall include amounts treated as participant’s compensation under subparagraph (C) or (D) of section 415(c)(3).”.

(2) CONFIRMING AMENDMENTS.—

(A) Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(B) Clause (i) of section 4972(c)(6)(B) is amended by striking “within the meaning of section 402” and inserting “within the meaning of section 402 and as adjusted under section 404(a)(12)’’.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 617. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX ROTH CONTRIBUTIONS.

(a) In General.—Subpart A of part I of chapter 1 (relating to deferred compensation plans) is amended by inserting after section 402 the following new section:

“SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

(a) GENERAL RULE.—If an applicable retirement plan includes a qualified Roth contribution program—

(1) any designated Roth contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

(2) such elective deferral (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

(b) QUALIFIED ROTH CONTRIBUTION PROGRAM.—For purposes of this section—

(1) In general.—An eligible deferred compensation plan shall not be treated as a qualified Roth contribution program unless—

(A) an applicable retirement plan, the first taxable year for which the plan is in effect, is amended by inserting at the beginning of section 402 the following new paragraph:

“(h) Any qualified deferred compensation plan may be amended to include a provision under which an employee may elect to make, after the taxable year in which such excess is distributed, a payment or distribution from a designated Roth account established for such individual under the applicable retirement plan.

(B) Distributions within nonexclusion period.—A payment or distribution from a designated Roth account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the applicable retirement plan, or the first taxable year for which the individual made a designated Roth contribution to such previously established account.

(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND CONTRIBUTIONS AND EARNINGS THEREON.—

(1) In general.—The term ‘qualified distribution’ shall not include any distribution of any excess deferral or excess contribution under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income on the excess deferral or contribution.

(2) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

(A) not be treated as investment in the contract, and

(B) be included in gross income for the taxable year in which such excess is distributed.

(d) aggeration RULES.—Section 72 shall be applied to distributions and payments from a designated Roth account and other distributions and payments from the plan.

(e) DEFINITIONS.—For purposes of this section—

(1) APPLICABLE RETIREMENT PLAN.—The term ‘applicable retirement plan’ means—

(A) a term applicable retirement plan as defined in section 401(a)(3)(A) which is exempt from tax under section 501(a), and

(B) the aggregate amount of elective deferrals of the employee for the taxable year for which the employee does not designate under paragraph (1).
(B) a plan under which amounts are contributed by an individual’s employer for an annuity contract described in section 403(b).“

(2) ELECTIVE DEFERRAL.—The term ‘elective deferral’ means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).”.

(3) DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(a) by adding the end of paragraph (1)(A) (as added by section 201(c)(1)) the following new sentence: ‘‘The preceding sentence shall not apply the portion of such excess as does not exceed the designated Roth contributions of the individual for the taxable year.’’; and

(b) by inserting ‘‘(or would be included but for the last sentence thereof)’’ after ‘‘para-“

(c) rollovers.—Subparagraph (B) of section 402(c)(6) is amended by adding at the end the following: ‘‘If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated Roth account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated Roth account and a Roth IRA.’’.

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting ‘‘, including the amount of designated Roth contributions (as defined in section 402A)’’ before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

‘‘(f) DESIGNATED ROTH CONTRIBUTIONS.—

The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated Roth contributions (as defined in section 402A) to the Secretary, participants and beneficiaries of the plan, and other persons as the Secretary may prescribe.’’.

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: ‘‘Such term includes a rollover contribution described in section 402A(c)(3)(A).’’.

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended, by inserting after the item relating to section 402 the following new item:

<table>
<thead>
<tr>
<th>Adjusted Gross Income</th>
<th>All other cases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>$30,000</td>
<td>$22,500</td>
</tr>
<tr>
<td>$32,500</td>
<td>$24,375</td>
</tr>
<tr>
<td>$50,000</td>
<td>$37,500</td>
</tr>
<tr>
<td>$75,000</td>
<td></td>
</tr>
</tbody>
</table>

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 618. NONREFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to non-refundable personal credits), as amended by section 432, is amended by inserting after section 23B the following new section:

‘‘SEC. 25C. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

‘‘(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this title for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed $2,000.

‘‘(b) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Joint return</th>
<th>Head of a household</th>
<th>All other cases</th>
<th>Applicable percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over</td>
<td>Not over</td>
<td>Over</td>
<td>Not over</td>
</tr>
<tr>
<td>$0</td>
<td>$30,000</td>
<td>$0</td>
<td>$22,500</td>
</tr>
<tr>
<td>15,000</td>
<td>25,000</td>
<td>20,000</td>
<td>25,000</td>
</tr>
<tr>
<td>10,000</td>
<td>20,000</td>
<td>15,000</td>
<td>20,000</td>
</tr>
<tr>
<td>5,000</td>
<td>15,000</td>
<td>10,000</td>
<td>15,000</td>
</tr>
<tr>
<td>0</td>
<td>10,000</td>
<td>5,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

(g) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2006.

(b) CREDIT ALLOWED AGAINST REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 25C, as added by subsection (a), is amended by inserting after subsection (f) the following new subsection:

‘‘(g) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate credit allowed by this section for the taxable year shall not exceed the sum of—

‘‘(1) the taxpayer’s regular tax liability for the taxable year reduced by the sum of the credits allowed by sections 21, 22, 23, 24, 25, 25A, 25B plus

‘‘(2) the tax imposed by section 55 for such taxable year.

(2) CONFORMING AMENDMENTS.—

(A) Section 26(a)(1), as amended by section 201, is amended by inserting ‘‘or section 25C’’ after ‘‘section 24’’.

(B) Section 23(e), as amended by section 201, is amended by striking ‘‘sections 24 and inserting ‘‘sections 24, 25C’’.

(C) Section 25e(e)(1), as amended by section 201, is amended by inserting ‘‘25C,’’ after ‘‘24.’’.

(D) Section 904(h), as amended by section 201, is amended by inserting ‘‘or 25C’’ after ‘‘section 24’’.

(E) Section 1400C(d), as amended by section 201, is amended by inserting ‘‘and section 25C’’ after ‘‘section 24’’.

(F) Section 1400D, as amended by section 201, is amended by inserting ‘‘and section 25C’’ after ‘‘section 24’’.

(G) Section 23(g), as amended by section 201, is amended by inserting ‘‘in sections 24 and 25C’’ after ‘‘section 24’’.

(H) Section 25C is amended by inserting ‘‘in section 24’’ after ‘‘section 24’’.

(3) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by section 432, is amended by inserting after the item relating to section 23B the following new item:

‘‘Sec. 25C. Elective deferrals and IRA contributions by certain individuals.’’.
The nonforfeitable years of service:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>0</td>
</tr>
<tr>
<td>90%</td>
<td>1</td>
</tr>
<tr>
<td>80%</td>
<td>2</td>
</tr>
<tr>
<td>70%</td>
<td>3</td>
</tr>
<tr>
<td>60%</td>
<td>4</td>
</tr>
</tbody>
</table>

(b) **CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining certain year business costs incurred by striking “plus” at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting “plus”, and by adding the following new paragraph:—

‘‘(14) in the case of an eligible employer (as defined in section 45E(e)), the small employer pension plan contribution credit determined under section 45E(a).’’

(c) **CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

‘‘(10) No carryback of small employer pension plan contribution credit before January 1, 2003.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan contribution credit determined under section 45E may be carried back to a taxable year beginning before January 1, 2003.’’

(2) The table of sections for part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

‘‘Sec. 45E. Small employer pension plan contributions.’’

(d) **EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or incurred in taxable years beginning after December 31, 2002.’’

## SEC. 629. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) **GENERAL RULE.—Section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

(b) **DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

(1) $4,000 for the first credit year and each of the 2 taxable years immediately following the first credit year, and

(2) zero for any other taxable year.

(c) **ELIGIBLE EMPLOYER.—For purposes of this section—

‘‘(1) In general.—The term ‘eligible employer’ has the meaning given such term by section 38(b)(2)(C)(i).

‘‘(2) Election not to claim credit.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

‘‘(3) Aggregation rules.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (c) of section 414, shall be treated as one person. All eligible employer plans shall be treated as 1 eligible employer plan.

‘‘(1) In general.—The term ‘eligible employer’ has the meaning given such term by section 45E(b)(1).'}
employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

(d) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—

(1) IN GENERAL.—A plan shall not permit additional elective deferrals under paragraph (1) for any taxable year in an amount greater than the lesser of—

(i) the applicable dollar amount, or

(ii) the excess (if any) of—

(I) the participant’s compensation (as defined in section 415(c)(3)) for the year, over

(II) any other elective deferrals of the participant for such year which are made with respect to this paragraph;

(2) APPLICABLE DOLLAR AMOUNT.—For purposes of this paragraph, the applicable dollar amount shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Taxable Year</th>
<th>Applicable Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$7,500</td>
</tr>
<tr>
<td>2003</td>
<td>$7,500</td>
</tr>
<tr>
<td>2004</td>
<td>$7,500</td>
</tr>
<tr>
<td>2005 and 2006</td>
<td>$10,000</td>
</tr>
<tr>
<td>2007</td>
<td>$12,000</td>
</tr>
<tr>
<td>2008</td>
<td>$14,000</td>
</tr>
<tr>
<td>2009</td>
<td>$16,000</td>
</tr>
<tr>
<td>2010 and thereafter</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

(e) SPECIAL RULES.—For purposes of this section—

(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one employer. All eligible employer plans shall be treated as one eligible employer plan.

(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year in which such taxpayer elects to have this section not apply for such taxable year.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit), as amended by section 619, is amended by striking "plus" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting "plus", and by adding at the end the following new paragraph: "(5) OTHER DEFINITIONS AND RULES.—For purposes of this section—

(A) IN GENERAL.—The term ‘applicable employer plan’ means an employer plan which—

(i) is an eligible employer plan;

(ii) is treated as 1 eligible employer plan;

(iii) is a qualified employer plan, or

(iv) is a qualified plan within the meaning of section 52, or subsection (a) or (b) of section 52, or subsection (1) of section 39(d), as amended by section 619(c), is amended by adding at the end the following new item:

(1) A Q UALIFIED STARTUP COSTS.

(2) E LIGIBLE EMPLOYER PLAN.

(b) N EW PENSION BENEFIT PLAN.

(1) IN GENERAL.—The term ‘eligible employer plan’ means an employer plan which—

(i) is an eligible employer plan;

(ii) is treated as 1 eligible employer plan;

(iii) is a qualified employer plan, or

(iv) is a qualified plan within the meaning of section 52, or subsection (a) or (b) of section 52, or subsection (1) of section 39(d), as amended by section 619(c), is amended by adding at the end the following new item:

(1) A Q UALIFIED STARTUP COSTS.

(2) E LIGIBLE EMPLOYER PLAN.

(c) CREDIT ALLOWED.—The credit allowed under subsection (a) shall not exceed the lesser of—

(1) the credit determined under section 45F(c), or

(2) the credit determined under section 45F(a).

(d) EFFECTIVE DATE.—The amendments made by this section shall be treated as if contained in the Revenue Act of 1997.
(b) **Effective Date.**—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2001.

**SEC. 612.** **REPRETREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.**

Title I. **General.**

(1) **In General.**—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ‘‘25 percent’’ and inserting ‘‘the applicable percentage’’.

(2) **Applicable Percentage.**—Section 415(c) is amended by adding at the end the following new subparagraph:

‘‘(8) **Applicable Percentage.**—For purposes of paragraph (1)(B), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Years the applicable beginning in:</th>
<th>The applicable percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>20%</td>
</tr>
<tr>
<td>2003</td>
<td>25%</td>
</tr>
<tr>
<td>2004</td>
<td>30%</td>
</tr>
<tr>
<td>2005</td>
<td>35%</td>
</tr>
<tr>
<td>2006</td>
<td>40%</td>
</tr>
<tr>
<td>2007</td>
<td>45%</td>
</tr>
<tr>
<td>2008</td>
<td>50%</td>
</tr>
<tr>
<td>2009</td>
<td>55%</td>
</tr>
<tr>
<td>2010</td>
<td>60%</td>
</tr>
<tr>
<td>2011 and thereafter</td>
<td>100%</td>
</tr>
</tbody>
</table>

(3) **Application to Section 403(b).**—Section 403(b) is amended—

(A) by striking the exclusion allowance for any taxable year in paragraph (1) and inserting ‘‘the applicable limit under section 415(f)’’;

(B) by striking paragraph (2), and

(C) by inserting ‘‘or any amount received by a former employee after the fifth taxable year following the taxable year in which such employee was terminated before the period at the end of the second sentence of paragraph (3).’’

(4) **Conforming Amendments.**—

(A) **In General.**—Subparagraph (I) of section 72 is amended by striking ‘‘section 406(b)(2)(D)(iii)’’ and inserting ‘‘section 406(b)(2)(D)(iii), as in effect before the enactment of the Restoring Earnings to Lift Individuais and Employer Families Act of 2001’’.

(B) Section 408(a)(10)(B) is amended by striking ‘‘, the exclusion allowance under section 415(f),’’.

(C) Section 415(a)(2) is amended by striking ‘‘, and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 406(b)(2).’’

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

‘‘(E) **Exclusions.**—In the case of an annuity contract described in section 403(b), the term ‘participant’s compensation’ means the participant’s includible compensation determined under section 403(b)(3).’’

(E) Section 415(c)(1) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

‘‘(7) **Certain Contributions by Church Plans Not Treated as Exceeding Limit.**—

(A) **In General.**—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant’s account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

(B) **$40,000 Aggregate Limitation.**—The total amount of additions with respect to any participant may not be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

(C) **Annual Addition.**—For purposes of this paragraph, the term ‘annual addition’ has the meaning given such term by paragraph (2).’’

(2) **Effective Date.**—The amendments made by this section shall apply to contributions in taxable years beginning after December 31, 2001.

**SEC. 613.** **FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.**

(a) **In General.**—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ‘‘A plan’’ and inserting ‘‘Except as provided in paragraph (3) of this section’’; and

(2) by adding at the end the following:

‘‘(12) **Faster Vesting for Matching Contributions.**—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

‘‘(A) by substituting ‘3 years’ for ‘5 years’ in subparagraph (A), and

‘‘(B) by substituting the following table for the table contained in subparagraph (B):’’

The nonforfeitable

<table>
<thead>
<tr>
<th>Years of service:</th>
<th>The percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>80</td>
</tr>
<tr>
<td>6</td>
<td>100.</td>
</tr>
</tbody>
</table>

(b) **Amendment of ERISA.**—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ‘‘A plan’’ and inserting ‘‘Except as provided in paragraph (4), a plan’’; and

(2) by adding at the end the following:

‘‘(4) **In the case of matching contributions (as defined in section 401(m)(4)(A)) of the Internal Revenue Code of 1986, paragraph (2) shall be applied—

‘‘(A) by substituting ‘3 years’ for ‘5 years’ in subparagraph (A), and

‘‘(B) by substituting the following table for the table contained in subparagraph (B):’’

The nonforfeitable

<table>
<thead>
<tr>
<th>Years of service:</th>
<th>The percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>80</td>
</tr>
<tr>
<td>6</td>
<td>100.</td>
</tr>
</tbody>
</table>

(c) **Effective Dates.**—

(1) **In General.**—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2001.

(2) **Collective Bargaining Agreements.**—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employees representing a collective bargaining unit, and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to contributions to such plan required by a collective bargaining agreement in effect on or before the date of enactment of this Act.
(A) the later of—
(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof or after such date of the enactment); or
(ii) January 1, 2002; or
(B) January 1, 2006.
(iii) the amendment made by this subsection shall apply to transfers, distributions, and payments made after December 31, 2001.

SEC. 634. MODIFICATIONS TO MINIMUM DISTRIBUTION RULES.
(a) LIFE EXPECTANCY TABLES.—The Secretary of the Treasury shall modify the life expectancy tables under the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 409(b)(10), and 457(d)(2) of the Internal Revenue Code to reflect current life expectancy.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEEN MADE BEFORE DEATH OCCURS.—
(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9)(C) so much of the contributions to a simulation retirement account (within the meaning of section 401(k)(11)) which are not contribution for the taxable year of transfer.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414(p) is amended by redesignating paragraph (3) as paragraph (4) and inserting “section 409(d), and section 457(d)” in the calendar year in which the spouse attains 701⁄2, and inserting clause (iii)(I) and clause (iii)(II)

(d) EFFECTIVE DATE.
(1) IN GENERAL.—The amendment made by this subsection shall apply to transfers, distributions, and payments made after December 31, 2001.

SEC. 635. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.
(a) In General.—Section 457(b)(11) (relating to application of rules to governmental and church plans) is amended—
(b) Exclusion of Certain Contributions.—Section 4972(c)(6), as amended by section 475(c)(6), and inserting “subsection (e)” in section 4972(c)(6).

(c) No Inference.—Nothing in the amendments made by this subsection shall be construed to infer the proper treatment of non-deductible contributions under the laws in effect before such amendments.

Subsection D—Increasing Portability for Participants

SEC. 641. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.
(a) Rollovers From and to Section 457 Plans.
(1) Rollovers From Section 457 Plans.—
(i) In General.—Section 402(e)(7) is amended by inserting “or section 409(d)” in the meaning of section 457(c)(6) as so redesignated.

(b) Rollovers To Section 457 Plans.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(c) Transfers From Other Than Money.—The rules relating to transfers to an eligible retirement plans as defined in section 402(c)(8)(B) shall apply to transfers from a section 457(b) plan.

(d) Rollovers To Eligible Retirement Plans.
(1) In General.—The Secretary of the Treasury shall modify the rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) to ensure that transfers from a section 457(b) plan as so redesignated is amended by striking “clause (ii)” and inserting “clause (ii)”.

(e) Conforming Changes.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(f) Effective Date.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(g) Direct Rollover.—Paragraph (1) of section 402(c)(1) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “or” at the end of subparagraph (B), and by striking subsection (e)

(h) Deferral Limit Determined Without Regard to Rollover Amounts.—Section 402(c)(2) (defining eligible deferred compensation plan) is amended by inserting “other than rollover amounts” after “taxable year”. A person who is not a participant in a section 457(b) plan.

(i) Rollovers to Eligible Retirement Plans.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(j) Effective Date.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(k) DIRECT ROLLOVER.—Paragraph (1) of section 402(c)(1) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “or” at the end of subparagraph (B), and by striking subsection (e)

(l) Withholding.
(1) Paragraph (12) of section 3402(a) is amended by adding at the end the following:

(m) Exclusion of Certain Contributions.—Section 4972(c)(6), and inserting “subsection (e)” in section 4972(c)(6)...

(n) No Inference.—Nothing in the amendments made by this subsection shall be construed to ensure that transfers from a section 457(b) plan as so redesignated is amended by striking “clause (ii)” and inserting “clause (ii)”.

(o) Effective Date.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(p) Certain Rules Made Applicable.—
(1) Rollovers From and To Section 457 Plans.
(i) In General.—Section 402(e)(7) is amended by inserting “or section 409(d)” in the meaning of section 457(c)(6) as so redesignated.

(q) Exclusion of Certain Contributions.—Section 4972(c)(6), as amended by section 475(c)(6), and inserting “subsection (e)” in section 4972(c)(6).

(r) No Inference.—Nothing in the amendments made by this subsection shall be construed to ensure that transfers from a section 457(b) plan as so redesignated is amended by striking “clause (ii)” and inserting “clause (ii)”.

(s) Effective Date.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(t) Certain Rules Made Applicable.—
(1) Rollovers From and To Section 457 Plans.
(i) In General.—Section 402(e)(7) is amended by inserting “or section 409(d)” in the meaning of section 457(c)(6) as so redesignated.

(u) Exclusion of Certain Contributions.—Section 4972(c)(6), and inserting “subsection (e)” in section 4972(c)(6).

(v) No Inference.—Nothing in the amendments made by this subsection shall be construed to ensure that transfers from a section 457(b) plan as so redesignated is amended by striking “clause (ii)” and inserting “clause (ii)”.

(w) Effective Date.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).

(x) Certain Rules Made Applicable.—
(1) Rollovers From and To Section 457 Plans.
(i) In General.—Section 402(e)(7) is amended by inserting “or section 409(d)” in the meaning of section 457(c)(6) as so redesignated.

(y) Exclusion of Certain Contributions.—Section 4972(c)(6), and inserting “subsection (e)” in section 4972(c)(6).

(z) No Inference.—Nothing in the amendments made by this subsection shall be construed to ensure that transfers from a section 457(b) plan as so redesignated is amended by striking “clause (ii)” and inserting “clause (ii)”.

(aa) Effective Date.
(1) In General.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (B) of section 4972(c)(6).
“(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term ‘eligible rollover distribution’ has the meaning given such term by section 402(c)(2)(A).”.

(1) ALLOWANCE OF ROLLOVERS.—Paragraph (B) of section 402(c)(8)(B) is amended by striking “or” at the end of clause (ii), by striking the period at the end of clause (ii) and inserting “and”, and by adding at the end the following:

“(iv) and inserting “or (408(d)(3), or 457(e)(16)”.

(2) Section 401(a)(31) is amended by striking “and (403(a)(4), 403(b)(8), and 457(e)(16)”.)

(3) Paragraph (4) of section 401(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16).”.

(4) Paragraph (1) of section 402(f) is amended by striking “from an eligible retirement plan”. “

(5) Paragraphs (A) and (B) of section 402(f)(2) are amended by striking “another eligible retirement plan” and inserting “an eligible retirement plan”. “

(6) Subparagraph (B) of section 402(c)(1) is amended by striking “(408(d)(3), or 457(e)(16)”.

(7) If the payer of section 402(c)(8)(B) is amended to read as follows:

“(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) are applicable to section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.”.

(8) Section 406(a)(1) is amended by striking “or (403(b)(8), or 457(e)(16)”.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking “or (408(d)(3), or 457(e)(16)”.

(10) Section 4973(b)(1)(A) is amended by striking “and (408(d)(3), or 457(e)(16)”.

(11) Section 4973(b)(1)(A) is amended by striking “or (408(d)(3), or 457(e)(16)”.

(12) EFFECTIVE DATE; SPECIAL RULE.—(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c)(5) (relating to rollover amounts) is amended by striking “or a qualified retirement plan” and inserting “or a defined contribution plan and which agrees to separately account for amounts so transferred, or rollovers from such retirement plans.”.

(b) ALLOWANCE OF ROLLOVERS FROM SIMPLE RETIREMENT ACCOUNTS.—The amendments made by this section shall apply with respect to distributions after December 31, 2001.

(c) ROLLOVERS FROM SIMPLE RETIREMENT ACCOUNTS.—(1) A distribution from a qualified retirement plan (to which section 72(t)(6) applies, section 72 shall be applied separately to such distribution.

“(II) a rollover contribution is made to an eligible retirement plan;

(iii) A distribution is made from an individual retirement plan, and

(iv) the entire amount received (including money and any other property) is paid into another retirement plan, and is separately account for amounts so transferred, or rollovers from such retirement plans.”.

“(D) APPLICATION OF SECTION 72.—(I) section 72 shall be applied separately to such distribution.”
"(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans) to the participant described in clause (i); and

(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent years after December 31, 2001.

SEC. 644. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to rollover contributions), as amended by section 401(k), is amended by adding at the end of such paragraph the following new subparagraph:

"(4)(A) A defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that

(iv) the election described in clause (III) was made after the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary referred in clause (iii) was entitled under the transferor plan that was transferred to the transferee plan; and

(v) the transferor plan (as defined in section 414(d)) if such transfer is made by reason of a direct trustee-to-trustee transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

(b) DEFINITIONS.—In this section—

(II) the terms of both the transferor plan and the transferee plan and the transferee plan described in clause (i) to receive any distribution to which the participant or beneficiary described in clause (iii) which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.

(3) SECRETARY DIRECTION.—Not later than December 31, 2002, the Secretary of the Treasury is directed to issue regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 409(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendment made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2002, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 645. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(i) AMENDMENT OF INTERNAL REVENUE CODE.—Section 411(d)(3) (relating to rollover contributions) is amended by adding after subparagraph (H) the following new paragraph:

(4) The amendments made by this section shall apply to distributions after December 31, 2001.

(b) REGULATIONS.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 646. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403(b) is amended by adding at the end of such subsection the following new paragraph:

(III) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary whose account was transferred to the transferee plan pursuant to a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

(b) TRANSFEROR-TO-TRANSFEREE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income of a direct transfer-to-transferee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is

"(A) for the purchase of permissive service credit described in section 415(n)(3)(A) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of section 415(n)(3)(A) thereof.

(c) 407 PLANS.—Subsection (e) of section 407, as amended by section 401(k), is amended by adding after subsection (f) the following new paragraph:

"(E) The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.

(2) AMENDMENT OF ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows:

"(E) The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment which reduces or eliminates benefits or subsidies which create significant burdens or complexities for the plan and plan participants, unless such amendment adversely affects the rights of any participant in a more than de minimis manner.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions after December 31, 2001.
plan (as defined in section 414(d)) if such transfer is—
"(A) for the purchase of permissible service credit (as defined in section 415(n)(3)(A)) under an employer’s plan; or
"(B) a repayment to which section 415 does not apply by reason of subsection (i)(3) thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-employer plans described in subsection (e)(1)(B).

SEC. 549. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 414(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:—
"(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.

(2) CONFORMING AMENDMENTS.—
"(A) So much of paragraph (9) of section 401(e) as precedes subparagraph (A) is amended to read as follows:
"(B) Section 457(d) is amended by adding at the end the following new paragraph:
"(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in section (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A).

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—(1) IN GENERAL.—Subsection (a) of section 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986 is amended by adding at the end the following:
"
"(2) INCLUSION.—Subsection (a) of section 403(b)(8) means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16)."

(c) MODIFICATION OF TRANSITION RULES FOR EXISTING 457 PLANS.—
"(1) IN GENERAL.—Section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking ‘‘or’’ at the end of clause (i), by striking the period at the end of clause (ii) and inserting ‘‘, or’’ and by striking after clause (ii) the following new clause:
"(iii) are deferred pursuant to an agreement with an individual covered by an agreement described in subparagraph (C), and (iv) to the extent of the annual amount under such agreement with the individual does not exceed—
"(I) the amount described in clause (ii)(1), multiplied by
"(II) the cumulative increase in the Consumer Price Index (as published by the Bureau of Labor Statistics of the Department of Labor)."

"(2) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to distributions after December 31, 2001.

SEC. 649. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:
"(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9)."

(b) INCLUSION IN GROSS INCOME.—
"(1) IN GENERAL.—Section 401(a)(11) of the Internal Revenue Code of 1986 is amended by striking ‘‘(d)’’ and inserting ‘‘(d),’’ and by striking subsection (f) and inserting the following new subsection:
"(2) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:
"In the case of any plan during which the applicable year begins in—

<table>
<thead>
<tr>
<th>Year Beginning</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022-2023</td>
<td>150</td>
</tr>
<tr>
<td>2024-2025</td>
<td>170</td>
</tr>
</tbody>
</table>

"(2) AMENDMENT OF ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—
"(i) by striking ‘‘the applicable percentage’’ in subparagraph (A)(i)(I) and inserting ‘‘in the case of the plan years beginning before January 1, 2005, the applicable percentage’’, and
(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 653. EXCISE TAX RELIEF FOR SOUND PEN- ney Plans.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

"(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer electing for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limita-
tions of section 412(c)(3)(B) determined without regard to subparagraph (A)(1)(I) thereof. For purposes of this paragraph, the deductible limits under section 494(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 654. TREATMENT OF MULTIEmployER PLANS UNDER SECTION 415.

(a) COMPREHENSIVE AMENDMENT.—

(1) IN GENERAL.—Paragraph (1) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(1) Limitation for Governmental and MultiEmployer Plans.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(q)), subparagraph (b) of paragraph (1) shall not apply.--".

(2) CONFORMING AMENDMENT.—Section 415(b)(7) (relating to benefits under certain collective bargaining plans) is amended by inserting after subparagraph (B) of paragraph (1) the following:

"(7) Defined Benefit Plan Exception.—(i) In General.—An employer stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified person.

(ii) Failure to Meet Requirements.—(A) In General.—If a plan fails to meet the requirements of paragraph (1), the plan shall be treated as having distributed to any disqualified person (as defined in this paragraph) the account of such person in violation of paragraph (1) at the time of such allocation.

(B) Cross Reference.—For excise tax relating to violations of paragraph (1) and ownership of synthetic equity, see section 479A.

(3) NONALLOCATION YEAR.—For purposes of this section—

"(A) In General.—The term 'nonallocation year' means any plan year of an employee stock ownership plan if, at any time during such plan year—

(i) such plan holds employer securities consisting of stock in an S corporation, and

(ii) disqualified persons own at least 50 percent of the number of shares of stock in the S corporation.

(B) Attribution Rules.—For purposes of subparagraph (A)—

"(i) In General.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

(II) paragraph (4) thereof shall not apply.

(ii) Deemed-Owned Shares.—Notwithstanding the exception in section 318(a)(2)(B)(i), an individual shall be treated as owning deemed-owned shares of the individual.

 Solely for the purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph 5 have been applied.

(iii) Disqualified Person.—For purposes of this section—

"(A) In General.—The term 'disqualified person' means any person if—

(I) the aggregate number of deemed-owned shares of such person and the members of such person's family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation or

(II) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

(B) Treatment of Family Members.—In the case of a disqualified person described in subparagraph (i), members of such person's family with deemed-owned shares shall be treated as a disqualified person if not otherwise treated as a disqualified person under subparagraph (A).

(C) Deemed-Owned Shares.—

(i) In General.—The term 'deemed-owned shares' means—

(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

(II) such person's share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

(ii) Person's Share of Unallocated Stock.—For purposes of clause (i)(II), a person's share of unallocated S corporation stock held by such plan is the amount of the unallocated stock which would be allocated to such person if the unallocated stock were allocated to all participants in the same proportions as the most recent stock allocation under the plan.

(D) Member of Family.—For purposes of this paragraph, the term 'member of the family' means, with respect to any individual—

(i) the spouse of the individual,

(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

(iii) a brother or sister of the individual or the individual's spouse, and

(iv) the spouse of any individual described in clause (ii) or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual's spouse for purposes of this subparagraph.

(E) Treatment of Synthetic Equity.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, except to the extent provided in regulations, the shares of stock in such corporation on which such synthetic equity is based shall be treated as outstanding stock in such corporation and deemed-owned shares of such person if such treatment of synthetic equity of 1 or more such persons results in—

"(A) the treatment of any person as a disqualified person, or

(B) the treatment of any year as a nonallocation year.

For purposes of this paragraph, synthetic equity shall be treated as owned by a person in the same manner as stock is treated as owned by a person under the rules of paragraphs (2) and (3) of section 318(a). If, without regard to this paragraph, a person is treated as a disqualified person or a year is treated as a nonallocation year, this paragraph shall not be construed to result in the person or year not being so treated.

(F) Definitions.—For purposes of this subparagraph—

"(A) Employer Stock Ownership Plan.—The term 'employer stock ownership plan' has the meaning given such term by section 4972(a), with respect to after December 31, 1986.

(B) Employer Securities.—The term 'employer security' has the meaning given such term by section 4972(a).

(C) Synthetic Equity.—The term 'synthetic equity' means any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right or future cash payment based on the value of such stock or appreciation in such value.
1. Exception for Certain Plans.—In the case of any—
   (A) employee stock ownership plan established after July 11, 2000, or
   (B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 404(a) of the Internal Revenue Code of 1986 is not in effect on such date, the amendments made by this section shall apply to plan years ending after July 11, 2000.

SEC. 657. AUTOMATIC ROLLOVERS OF CERTAIN MANDATORY DISTRIBUTIONS.

(a) Direct Transfers of Mandatory Distributions.

(1) In General.—Section 401(a)(31) (relating to optional direct transfer of eligible rollover distributions) as amended by section 463, is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

   "(B) Certain mandatory distributions.—
      (1) In General.—In case of a trust which is part of a multiemployer plan trust which shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that—
         (i) a distribution described in clause (i) in excess of $1,000 is made, and
         (ii) the distributee does not elect to receive the distribution directly the plan administrator shall make such transfer to an individual retirement account or annuity of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under section 402(f)) that the distribution may be transferred to a trust established by the distributee or to another individual account or annuity.
      (ii) Eligible Plan.—For purposes of clause (1), the term 'eligible plan' means a plan which provides that any nonforfeitable accrued benefit for which the present value (as determined under section 411(a)(11)) does not exceed $5,000 shall be immediately distributed to the participant.
   "(2) Conforming Amendments.—
      (A) The heading of section 401(a)(31) is amended by striking "OPTIONAL DIRECT" and inserting "";
      (B) Section 401(a)(31)(C), as redesignated by paragraph (1), is amended by striking "Subparagraph (A)" and inserting ""; and
      (C) Section 401(a)(31)(D), as redesignated by paragraph (1), is amended by striking "Subparagraph (A)" and inserting "".
   "(b) Notice Requirement.—Section 402(f)(1) relating to written explanation to recipients of distributions eligible for rollover treatment is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D), and by adding at the end the following new subparagraph:

      "(E) If applicable, of the provision requiring a direct trustee-to-trustee transfer of a distribution eligible for rollover treatment under section 401(a)(31)(B) unless the recipient elects otherwise.";
   "(c) Fiduciary Rules.—
      (1) In General.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new paragraph:

      "(3) In the case of a pension plan which makes a direct transfer of an individual retirement account or annuity of a designated trustee or issuer under section 401(a)(31)(B) of the Internal Revenue Code of 1986, the participant or beneficial owner of the account or annuity is required to designate a designated trustee or issuer of the account or annuity within 30 days of receipt of the notice described in paragraph (1), be treated as exercising control over the assets in the account or annuity upon the earlier of—
      "(A) a rollover of all or a portion of the amount to another individual retirement account or annuity; or
   "(2) effective date.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.
(c) LIMITATIONS ON AMOUNT OF TAX.—

(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED AND REASONABLE DILIGENCE EXERCISED.—No tax shall be imposed by subsection (d) or (e) during any year for which it is established to the satisfaction of the Secretary that any person subject to liability for the tax under subsection (d) or (e) did not know, through no fault of such person, the facts necessary for it to be established that reasonable diligence was exercised to meet the requirements of subsection (e).

(2) TAX NOT TO APPLY WHERE FAILURES CORRECTED.—No tax shall be imposed by subsection (a) on any failure if—

(A) any person subject to liability for the tax under subsection (d) or (e) exercised reasonable diligence to meet the requirements of subsection (e), and

(B) such person provides the notice described in subsection (e) during the 30-day period beginning on the first day such person knew, or exercising reasonable diligence would have known, that such failure existed.

(3) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

(A) IN GENERAL.—If the person subject to liability for tax under subsection (d) or (e) exercised reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a fiscal year of the employer, the taxable period of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the single trust forms a part shall be treated as 1 plan.

(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this paragraph, if all persons who are treated as a single employer for purposes of this section do not have the same taxable year, the taxable year of the employer (or, in the case of a fiscal year of the employer, the taxable period of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the single trust forms a part shall be treated as 1 plan.

(4) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive or otherwise inequitable relative to the failure involved.

(A) any person subject to liability for tax under subsection (d) or (e) who was required to provide the benefit estimation tool kit described in paragraph (2)(B) to each applicable individual and who fails to do so, or who fails to provide such kit after the date on which notice under paragraph (1) is given to such applicable individuals;

(B) BENEFIT ESTIMATION TOOL KIT.—The benefit estimation tool kit described in this subparagraph shall include the following information:

(i) The actuarial assumptions necessary to estimate any early retirement reduction the rate of future benefit accrual, or the rate of future benefit accrual, or the value of any early retirement benefit or retirement-type subsidy (within the meaning of section 411(d)(6)(B)(v)) included in the lump sum distribution.

(ii) The formulas and actuarial assumptions necessary to estimate under both such plan terms a single life annuity at appropriate ages, and, when available, a lump sum distribution.

(iii) The interest rate used to compute a lump sum distribution and information on whether the value of any early retirement benefit or retirement-type subsidy is included in the lump sum distribution.

(5) NOTICE TO DESIGNEE.—The information required to be provided under this subsection shall be provided in a manner calculated to be reasonably understood by the average plan participant.

(6) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(A) APPLICABLE INDIVIDUAL.—

(i) each participant in the plan, and

(ii) any beneficiary who is an alternate payee (within the meaning of section 416(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(8)(A)), whose rate of future benefit accrual under the plan will change benefits for such classes of employees reasonably expected to be significantly reduced by such plan amendment.

(B) EXCEPTION FOR PARTICIPANTS WITH LESS THAN 1 YEAR OF PARTICIPATION.—Such term shall not include a participant who has less than 1 year of participation (within the meaning of section 411(b)(4)) under the plan as of the effective date of the plan amendment.

(C) NEW TECHNOLOGIES.—The Secretary may by regulation allow any notice under paragraph (1) or (2) of subsection (e) to be provided by using new technologies. Such regulations shall ensure that at least one option for providing such notice is not dependent on new technologies.

(D) CONFORMING AMENDMENT.—The tables of sections for chapter 41 of subpart C described by adding at the end the following new item:

"Sec. 4980F. Failure to provide notice of pension plan amendments reducing benefit accruals."

(b) AMENDMENT OF ERISA.—Section 204(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(h)) is amended to read as follows:

"(h)(1) A plan amendment is amended under subsection (a) to provide a significant reduction in the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

(A) sets forth a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual;

(B) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual;

(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual;

(D) includes a notice of each applicable individual’s right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

(2) If the plan administrator fails to make the amendment results in the significant restructuring of the plan benefit formula (as determined under regulations prescribed by the Secretary of the Treasury), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in paragraph (b)(2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

(E) includes a notice of each applicable individual’s right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

(3) If a plan amendment includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual, then the plan administrator shall provide a benefit estimation tool kit described in paragraph (b)(2)(B) to each applicable individual no later than the date required under paragraph (2)(A), and the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before the date which is 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

(F) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual;

(G) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual;

(H) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual.
 Internal Revenue Code of 1986, the plan administrator shall in no event be required to provide the benefit estimation tool kit to applicable individuals affected by the event before they have 12 months after the date on which notice under paragraph (1) is given to such applicable individuals.

(3) The benefit estimation tool kit described in paragraph (1) shall include the following information:

(i) Sufficient information to enable an applicable individual to estimate the individual’s benefits under the terms of the plan in effect both before and after the adoption of the amendment.

(ii) The formulas and actuarial assumptions used to make the determination of the value of early retirement benefits or retirement-type subsidy (within the meaning of subsection (g)(2)(A)) is understood by the average participant.

(iii) A minimum of 3 months after the date of the enactment of this Act, issues regulations relating to early retirement benefits or retirement-type subsidies described in section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(c)(2)(A) of the Employee Retirement Income Security Act of 1974.

(iv) Effective date—

(A) In general.—The amendments made by this section shall apply to plan amendments taking effect after the date of the enactment of this Act.

(B) Transition.—Until such time as the Secretary of the Treasury issues regulations under section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(c)(2)(A) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), the valuation referred to in paragraphs (9) of section 411(d)(6)(B)(i) of the Internal Revenue Code of 1986 and section 204(c)(2)(A) of the Employee Retirement Income Security Act of 1974, adjusted to reflect significant differences in participants.

(v) Notification.—The Secretary of the Treasury shall make a report on the effects of significant restructuring of plan benefit formulas of traditional defined benefit plans. Such study shall examine the effects of such restucturings on longer service participants, including the effects of "wear away" provisions under which participants earn no additional benefits for a period of time after restructuring. As soon as practicable, the Secretary shall submit such report, together with recommendations thereon, to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Education, Labor, and Pensions, Senate.

Subtitle F—Reducing Regulatory Burdens

SEC. 661. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) In General.—Paragraph (9) of section 412(c) (relating to annual valuation) is amended to read as follows:

(9) Annual valuation.

(A) In general.—Pursuant to this section, a determination of experience gains and losses and a valuation of the plan’s liability shall be made not less frequently than once every 3 years, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

(B) Valuation method.—

(i) Current year.—Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year in which the valuation refers or within one month prior to the beginning of such year.

(ii) Alternative method.—In any year in which the plan is a qualified plan under section 401(k) and which is not a year in which the plan is a defined benefit plan, the determination of experience gains and losses and a valuation of the plan’s liability shall be made not less frequently than once every 3 years, except that such determination shall be made more frequently to the extent required in particular cases under regulations prescribed by the Secretary.

Subtitle G—Making Employer Contributions More Efficient

SEC. 662. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DE- DUCTIBILITY.

(a) In General.—Section 444(c)(2)(A) (defining applicable dividends) is amended by striking "or" at the end of clause (ii), by redesignating clause (ii) as clause (iv), and by inserting after clause (ii) the following new clause:

(ii) Election to use prior year valuation.

(1) The valuation referred to in subparagraph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

(II) the election is in effect under this clause with respect to the plan, and

(III) the value of the assets of the plan are not less than 125 percent of the plan’s current liability (as defined in paragraph (7)(B)).

(b) Amendment of ERISA.—(9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting "(A) after "(9)", and

(2) by adding at the end the following:

(9) Except as provided in clause (ii), the valuation referred to in subparagraph (A) shall be made as of a date within the plan year prior to the year to which the valuation refers if—

(II) the election is in effect under this clause with respect to the plan, and

(III) the value of the assets of the plan are not less than 125 percent of the plan’s current liability (as defined in paragraph (7)(B)).

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.
This page contains legislative text discussing various provisions related to employer plans and employee benefit plans. The text covers topics such as the Tax Reform Act of 1993, the Small Business Job Protection Act of 1996, and the Taxpayer Relief Act of 1997. It discusses requirements for qualified plans, employer-provided retirement advice, and the extension of coverage to state and local plans. The text is a part of the Congressional Record, specifically for the Senate, dated May 17, 2001.
SEC. 681. MISSING PARTICIPANTS.

(a) In General.—Section 4010 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322) is amended by striking subsection (b) as redesignated by section 203 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)) and inserting after such section the following new subsection:

"(b) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator shall provide information with respect to benefits of a missing participant if the plan administrator, the plan sponsor, or any member of such controlled group did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees in the new single-employer plan.

"(1) Except as provided in section 4019(c), if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

"(ii) For purposes of this paragraph, the term 'substantially the same employees' means employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2001.

SEC. 682. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) New Plans.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(E) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the rate and in the same manner as interest is calculated for underpayments under paragraph (1)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 683. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR SMALL PLANS.

(a) In General.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended by adding at the end the following new subparagraph:

"(i) if the sponsor (or any member of such sponsor's controlled group) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

"(ii) For purposes of this paragraph, the term 'substantially the same employees' means employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 684. MODIFICATION OF ALLOCATION OF ASSETS AND INTEREST ON PREMIUM OVERPAYMENTS.

(a) IN GENERAL.—Section 4006(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)) is amended—

"(1) by striking "(b)" and inserting "(c)"; and

"(2) by inserting at the end the following new paragraph:

"(2) Modification of allocation of assets and interest on premium overpayments. The amendments made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 685. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) Modification of phase-in of guarantee.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(b) In the case of a participating sponsor, any amount accrued under this section shall equal the product of the amount determined under this section and the percentage specified in paragraph (1) under which an additional benefit (as defined in section 3(35)) maintained by the corporation or all the stock of that corporation shall be allocated among the employer (as so defined), the group of the employer, and any member of such group (not to exceed 1)."

"(c) OTHER THAN A GOVERNMENTAL OR CODE-DESCRIBED PROPERTY.—In the case of a participating sponsor, any amount accrued under this section shall equal the product of the amount determined under this section and the percentage specified in paragraph (1) under which an additional benefit (as defined in section 3(35)) maintained by the corporation or all the stock of that corporation shall be allocated among the employer (as so defined), the group of the employer, and any member of such group (not to exceed 1) the numerator of which is the number of years from the date of the adoption of the plan to the termination date, and the denominator of which is 10, and

"(ii) the amount of benefits that would be guaranteed under this section if the participating sponsor was not a major owner."

(b) Modification of allocation of assets —
SEC. 646. TAX TREATMENT OF ELECTING ALASKA NATIVE SETTLEMENT TRUSTS.

(a) In General.—If an election under this section is in effect with respect to any Settlement Trust during the period described in paragraph (2) of this section, the provisions of this section shall apply in determining the income tax treatment of the Settlement Trust and its beneficiaries with respect to the Settlement Trust.

(b) Taxation of Income of Trust.—Except as provided in subsection (c)(1)(B)(III)—

(1) In General.—There is hereby imposed on the taxable income of an electing Settlement Trust, other than its net capital gain, a tax at the lowest rate specified in section 1(c).

(2) Capital Gain.—In the case of an electing Settlement Trust with a net capital gain for the taxable year, a tax is hereby imposed on such capital gain at the rate of tax which would apply to such capital gain if the taxpayer were subject to a tax on its other taxable income at only the lowest rate specified in section 1(c).

(3) Period Election in Effect.—Except as provided in subsection (f), an election under this subsection—

(A) shall apply to the first taxable year described in paragraph (2)(A) and all subsequent taxable years, and

(B) may not be revoked once it is made.

(c) Contributions to Trust.—

(1) Beneficiaries of Electing Trust Not Taxed on Contributions.—In the case of an electing Settlement Trust, no amount shall be includible in the gross income of a beneficiary of such trust by reason of a contribution to such trust.

(2) Earnings and Profits.—The earnings and profits of an electing Settlement Trust shall be determined in accordance with section 705(b) of the Code.

(d) Tax Treatment of Distributions to Beneficiaries.—Distributions of property from an electing Settlement Trust during any taxable year shall be considered as having the following characteristics in the hands of the recipient beneficiaries—

(1) First, as amounts includable from gross income for the taxable year to the extent of the taxable income of such trust for such taxable year includable in gross income (not to any extent the tax paid by the trust with respect to the income) plus any amount excluded from gross income of the trust under section 103.

(2) Second, as amounts includable from gross income to the extent of the amount described in paragraph (1) for all taxable years for which an election is in effect under subsection (c) with respect to the trust, and not previously taken into account under paragraph (1).

(3) Third, as amounts distributed by the electing Settlement Trust with respect to its stock (within the meaning of section 301(a)) during such taxable year and taxable to the recipient beneficiary as amounts described in clause (2) and (3) of the preceding paragraph.

(e) Taxable Income.—For purposes of this section, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

(f) Special Rules Where Transfer Restrictions Modified.—

(1) Electing Trust.—The term ‘‘electing Settlement Trust’’ means a trust described in section 402(b)(6) as a trust described in section 402(b)(6) to which the provisions of this section apply.

(2) Treatment of Beneficial Interests.—If, at any time, a beneficial interest in an electing Settlement Trust may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)), if such interest is Settlement Common Stock—

(A) no election may be made under subsection (c) with respect to such trust, and

(B) if such an election is in effect as of such time—

(i) such election shall cease to apply as of the first day of the taxable year in which such disposition is first permitted,

(ii) the provisions of this section shall not apply to such trust for any taxable year and all taxable years thereafter, and

(iii) the distributable net income of such trust shall be increased by the current or accumulated earnings and profits of the sponsoring Native Corporation as of the close of such taxable year after proper adjustment is made for all distributions made by the sponsoring Native Corporation during such taxable year.

In no event shall the increase under clause (iii) exceed the fair market value of the assets immediately before the dispositions of beneficial interests in the trust. The earnings and profits of the sponsoring Native Corporation shall be adjusted as of the last day of such taxable year by the amount of earnings and profits so included in the distributable net income of the trust.

(2) Stock in Corporation.—If—

(A) stock in the sponsoring Native Corporation may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such stock were Settlement Common Stock, and

(B) at any time after such disposition of stock is first permitted, such corporation or other entity related to such corporation disposes of a beneficial interest in such trust to a person in a manner which would first permit such disposition of such beneficial interest and after such disposition the trust is disposed of in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if such interest were Settlement Common Stock—

(1) the proceeds of the disposition of the beneficial interest shall be treated as a gain realized by the trust and the proceeds of such disposition shall be treated as a capital gain realized by the trust.

(2) The trust and its beneficiaries shall be treated as a distributee of the amounts realized as gain and the trust’s proportionate share of such gain shall be treated as a capital gain realized by the trust.

(3) The trust shall not be treated as a corporate distribution subject to section 301(b), and for purposes of determining the amount of a distribution for purposes of paragraph (3) and the basis to the recipients, section 642(e) and subsection (c) shall apply.

(g) Taxable Income.—For purposes of this section, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

(h) Definitions.—For purposes of this section—

(1) Electing Settlement Trust.—The term ‘‘electing Settlement Trust’’ means a...
Settlement Trust which has made the election, effective for a taxable year, described in subsection (c).

(2) NATIVE CORPORATION.—The term ‘Native Corporation’ means a trust that constitutes a settlement trust under section 3(t) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(t)).

(3) SETTLEMENT COMMON STOCK.—The term ‘Settlement Common Stock’ has the meaning given such term by section 3(p) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(p)).

(4) SETTLEMENT TRUST.—The term ‘Settlement Trust’ means a trust that constitutes a settlement trust under section 3(t) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(t)).

(5) SPONSORING NATIVE CORPORATION.—The term ‘sponsoring Native Corporation’ means the Nation Corporation which transfers assets to an electing Settlement Trust.

(i) SPECIAL LOSS DISALLOWANCE RULE.—Any loss that would otherwise be recognized by a shareholder upon a disposition of a share of stock of a sponsoring Native Corporation shall be reduced (but not below zero) by the per share loss adjustment factor. The per share loss adjustment factor shall be the aggregate of all contributions to all electing Settlement Trusts sponsored by such Native Corporation made on or after the first day of the taxable year in which an electing Settlement Trust expressed on a per share basis and determined as of the day of each such contribution.

(j) CROSS REFERENCE—For information required with respect to electing Settlement Trusts and sponsoring Native Corporations, see section 6039H.

(b) REPORTING.—Subpart A of part III of subchapter F of chapter 61 of subpart A of subtitle D relating to information concerning persons subject to special provisions is amended by inserting after section 6039G the following new section:

SEC. 6039H. INFORMATION WITH RESPECT TO ALASKA NATIVE SETTLEMENT TRUSTS AND SPONSORING NATIVE CORPORATIONS.

(a) REQUIREMENT.—The fiduciary of an electing Settlement Trust (as defined in section 646(e)(1)) shall furnish such statement to the sponsoring Native Corporation which transferred assets to an electing Settlement Trust.

(b) APPLICATION WITH OTHER REQUIREMENTS.—The filing of any statement under this section shall be in lieu of the reporting requirements under section 6039A to furnish any information regarding amounts distributed to such beneficiary (and such other reporting rules as the Secretary deems appropriate).

(c) REQUIRED INFORMATION.—The information required under this subsection shall include—

(1) the amount of distributions made during the year for each beneficiary,

(2) the treatment of such distribution under the applicable provision of section 646, including the amount that is excludable from the recipient beneficiary’s gross income under section 646, and

(3) the amount (if any) of any distribution during such year that is deemed to have been made by the sponsoring Native Corporation (as defined in section 646(b)(5)).

(d) SPONSORING NATIVE CORPORATION.—

(1) IN GENERAL.—The electing Settlement Trust which transfers assets to an electing Settlement Trust shall file such statement to the sponsoring Native Corporation (as so defined).

(2) DISTRIBUTES.—The sponsoring Native Corporation shall furnish each recipient of a distribution described in section 646(e)(3) a statement containing the amount deemed to have been distributed to such recipient by such corporation for the taxable year.

(c) CLERICAL AMENDMENTS—

(1) The table of sections for subpart A of part I of subchapter F of chapter 1 of such Code is amended by adding at the end the following new section:

Sec. 646. Tax treatment of electing Alaska Native Settlement Trusts.

(2) The table of sections for subpart A of part III of subchapter A of chapter 61 of such Code is amended by inserting after the last section containing to section 6039G the following new item:

Sec. 6039H. Information with respect to Alaska Native Settlement Trusts and sponsoring Native Corporations.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act and to contributions made to electing Settlement Trusts for such year or any subsequent taxable year.

Subtitle I—Compliance With Congressional Budget Act

SEC. 605. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are effective on September 30, 2011, shall cease to apply as of the close of September 30, 2011.

TITLE VII—ALTERNATIVE MINIMUM TAX

Subtitle A—In General

SEC. 701. INCREASE IN ALTERNATIVE MINIMUM TAX AMOUNT.

(a) IN GENERAL.—

(1) Subparagraph (A) of section 55(d)(1) (relating to exemption amount for taxpayers other than corporations) is amended by striking “$45,000” and inserting “$35,750 in the case of taxable years beginning after December 31, 2010, and thereafter”.

(2) Subparagraph (B) of section 55(d)(1) (relating to exemption amount for taxpayers other than corporations) is amended by striking “$45,000” and inserting “$35,750”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

Subtitle B—Compliance With Congressional Budget Act

SEC. 811. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of September 30, 2011.
program. The amount of the exclusion shall be—

“(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

“(2) in the case of an adoption of a child with special needs, $10,000.”.

(b) Removal of Amendments—

(1) DOLLAR AMOUNT OF ALLOWED EXPENSES.—Section 23(b)(1) (relating to allowance of credit) is amended—

(i) by striking “$5,000” and inserting “$10,000”, and

(ii) by striking “(16) in the case of a child with special needs”, and

(iii) by striking “subsection (a)” and inserting “subsection (a)(1)”.

(2) PHASE-OUT LIMITATION.—

(A) Adoption expenses.—Clause (1) of section 23(c)(3) (relating to cost-of-living adjustment) is amended by striking “$75,000” and inserting “$150,000”. 

(B) Adoption assistance programs.—Section 337(b)(1) (relating to dollar limitations for adoption assistance programs) is amended by—

(i) by striking “$5,000” and inserting “$10,000”, and

(ii) by striking “(16) in the case of a child with special needs”, and

(iii) by striking “subsection (a)” and inserting “subsection (a)(1)”. 

(3) Year credit allowed.—Section 23(a)(2) (relating to phase-out of credit) is amended by adding at the end the following new sentence:—

“The term ‘eligible child’ means any individual who—

“(A) has not attained age 18, or

“(B) is physically or mentally incapable of caring for himself.”.

(4) Adoption credit.—Section 23(b)(1) (relating to adoption expenses) is amended by redesignating subsection (b) as subsection (i) and by inserting after such subsection the following new subsection:

“(h) Adjustments for inflation.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.”.

(5) Adoption assistance programs.—Section 137 (relating to adoption assistance programs) is amended by—

(a) inserting a new paragraph—

“(g) Adoption–

“(A) in general.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

‘(7) Special rule for certain contributions of literary, musical, or artistic compositions.—

‘(A) in general.—In the case of a qualified charitable contribution—

“(i) the amount of such contribution shall be the fair market value of the property contributed (determined at the time of such contribution), and

“(ii) no reduction in the amount of such contribution shall be made under paragraph (1).’

“(B) Qualified artistic charitable contribution.—For purposes of this paragraph, the term ‘qualified artistic charitable contribution’ means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the copyright for such property, but only if—

“(i) such property was created by the personal efforts of the taxpayer making such contribution no less than 18 months prior to such contribution,

“(ii) the taxpayer—

“(A) has received a qualified appraisal of the market value of such property in accordance with the regulations under this section, and

“(B) attaches to the taxpayer’s income tax return for the taxable year in which such contribution was made a copy of such appraisal,

“(iii) the donee is an organization described in section 170(c)(1)(A), and

“(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee’s exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under subsection (c)),

“(v) the taxpayer receives from the donee a written statement representing that the donee’s use of the property will be in accordance with the provisions of clause (iv), and

“(vi) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type as the donated property is or has been—

“owned, maintained, and dispensed by organizations described in subsection (b)(1)(A), and

“(II) sold to or exchanged by persons other than the taxpayer, the taxpayer’s spouse, or any related person (as defined in section 56(b)(3)(C)).

“(C) Maximum dollar limitation; no carryover of increased deduction.—The increase in the deduction under this section by reason of this paragraph for any taxable year—

“(I) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

“(II) shall not be taken into account in determining the amount which may be carried forward as a taxable year memorandum, or similar property which was written, prepared, or produced by or for an individual while the individual is an officer or employee of any person (including any government agency or instrumentality) unless such letter, memorandum, or similar property is entirely personal.

“(D) Copyright treated as separate property for partial interest rule.—In the case of a qualified artistic charitable contribution, the tangible literary, musical, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (f).

“(e) Effective date.—The amendment made by this subsection shall apply to contributions made after the date of the enactment of this Act in taxable years ending after such date.”.

SA 653. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the
began on page 19, strike line 8 and all that follows through page 20, line 12, and insert the following:

(1) by striking “$5,000” in subparagraph (A) and inserting therein “the dollar amount in effect under subparagraph (C) for the taxable year”;

(2) by adding “or” at the end of subparagraph (B);

(3) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case”;

(4) by striking paragraph (D).

(c) TECNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(c)(6), as amended by section 1(b)(1), is amended by inserting “or” after “other than with respect to sections” and all that follows through “shall be applied” and inserting “(other than with respect to sections 63(c)(4) and 151(d)(3)(A)) shall be applied”.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

“The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).”.

(b) EFFECTIVE DATE.—The amendments made by

Beginning on page 20, strike line 21 and all that follows through page 22, line 4, and insert the following:

“(8) ELIMINATION OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

“(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

(1) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be twice the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

(2) the corresponding percentage in the table contained in subsection (c) (after any other adjustment under this subsection) and

(3) the maximum taxable income amounts in the table contained in subsection (d) shall be 1/2 of the amounts determined under clause (1).

“(B) Rounding.—Any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.”.

SA 654. Mr. CONRAD (for himself and Mr. KENNEDY) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, as follows:

On page 9, strike all after line 11 and before line 15 and insert the following:

(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection in annual fiscal year in which such adjustment results in an on-budget surplus smaller than the Medicare HI trust fund surplus, the Secretary shall further adjust such tables to ensure that in such fiscal year the on-budget surplus is not less than such amount.”.

Beginning on page 19, strike line 8 and all that follows through page 20, line 12, and insert the following:

(1) by striking “$5,000” in subparagraph (A) and inserting therein “the dollar amount in effect under subparagraph (C) for the taxable year”;

(2) by adding “or” at the end of subparagraph (B);

(3) by striking “in the case of” and all that follows in subparagraph (C) and inserting therein “in any other case”;

(4) by striking paragraph (D).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(c)(6), as amended by section 1(b)(1), is amended by inserting “or” after “other than with respect to sections” and all that follows through “shall be applied” and inserting “(other than with respect to sections 63(c)(4) and 151(d)(3)(A)) shall be applied”.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

“The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).”.

(b) EFFECTIVE DATE.—The amendments made by

Beginning on page 20, strike line 21 and all that follows through page 22, line 4, and insert the following:

“(8) ELIMINATION OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

“(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

(1) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be twice the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

(2) the corresponding percentage in the table contained in subsection (c) (after any other adjustment under this subsection) and

(3) the maximum taxable income amounts in the table contained in subsection (d) shall be 1/2 of the amounts determined under clause (1).

“(B) Rounding.—Any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.”.

SA 655. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, which was ordered to lie on the table; as follows:

At the end add the following:

TITLE —SAVINGS OPPORTUNITY AND CHARITABLE GIVING

SEC. 01. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the “Savings Opportunity and Charitable Giving Act of 2001”.

(b) TABLE OF CONTENTS.—The table of contents is as follows:

TITLE —SAVINGS OPPORTUNITY AND CHARITABLE GIVING

Sec. 01. Short title; table of contents.

Subtitle A—Individual Development Accounts

Sec. 11. Findings and purposes.

Sec. 12. Definitions.

Sec. 13. Structure and administration of qualified individual development accounts.

Sec. 14. Procedures for opening and maintaining an Individual Development Account and qualified individual development account programs.

Sec. 15. Deposits by qualified individual development account programs.

Sec. 16. Withdrawal procedures.

Sec. 17. Certification and termination of qualified individual development account programs.

Sec. 18. Reporting, monitoring, and evaluation.

Sec. 19. Authorization of appropriations.

Sec. 20. Account established for purposes of certain means-tested Federal programs.

Sec. 21. Matching funds for Individual Development Accounts provided through a tax credit for qualified financial institutions.

Subtitle B—Charitable Giving Incentives

Sec. 31. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.

Sec. 32. Tax-free distributions from individual retirement accounts for charitable purposes.

Sec. 33. Charitable deduction for contributions of food inventory.

Subtitle C—Compliance With Congressional Budget Act.

Sec. 41. Sunset of provisions of title.

Sec. 42. Restoration of provisions of title.

Subtitle A—Individual Development Accounts

SEC. 11. FINDINGS AND PURPOSES.

(a) Findings.—Congress makes the following findings:

(1) For the vast majority of households the pathway to the economic mainstream and financial security is not through spending and consumption, but through saving, investing, and the accumulation of assets. Assets promote economic household stability, decrease economic strain on households, promote educational attainment, decrease material dissolution, decrease the risk of intergenerational poverty transmission, increase health and satisfaction among adults, increase property values, decrease residential mobility, increase property maintenance, and increase local civic involvement.

(2) One-third of all Americans have no assets available for investment and another 20 percent have only negligible assets. Assets are distributed far more unevenly than income. Whereas the top 20 percent of American households earn over 43 percent of all income, such households hold over 68 percent of net worth and almost 87 percent of net financial assets. Inequality and wealth gaps are even higher among minority households by a ratio of more than 11 to 1. Up to 20 percent of all households are underbanked and do not have access to basic financial tools that make asset accumulation possible.

(3) Public policy has contributed to large asset gaps in the United States, Traditinal public assistance programs based on income and consumption have rarely been successful in supporting the transition to economic self-sufficiency. Tax credits, such as the $288,000,000,000 in annual tax incentives, has helped lay the foundation for the great American middle class, but only for some citizens. Fully 90 percent of such current tax benefits accrue to households earning more than $50,000 per year, roughly half of all American households. Lacking an income tax liability, low-income working families cannot take advantage of asset development incentives. Moreover, low-income families seeking public assistance must first spend down their assets and face severe asset limits once on assistance.

(4) Individual Development Accounts, or IDA’s, have proven to be successful in helping low-income working families to accumulate assets. In one national demonstration project, 2,378 low-income families saved...
a total of $834,442 in one year which generated another $1,644,510 in private matching funds. Thus far, IDA savings have been used to purchase long-term, high-return assets, including housing, education, and small businesses. Presently, about 10,000 IDAs are in existence in the United States, held by a very small fraction of the at least 70 million Americans who are asset poor.

(5) Therefore, the Federal Government should support, through the tax code, a significant expansion of Individual Development Accounts so that millions of low-income working families across the country can save, accumulate assets, and move their lives forward, and thus make positive contributions to the economic and social well-being of the United States, as well as to its future.

(b) PURPOSES.—The purposes of this subtitle are to provide for the establishment of individual development account programs that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream;

(2) promote education, homeownership, and the development of small businesses;

(3) stabilize families and build communities; and

(4) support continued United States economic expansion.

SEC. 12. DEFINITIONS.

As used in this subtitle:

(I) INDIVIDUAL.

(A) IN GENERAL.—The term ‘‘eligible individual’’ means an individual who—

(i) has attained the age of 18 years but not the age of 61;

(ii) is a citizen or legal resident of the United States;

(iii) is not a student (as defined in section 151(c)(1)); and

(iv) is a taxpayer the adjusted gross income of whom for the preceding taxable year does not exceed

(1) $20,000, in the case of a taxpayer described in section 1(c) or 1(d) of the Internal Revenue Code of 1986;

(2) $25,000, in the case of a taxpayer described in section 1(b) of such Code; and

(3) $40,000, in the case of a taxpayer described in section 1(a) of such Code.

(B) INFLATION ADJUSTMENT.

(I) IN GENERAL.—In the case of any taxable year beginning after 2002, each dollar amount referred to in subparagraph (A)(i) shall be increased by an amount equal to—

(1) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ‘‘2001’’ for ‘‘1992’’.

(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount will be rounded to the nearest multiple of $50.

(II) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term Individual Development Account means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The sole owner of the account is the individual for whom the account was established;

(B) No contribution will be accepted unless it is in cash.

(C) The holder of the account is a qualified financial institution.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 16(b), any amount in the account may be paid out only for the qualified expenses of the account owner.

(III) PARALLEL ACCOUNT.—The term ‘‘parallel account’’ means a separate, parallel individual development account program established for an eligible individual, to which contributions are made in a total amount equal to the qualified expenses of the account owner.

(IV) QUALIFIED ACCOUNT.—The term ‘‘qualified account’’ means any account for which a qualified Individual Development Account is established, to the extent that the contributions to the account, and the qualified expenses paid from the account, meet the requirements of sections 121 through 126 of the Internal Revenue Code of 1986.

B) IN GENERAL.—The term ‘‘qualified expenses’’ means any of the following:

(i) Qualified higher education expenses.

(ii) Qualified first-time homebuyer costs.

(iii) Qualified business capitalization or expansion costs.

(iv) Qualified rollovers.

(V) Qualified final distribution.

(II) QUALIFIED HIGHER EDUCATION EXPENSES.—

(A) IN GENERAL.—The term ‘‘qualified higher education expenses’’ means any amount provided for in section 529(b)(1) of the Internal Revenue Code of 1986, determined by the Secretary of the Treasury by subtracting, from the amount so provided, the amount so provided which is in any State (as defined in section 530(c)(3) of such Act) as such sections are in effect on the date of the enactment of this Act.

(II) QUALIFIED BUSINESS EXPENSES.—

(A) IN GENERAL.—The term ‘‘qualified business expenses’’ means any expenses of a qualified business for which a qualified Individual Development Account or parallel account established for an eligible individual, to the extent that the contributions to the account, and the qualified expenses paid from the account, meet the requirements of sections 121 through 126 of the Internal Revenue Code of 1986.

(B) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term ‘‘qualified expense distribution’’ means any amount paid (including through electronic payments) or delivered (including by electronic delivery) to a qualified Individual Development Account and a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner’s spouse or dependents, as approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe;

(ii) is paid by the qualified financial institution, qualified nonprofit organization, or Indian tribe;

(iii) is not otherwise provided in this clause, directly or indirectly, to any other party the amount of which is due, or

(iv) in the case of distributions for working capital purposes (as defined in subparagraph (B)(iv)(IV)), directly to the account owner;

(III) in the case of any qualified rollover, directly to another Individual Development Account and parallel account; or

(IV) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased account owner; and

(B) QUALIFIED Rollovers.—The term ‘‘qualified rollover’’ means the complete distribution of the amounts in an Individual Development Account and a parallel account established for an eligible individual, to the extent that the contributions to the account, and the qualified expenses paid from the account, meet the requirements of sections 121 through 126 of the Internal Revenue Code of 1986.
qualified financial institution, qualified nonprofit organization, or Indian tribe for the benefit of the account owner.

(vi) QUALIFIED FINAL DISTRIBUTION.—The term ‘qualified final distribution’ means, in the case of a deceased account owner, the complete distribution of the amounts in an Individual Development Account and parallel account to the spouse, any dependent, or other named beneficiary of the deceased.

(9) SECRETARY.—The term ‘Secretary’ means the Secretary of the Treasury.

SEC. 13. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development account programs which meet the requirements of this subtitle.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 14.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 15.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution, a qualified nonprofit organization, or an Indian tribe may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses described in section 14.

(c) DEPOSIT OF MATCHING FUNDS INTO INDIVIDUAL DEVELOPMENT ACCOUNTS.—

(2) DIRECT DEPOSITS.—The Secretary may, under regulations, provide for the direct deposit of any portion (not less than $1) of any qualified expenses, but shall forfeit a proportionate amount of matching funds from the individual’s parallel account by doing so, unless such withdrawn funds are re-contributed to such Account by September 30 following the withdrawal.

(3) WITHDRAWALS FROM ACCOUNTS OF NON-ELIGIBLE INDIVIDUALS.—If the individual for whom an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 15(b)(1)(A) during the period—

(1) beginning on the first day of the taxable year of such individual following the beginning of such ineligibility, and

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(d) TAX TREATMENT OF MATCHING FUNDS.—Any amount withdrawn from a parallel account shall not be includable in the gross income of the individual.

(e) WITHDRAWAL LIABILITY RESTS ONLY WITH ELIGIBLE INDIVIDUALS.—Nothing in this subtitle may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this subtitle related to withdrawals from Individual Development Accounts.

SEC. 14. PROCEDURES FOR OPENING AND MAINTAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual may open an Individual Development Account with a qualified financial institution, a qualified nonprofit organization, or an Indian tribe upon certification that such individual is not a member of another Individual Development Account (other than an Individual Development Account established for the benefit of an Individual Development Account owner who obtains the benefit of an Individual Development Account account owner who obtains the benefit of an Individual Development Account established for the benefit of such individual).

(b) QUALIFICATION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw funds to pay qualified expenses, owners of Individual Development Accounts must complete a financial education course offered by a qualified financial institution, a qualified nonprofit organization, an Indian tribe, or a government entity.

(2) STANDARD AND APPLICABILITY OF COURSE.—In consultation with representatives of qualified individual development account programs and financial educators, shall establish minimum quality standards for the contents of financial education courses and providers of such courses offered under paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) because of hardship or lack of need.

(c) PROOF OF STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal income tax forms from the preceding year (or in the absence of such forms, such documentation as specified by the Secretary proving the eligible individual’s adjusted gross income and the status of the individual’s spouse, if applicable) shall be presented to the qualified financial institution, qualified nonprofit organization, or Indian tribe at the time of the establishment of the Individual Development Account and in any taxable year in which contributions are made to the Account to qualify for matching funds under section 15(b)(1)(A).

(d) DIRECT DEPOSITS.—The Secretary may, under regulations, provide for the direct deposit of any portion (not less than $1) of any qualified expenses, but shall forfeit a proportionate amount of matching funds from the Individual Development Account and parallel account of such individual.

SEC. 15. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development accounts for purposes other than to pay qualified expenses, but shall forfeit a proportionate amount of matching funds from the individual’s parallel account by doing so, unless such withdrawn funds are re-contributed to such Account by September 30 following the withdrawal.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—In the case of an Individual Development Account owner who may unilaterally withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit a proportionate amount of matching funds from the individual’s parallel account by doing so, unless such withdrawn funds are re-contributed to such Account by September 30 following the withdrawal.

(c) WITHDRAWALS FROM ACCOUNTS OF NON-ELIGIBLE INDIVIDUALS.—If the individual for whom an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 15(b)(1)(A) during the period—

(1) beginning on the first day of the taxable year of such individual following the beginning of such ineligibility, and

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(d) TAX TREATMENT OF MATCHING FUNDS.—Any amount withdrawn from a parallel account shall not be includable in the gross income of the individual.

(e) WITHDRAWAL LIABILITY RESTS ONLY WITH ELIGIBLE INDIVIDUALS.—Nothing in this subtitle may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this subtitle related to withdrawals from Individual Development Accounts.

SEC. 17. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION OF PROGRAMS.—The Secretary may, in establishing a qualified individual development account program under section 13, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 13(b)(1) are operating pursuant to all of the provisions of this subtitle; and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines in section 13 that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this subtitle is not operating a qualified individual development account program in accordance with the requirements of this subtitle (and has not implemented any corrective recommendations required by the Secretary), the Secretary shall terminate such institution’s, nonprofit organization’s, or Indian tribe’s authority to
conduct the program. If the Secretary is unable to identify a qualified financial institution, a qualified nonprofit organization, or an Indian tribe to assume the authority to conduct the program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account maintained by such individual as of the first day of such termination.

SEC. 18. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS, QUALIFIED NONPROFIT ORGANIZATIONS, AND INDIAN TRIBES.—Each qualified financial institution, qualified nonprofit organization, and Indian tribe that operates a qualified individual development account program under section 13 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of eligible individuals making contributions into Individual Development Accounts;

(2) the amounts contributed into Individual Development Accounts and deposited into parallel accounts for matching funds;

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn;

(4) the balances remaining in Individual Development Accounts and parallel accounts; and

(5) such other information needed to help the Secretary monitor the cost and outcomes of the qualified individual development account programs.

(b) RESPONSIBILITIES OF THE SECRETARY.—(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 13.

(2) ANNUAL REPORTS.—In each year after the date of the enactment of this Act, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall describe the progress made in implementing the qualified individual development account programs information on—

(A) the characteristics of participants, including income level, race or ethnicity, marital status, number of children, employment status, and monthly income;

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics;

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs; and

(D) variation on program implementation and administration, especially on problems encountered and how problems were solved.

SEC. 19. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2002 and for each fiscal year through 2005 for the purposes of implementing this subtitle, including the reporting, monitoring, and evaluation required under section 18, to remain available until expended.

SEC. 20. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANING TESTED FEDERAL PROGRAMS.

Notwithstanding other provisions of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, an amount equal to the sum of—

(1) all amounts (including earnings thereon) in any Individual Development Account; plus

(2) the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account,

shall be disregarded for purposes of such purposes.

SEC. 21. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by inserting after section 30A the following new section:

"SEC. 30B. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS."

"(a) DETERMINATION OF AMOUNT.—There shall be allowed as a credit against the applicable tax for the taxable year an amount equal to the individual development account investment provided by an eligible entity during the taxable year atmosphere under an individual development account program established under section 13 of the Savings Opportunity and Charitable Giving Act of 2001.

"(b) APPLICABILITY.—For purposes of this section, the term 'applicable tax' means the excess (if any) of—

"(1) the tax imposed under this chapter (other than this section) and subpart D of subchapter B relative to taxes on the excess (if any) of—

"(A) the aggregate amount of dollar-for-dollar matches under such program under section 15(b) of the Savings Opportunity and Charitable Giving Act of 2001 for such taxable year, plus

"(B) an amount equal to the sum of—

"(i) with respect to each Individual Development Account opened during such taxable year, $100, plus

"(ii) with respect to each Individual Development Account maintained during such taxable year, $30, plus

"(2) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2001, and before January 1, 2009, the amount specified in paragraph (1)(B) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(b)(3) for the calendar year in which the taxable year begins, by substituting '2001' for '1992'.

"(B) Rounding.—If any amount as adjusted under subparagraph (A) is not a multiple of $5, such amount shall be rounded to the nearest multiple of $5.

"(c) ELIGIBLE ENTITY.—For purposes of this section, the term 'eligible entity' means a qualified financial institution, or 1 or more contractual relationships of such an institution as defined by the Secretary in regulations.

"(d) OTHER DEFINITIONS.—For purposes of this section, any term used in this section and defined elsewhere in this Act and in the Savings Opportunity and Charitable Giving Act of 2001 Act shall have the meaning given such term by such Act.

"(e) DENIAL OF DOUBLE BENEFIT.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account in determining the credit under this section.

"(f) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (h)) in cases where there is a forfeiture under section 16(b) of the Savings Opportunity and Charitable Giving Act of 2001 Act in a subsequence taxable year of which was taken into account in determining the amount of such credit.

"(g) APPLICATION OF SECTION.—This section shall apply to any expenditure made in any taxable year beginning after December 31, 2001, and before January 1, 2009, with respect to Individual Development Account opened before January 1, 2007.

"(h) CONFORMING AMENDMENT.—The table of sections for part IV of subchapter A of chapter 1, as added by subsection (a) and by inserting after the item relating to section 30A the following new item:

"SEC. 30B. Individual development account investment credit for qualified financial institution.

"(i) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Subtitle B—Charitable Giving Incentives

SEC. 31. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

"(1) IN GENERAL.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a deduction under section 170 an amount (as adjusted under subsection (b) of section 63) an amount equal to the applicable percentage of the excess of the amount allowable under subsection (a) for the taxable year over such amount.

"(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the applicable percentage shall be determined under the following table:

In the case of taxable years beginning in—

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>15%</td>
</tr>
<tr>
<td>2002</td>
<td>16%</td>
</tr>
<tr>
<td>2003</td>
<td>17%</td>
</tr>
<tr>
<td>2004</td>
<td>18%</td>
</tr>
<tr>
<td>2005</td>
<td>19%</td>
</tr>
<tr>
<td>2006</td>
<td>20%</td>
</tr>
<tr>
<td>2007 and thereafter</td>
<td>21%</td>
</tr>
</tbody>
</table>

This section—

"(A) in the case of an individual, and

"(B) in the case of a joint return,

"is effective for contributions made after the date of the enactment of this Act by an individual who do not itemize deductions.
‘‘(g) Direct Charitable Deduction.—For purposes of this section, the term ‘direct charitable deduction’ means that portion of the amount allowable under section 170(a) which is attributable to a direct charitable deduction for the taxable year under section 170(m).’’.

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 is amended by striking “and” at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting “; and”, and by adding at the end the following new paragraph:—

“(3) the direct charitable deduction.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 32. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) In General.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

“(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

“(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c).

“(B) SPECIAL RULES RELATING TO CHARITABLE PURPOSES, POOL INCOME FUNDS, AND CHARITABLE GIFTS ANNUITIES.—

“(i) In General.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account—

“(I) to a charitable remainder unitrust or a charitable remainder annuity trust (as such terms are defined in section 643(d)),

“(II) to a pooled income fund (as defined in section 642(c)(5)), or

“(III) for the issuance of a charitable gift annuity (as defined in section 503(m)(5)).

“The preceding sentence shall apply only if no person holds an income interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

“(i) Determination of Inclusion of Amounts Distributed.—In determining the amount includible in the gross income of any person with respect to a qualified charitable distribution from a trust referred to in clause (1)(I) or a charitable gift annuity (as so defined), the portion of any qualified charitable distribution in such case shall be determined without regard to this subsection, and the amount on which a tax is determined under subsection (b) shall be determined without regard to this subsection.

“(ii) Without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

“(iii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

“(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

Title I—Compliance With Congressional Budget Act

SEC. 41. SUNSET OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which are in effect on September 30, 2011, shall cease to apply as of the close of such fiscal year.

Title IV—Restoration of Provisions of Title

SEC. 42. RESTORATION OF PROVISIONS OF TITLE.

All provisions of, and amendments made by, this title which were terminated under section 41 shall begin to apply again as of October 1, 2011, as provided in each such provision or amendment.

Mr. Gregg, Mr. Ensign, Mr. Allard, Mr. Kyl, Mr. Bunning, and Mr. Allen] submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, as follows:

At the end of subtitle A of title VIII, add the following:

(a) REDUCTION IN MAXIMUM RATE.—The following sections are each amended by striking “20 percent” and inserting “15 percent”:—

(1) Section 1(h)(1)(C).

(2) Section 59(b)(1)(C).

(3) Section 148(f)(1).

(4) The second sentence of section 7521(a)(4).


(b) TRANSITION RULES FOR TAXABLE YEARS WHICH INCLUDE JUNE 1, 2001.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes June 1, 2001—

(1) The amount of tax determined under subparagraph (b) of section 1(h)(1)(A) of such Code shall be the sum of—

(A) 10 percent of the lesser of—

(i) the net capital gain taken into account on the basis of such contribution for the portion of the taxable year on or after such date (determined without regard to collectibles gain or loss), gain described in section 1(h)(1)(A)(1) of such Code, and section 1202 gain, or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section (1)(h)(1)(A) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

For purposes of applying section 56(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

(4) In applying this subsection with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(c) EFFECTIVE DATES.—

(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales or exchanges made on or after June 1, 2001, and in taxable years beginning before January 1, 2003.
(2) Withholding.—The amendment made by subsection (a)(3) shall apply to amounts paid on or after June 1, 2001.

SA 657. Mr. GREGG submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

SEC. 804. TEMPORARY REDUCTION IN CAPITAL GAINS RATE.

(a) Reduction in Maximum Rate.—The following sections are each amended by striking “20 percent” and inserting “15 percent”:

(1) Section 1(h)(1)(C).
(2) Section 55(b)(3)(C).
(3) Section 1445(e)(1).

(b) Transition Rules.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes the date of the enactment of the Restoring Earnings To Lift Individuals and Empower Families (RELEAF) Act of 2001—

(1) the amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 10 percent of the lesser of—

(i) the net capital gain taking into account only gain or loss properly taken into account for the taxable year on or after such date (determined without regard to collectibles gains or loss, gain described in section (1)(h)(6)(A)(i) of such Code, and section 241 gain), or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section 1(h)(1) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) For purposes of applying section 55(b)(3)(C) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

(4) In applying this subsection with respect to any pass-through entity, the determinatives of when gains and loss are properly taken into account shall be made at the entity level.

(5) Terms used in this subsection which are also used in section 1(h)(1)(B) of such Code shall have the respective meanings that such terms have in such section.

(c) Effective Date.—(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales or exchanges made—

(A) on or after the date of the enactment of this Act, and

(B) in taxable years beginning before January 1, 2002.

(2) Withholding.—The amendment made by subsection (a)(3) shall apply to amounts paid after the date of the enactment of this Act.

SA 658. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII, add the following:

SEC. 412. INCREASE IN INCOME LIMITATION ON STUDENT LOAN INTEREST DEDUCTION.

(a) Increase in Income Limitation.—Section 221(b)(2)(B) (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

‘‘(i) the excess of—

(1) the taxpayer’s modified adjusted gross income for such taxable year, over

(2) $50,000 ($100,000 in the case of a joint return), bears to

(ii) $15,000 ($30,000 in the case of a joint return).’’

(b) Conforming Amendment.—Section 221(g)(1) is amended by striking ‘‘$40,000 and $60,000 amounts’’ and inserting ‘‘$50,000 and $100,000 amounts’’.

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 2005.

On page 53, line 12, strike ‘‘$3,000’’ and insert ‘‘$2,000,000’’.

On page 53, line 21, after ‘‘$5,000’’ insert ‘‘$3,000’’.

On page 311, line 10, strike ‘‘$49,000’’ and insert ‘‘$48,000 in the case of 2004.’’.

On page 311, line 16, strike ‘‘$35,750’’ and insert ‘‘$35,250’’.

SA 660. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, in the matter between lines 11 and 12, strike ‘‘7.6%’’, and in the item relating to 2005 and 2006 and insert ‘‘38.6%’’, and strike ‘‘36%’’, and in the item relating to 2007 and thereafter and insert ‘‘38.6%’’.

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN MAXIMUM TAXABLE INCOME FOR 15 PERCENT RATE BRACKET.

Section 1(f) (relating to adjustments in tax tables so that inflation will not result in tax increases), as amended by section 302, is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D),

(B) by inserting after subparagraph (A) the following:

‘‘(B) the case of the tables contained in subsections (a), (b), (c), and (d), by increasing the maximum taxable income level for the 15 percent rate bracket otherwise determined under the applicable dollar amount for such calendar year,’’,

and

(C) by striking ‘‘subparagraph (A)’’ in subparagraph (C) (as so redesignated) and inserting ‘‘subparagraphs (A) and (B)’’,

and

(2) by adding at the end the following:

‘‘(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (2)(B), the applicable dollar amount for any calendar year shall be determined as follows:

(A) Joint Returns and Surviving Spouses.—In the case of the table contained in subsection (a)—

Applicable Dollar Amount:

Calendar year: 2006 ...

$3,000

2007 ...

$4,000

2008 ...

$5,000

2009 and thereafter ...

$6,000.

(B) Other Tables.—In the case of the table contained in subsection (b), (c), or (d)—

Applicable Dollar Amount:

Calendar year: 2006 ...

$50,000

2007 ...

$60,000

2008 ...

$70,000

2009 and thereafter ...

$80,000.

Total:

$220,000.

The amendment made by this section shall apply to taxable years beginning after December 31, 2005.''

SA 5168. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 481, to extend the temporary moratorium on imposition of taxes on the Internet.

Section 1101(a) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681-719) is amended by striking ‘‘3 years’’ and inserting ‘‘6 years’’.

On page 7518(g)(6)(A).
SA 661. Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 903. INCREASED FUNDING FOR VETERANS HOSPITAL, CARE AND MEDICAL SERVICES.

Notwithstanding any other provision of law, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $1,700,000,000 for fiscal year 2002 for purposes of providing hospital care and medical services to veterans under chapter 17 of title 38, United States Code.

SA 662. Mr. INOUYE (for himself and Mr. AKAKA) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1. TREATMENT OF CERTAIN HOSPITAL SUPPORT ORGANIZATIONS AS QUALIFIED ORGANIZATIONS FOR PURPOSES OF DETERMINING ACQUISITION INDEBTEDNESS.

(a) In General.—Subparagraph (C) of section 514(c)(9) (relating to real property acquired) is amended—

(1) by striking "or" at the end of clause (ii),

(2) by inserting "and," at the end of clause (ii), and

(3) by striking "section 139 and inserting the following:

(ii) and inserting the end the following new clause:

"(ii) Special rules for closely held businesses with 16 to 75 partners or shareholders.—If the executor elects the benefits of this paragraph, then, for purposes of this section—

"(A) interest as a partner in a partnership treated as an interest in a closely held business if the partnership had more than 15 but no more than 75 partners and the interest of the decedent in such partnership described in subparagraph (C) of section (a) with respect to the sale of a low-to-moderate income building shall not exceed the amount of the gain recognized on the disposition described in clause (ii), reduced (but not below zero) by the amount determined under clause (iii); and

"(B) Stock in a corporation treated as an interest in a closely held business if the corporation had more than 15 but no more than 75 shareholders.

"(ii) Special rules for closely held businesses with 16 to 75 partners or shareholders.—If the executor elects the benefits of this paragraph, then, for purposes of this section—

"(A) interest as a partner in a partnership treated as an interest in a closely held business if the partnership had more than 15 but no more than 75 partners and the interest of the decedent in such partnership described in subparagraph (C) of section (a) with respect to the sale of a low-to-moderate income building shall not exceed the amount of the gain recognized on the disposition described in clause (ii), reduced (but not below zero) by the amount determined under clause (iii); and

"(B) Stock in a corporation treated as an interest in a closely held business if the corporation had more than 15 but no more than 75 shareholders.

"(iii) Amount of reduction.—The amount determined under this clause for any taxable year is the amount which bears the same ratio to the dollar amount determined in the table contained in clause (ii) for such taxable year as—

"(1) the excess of—

"(a) the taxpayer’s adjusted gross income for such taxable year, over

"(b) $65,000 ($80,000 in the case of a joint return filed by a head of household (as defined in section 2(b)), and $130,000 in the case of a joint return), bears to

"(ii) $10,000 ($20,000 in the case of a joint return).

On page 59, line 3, strike "$500" and insert "$1000."

Strike section 511 relating to reductions of estate and gift tax rates.

SA 665. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 3. PARTIAL EXCLUSION OF GAIN FROM SALE OF LOW-TO-MODERATE INCOME HOUSING.

(a) In General.—Part III of subsection B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

SEC. 139. CERTAIN GAIN FROM SALE OF LOW-TO-MODERATE INCOME HOUSING.

"(a) In General.—Gross income shall not include the gain from the sale of any qualified low-to-moderate income building made during the taxable year.

"(b) Qualified Low-to-Moderate Income Building.—For purposes of this section—

"(1) In General.—The term ‘qualified low-to-moderate income building’ means any building which is part of a qualified low-to-moderate income development project.

"(2) Qualified Low-to-Moderate Income Development Project.—

"(A) In General.—The term ‘qualified low-to-moderate income development project’ means any development project of 1 or more qualified low-to-moderate income buildings located in an eligible urban area if 40 percent or more of the residential units in such development project are occupied by individuals whose income is 100 percent or less of area median gross income.

"(B) Eligible Urban Area.—The term ‘eligible urban area’ means an area which is eligible under section 2(b)(3) (as defined in paragraphs (2) and (3) of section 134(b), respectively).

(c) Limitation.—The amount of gain which may be taken into account under subsection (a) with respect to the sale of a low-to-moderate income building shall not exceed $13,000 for each low-to-moderate income unit in such building.

(b) Conforming Amendment.—The table of sections for part III of subsection B of chapter 1 is amended by striking the item relating to section 138 and inserting the following new items:

Sec. 139. Certain gain from sale of low-to-moderate income housing;

Sec. 140. Credits and other Acts.

(c) Effective Date.—The amendments made by this section shall apply sales in taxable years beginning after the date of the enactment of this Act for five years.

SA 666. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section
104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. 803. MISCONDUCT OF INTERNAL REVENUE SERVICE EMPLOYEES. (a) DISCIPLINE OR TERMINATION OF EMPLOYMENT FOR MISCONDUCT. (1) In general.—Notwithstanding any other law, the Commissioner of Internal Revenue may impose discipline up to and including termination of the employment of any employee of the Internal Revenue Service if there is a final administrative or judicial determination that such employee committed any act or omission described under subsection (b) in the performance of the employee’s official duties. Such termination shall be a removal for cause on charges of misconduct.

(b) ACTS OR OMISSIONS.—The acts or omissions referred to under subsection (a) are—

(1) willful failure to obtain the required approvals or signatures on documents authorizing the seizure of a taxpayer’s home, personal belongings, or business assets;

(2) willfully providing a false statement under oath or in connection with a matter involving a taxpayer or taxpayer representative;

(3) with respect to a taxpayer, taxpayer representative, or other employee of the Internal Revenue Service, the willful violation of—

(A) any right under the Constitution of the United States or any treaty of the United States;

(B) any civil right established under—

(i) title VI or VII of the Civil Rights Act of 1964;

(ii) title IX of the Education Amendments of 1972;

(iii) the Age Discrimination in Employment Act of 1967;

(iv) the Age Discrimination Act of 1975; or

(v) section 501 or 504 of the Rehabilitation Act of 1973;

(vi) title VIII of the Americans with Disabilities Act of 1990;

(f) willfully falsifying or destroying documents to conceal mistakes made by any employee with respect to a matter involving a taxpayer or taxpayer representative;

(g) willful assault or battery on a taxpayer, taxpayer representative, or other employee of the Internal Revenue Service, but only if there is a criminal conviction, or a final judgment by a court in a civil case, with respect to the assault or battery;

(h) willful violations of the Internal Revenue Code of 1986, Department of Treasury regulations, or policies of the Internal Revenue Service (including the Internal Revenue Manual or purpose of retailing against, or harassing, a taxpayer, taxpayer representative, or other employee of the Internal Revenue Service;

(i) willful violation of the provisions of section 6103 of the Internal Revenue Code of 1986 for the purpose of concealing information from a congressional inquiry;

(j) willful understatement of Federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect;

(k) willfully threatening to audit a taxpayer for the purpose of extracting personal gain or benefit.

(c) NO APPEAL.—Any determination of the Commissioner made under subsection (a) may not be appealed in any administrative or judicial proceeding.

“(d) DEFINITION.—For purposes of the provisions described in clauses (1), (ii), and (iv) of subsection (b)(3)(B), references to a program or activity receiving Federal financial assistance to an education program or activity receiving Federal financial assistance shall include any program or activity conducted by the Internal Revenue Service for a taxpayer.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to acts or omissions occurring on or after the date of enactment of this Act.

SA 667. Mr. TORRICELLLl submitted an amendment intended to be proposed by him to the bill H.R. 1336, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, add the following:

SEC. 1203. DISCIPLINE OR TERMINATION OF EMPLOYMENT FOR MISCONDUCT.

(a) IN GENERAL.—Section 24(b) (relating to limitation based on adjusted gross income), as amended by section 201, is amended by—

(1) striking “$55,000” in paragraph (2)(C) and inserting “one-half the amount in subparagraph (A),” and

(2) by adding at the end of the following new paragraph:

“(d) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2001, the dollar amount contained in paragraph (3)(A) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(h)(3)(F) for the calendar year in which the taxable year begins, by substituting “calendar year 2000” for “calendar year 1992.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 668. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill H.R. 1336, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle A of title VIII, add the following:

SEC. 1002. LIMITATION ON INCOME PHASEOUT.

(a) IN GENERAL.—Section 1706(b)(1) and (b)(2) are amended by inserting “50 percent” in place of “30 percent”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 669. Mr. SCHUMER (for himself, Mr. BIDEN, Mr. BAYH, Mr. LIEBERMAN, Mr. DURBIN, Mr. TORRICELLLl, Mrs. CLINTON, Mr. DASCHLE, Ms. STABEONOW, and Mr. DAYTON) proposed an amendment to the bill H.R. 1336, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 54, between lines 4 and 5, insert the following:

“(C) 2006 THROUGH 2011—

(1) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010, or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

(i) APPLICABLE DOLLAR AMOUNT.—

(ii) AMOUNT OF RECONCILIATION AND REDUCTION.

(iii) AMOUNT OF RECONCILIATION.

(b) APPROPRIATION FOR RECONCILIATION.

(iv) APPROPRIATION FOR RECONCILIATION.

SA 670. Mr. FITZGERALD (for himself, Mr. SCHUMER, Mr. JEFFORDS, Mrs. CLINTON, Mr. MCCAIN, Mr. TORRICELLLl, Mr. DOMENICI, Mr. ALLEN, Mr. DURBIN, Mr. SMITH of Oregon, Mr. SPECTER, and Mr. NELSON of Florida) proposed an amendment to the bill H.R. 1336, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 68, strike lines 1 through 3.

SA 671. Mr. FITZGERALD (for himself, Mr. SCHUMER, Mr. JEFFORDS, Mrs. CLINTON, Mr. MCCAIN, Mr. TORRICELLLl, Mr. DOMENICI, Mr. ALLEN, Mr. DURBIN, Mr. SMITH of Oregon, Mr. SPECTER, and Mr. NELSON of Florida) proposed an amendment to the bill H.R. 1336, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 68, strike lines 1 through 3.

SA 672. Mr. SCHUMER (for himself, Mr. BIDEN, Mr. BAYH, Mr. LIEBERMAN, Mr. DURBIN, Mr. TORRICELLLl, Mrs. CLINTON, Mr. DASCHLE, Ms. STABEONOW, and Mr. DAYTON) proposed an amendment to the bill H.R. 1336, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 54, between lines 4 and 5, insert the following:

“(C) 2006 THROUGH 2011—

(1) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010, or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

(i) APPLICABLE DOLLAR AMOUNT.—

(ii) AMOUNT OF RECONCILIATION AND REDUCTION.

(iii) AMOUNT OF RECONCILIATION.

(b) APPROPRIATION FOR RECONCILIATION.

(iv) APPROPRIATION FOR RECONCILIATION.
SEC. 5672. MR. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 55, strike lines 17 through 21, and insert:

(1) QUALIFIED TUITION AND RELATED EXPENSES.

(A) IN GENERAL.—The term ‘qualified tuition and related expenses’ has the meaning given such term by section 25A(t). Such expenses shall be reduced in the same manner as under section 25A(g)(2).

(B) SPECIAL RULES FOR COMPUTERS AND INTERNET ACCESS FOR ELEMENTARY AND SECONDARY SCHOOL STUDENTS.

(i) IN GENERAL.—Except as provided in this paragraph, the term ‘qualified tuition and related expenses’ includes, in the case of an individual who maintains a household which includes as a member one or more qualifying students, amounts paid or incurred for computer technology or equipment.

(ii) LIMITATION.—The amount of expenses under clause (i) which may be taken into account under subsection (a)(3)(B) for any taxable year shall not exceed $1,000, reduced by the amount of expenses taken into account under clause (i) during the preceding 2 taxable years in connection with the purchase of a computer.

(iii) QUALIFYING STUDENT.—For purposes of this subparagraph, the term ‘qualifying student’ means a dependent of the taxpayer (within the meaning of section 152) who is enrolled in school on a full-time basis.

(iv) COMPUTER TECHNOLOGY OR EQUIPMENT.—For purposes of the term ‘computer technology or equipment’, the term ‘computer technology or equipment’ has the meaning given such term by section 170(e)(6)(F)(1) and includes Internet access and related services.

(v) SCHOOL.—For purposes of this subparagraph, the term ‘school’ means any public, charter, private, religious, or home school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.

SA 673. MR. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002 which was ordered to lie on the table; as follows:

On page 51, lines 3 and 4, strike “computer equipment (including related software and services)”.

On page 31, line 10, strike “and”.

On page 31, line 17, strike the end period and insert “;”.

On page 31, between lines 17 and 18, insert: “(iii) expenses for the purchase of any computer technology or equipment (as defined in section 170(e)(6)(F)(1)) or Internet access and related services, if such technology, equipment, or services are to be used by the beneficiary and the beneficiary’s family during any of the years the beneficiary is in school.”

SA 674. MRS. CARNAHAN (for herself and Mr. DASCHLE) proposed an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, strike lines 5 through 12 and insert the following:

(1) EXPENSES IN RATES AFTER 2001.

(A) IN GENERAL.—Each rate of tax (other than the 10 percent rate) in the tables under...
subsections (a), (b), (c), (d), and (e) shall be reduced by 1 percentage point for taxable years beginning during a calendar year after the trigger year.

"(B) TRIGGER YEAR.—For purposes of subparagraph (A), the trigger year is—

"(i) 2002, in the case of the 15 percent rate,

"(ii) 2003, in the case of the 20 percent rate,

"(iii) 2004, in the case of the 31 percent rate,

"(iv) 2005, in the case of the 36 percent rate, and

"(v) 2006, in the case of the 39.6 percent rate.

"(3) ADJUSTMENT OF TABLES.—The Secretary.

SA 675. Ms. COLLINS (for herself, Mr. WARNER, Mr. COCHRAN, Ms. LANDRIEU, Mr. ALLEN, Mr. SMITH of Oregon, Mr. HARKIN, Ms. MIKULSKI, Mr. REED, Mr. HUTCHINSON, Mr. DODD, and Mr. ENZI) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, as follows:

At the end of title IV, add the following:

Subtitle E—Miscellaneous Education Provisions

SEC. 442. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals), amended by section 431(a), is amended by redesignating section 223 as section 224 and by inserting after section 223 the following new section:

"SEC. 223. QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.

(1) ALLOWANCE OF DEDUCTION.—In the case of an eligible educator, there shall be allowed as a deduction an amount equal to the qualified professional development expenses paid or incurred by the taxpayer during the taxable year.

(2) MAXIMUM DEDUCTION.—The deduction allowed under subsection (a) for any taxable year shall not exceed $500.

(3) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE EDUCATORS.

For purposes of this section—

(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.

(A) IN GENERAL.—The term ‘qualified professional development expenses’ means expenses for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

(B) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE EDUCATORS.

For purposes of this section—

(2) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.

(A) IN GENERAL.—The term ‘qualified professional development expenses’ means expenses for books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

(B) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—The term ‘qualified professional development expenses’ means expenses paid or incurred by an eligible educator, in the classroom, and supplementary materials used by the eligible educator in the classroom.

(C) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this section.

(3) ELIGIBLE EDUCATOR.—The term ‘eligible educator’ has the same meaning given such term by section 223(c).

(4) QUALIFIED ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—The term ‘qualified elementary and secondary school expenses’ means expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible educator in the classroom.

(5) ELEMENTARY OR SECONDARY SCHOOL.—The term ‘elementary or secondary school’ means any school which provides elementary education or secondary education (through grade 12), as determined under State law.

(6) SPECIAL RULES.

(A) DENTAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

(B) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this chapter, over

(B) the tentative minimum tax for the taxable year.

(C) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.

(B) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter B of chapter 1 is amended by adding at the end the following new item:

"Sec. 30B. Credit to elementary and secondary school teachers who provide classroom materials."

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 443. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to other specified credits) is amended by adding at the end the following new section:

"SEC. 30B. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(A) ALLOWANCE OF CREDIT.—In the case of an eligible educator, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 2 percent of the qualified elementary and secondary school expenses which are paid or incurred by the taxpayer during such taxable year.

(B) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $250.

(C) DEFINITIONS.

(1) ELIGIBLE EDUCATOR.—The term ‘eligible educator’ has the same meaning given such term in section 223(c).

(2) QUALIFIED ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—The term ‘qualified elementary and secondary school expenses’ means expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible educator in the classroom.

(Roll call vote on day

...
fiscal year 2002; which was ordered to lie on the table; as follows:

**TITLE—HIGH-SPEED RAIL INVESTMENT**

**SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.**

(a) IN GENERAL.—Part IV of chapter A of title 1 (relating to credits against tax) is amended by adding at the end the following new subpart:

**SUBPART D—REFINANCEABLE CREDIT FOR HOLDERS OF QUALIFIED AMTRAK BONDS**

‘‘Sec. 54. Credit to holders of qualified Amtrak bonds.

‘‘(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified Amtrak bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to any credit allowance dates during such year on which the taxpayer holds such bond.

‘‘(b) AMOUNT OF CREDIT.—

(1) IN GENERAL. —The amount of the credit determined under subsection (a) with respect to any credit allowance date for a qualified Amtrak bond is 25 percent of the annual credit determined with respect to such bond.

(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified Amtrak bond is the product of—

(A) the applicable credit rate, multiplied by

(B) the outstanding face amount of the bond.

(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of sale of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued within a 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratably reduced by the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

(c) LIMITATION BASED ON AMOUNT OF TAX.—

(1) IN GENERAL. —The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed under section 29(b)(1), on the part of the excess of—

(B) the sum of the credits allowable under this part (other than this subpart and part C).

(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the following taxable year and added to the credit allowable under subsection (a) for such taxable year.

(d) QUALIFIED AMTRAK BOND.—For purposes of this subpart—

(1) IN GENERAL.—The term ‘‘qualified Amtrak bond’’ means any bond issued as part of an issue if—

(A) 10 percent or more of the proceeds of such issue are to be used for any qualified project,

(B) the bond is issued by the National Railroad Passenger Corporation,

(C) the issuer—

(i) designates such bond for purposes of this section,

(ii) certifies that it meets the State contribution requirement of paragraph (3) with respect to such project and that it has received the required contribution payment prior to the issuance of such bond,

(iii) certifies that it has obtained the written approval of the Secretary of Transportation for a qualified project, as determined by the Inspector General of the Department of Transportation that there is a reasonable likelihood that the proposed program will result in a public incremental financial contribution to the National Railroad Passenger Corporation and that the investment evaluation process includes a return on investment, leveraging of funds (including State capital and operating contributions), cost effectiveness, safety improvement, mobility improvement, and feasibility;

(iv) certifies that it has obtained written certification by the Secretary, after consultation with the Secretary of Transportation, that, in the case of a qualified project which results in passenger trains operating at speeds greater than 79 miles per hour, the issuer has entered into a written agreement with the rail corridor (as defined in section 24102 of title 49, United States Code) the properties of which are to be improved by such project as to the scope and estimated cost of such improvements, the impact on freight capacity of such rail carriers; provided that the National Railroad Passenger Corporation shall not exercise its rights under section 24102 of title 49 for such project until 2 years after the date of sale of the qualified Amtrak bond

(2) TREATMENT OF CHANGES IN USE.–For purposes of paragraph (1)(A), the proceeds of an issue shall not be treated as used for a qualified project to the extent that the proceeds of an issue are not used for the purpose of financing the qualified project.

(3) STATE CONTRIBUTION REQUIREMENT.—

(A) IN GENERAL.—For purposes of paragraph (1)(C)(ii), the State contribution requirement is met with respect to any qualified project the National Railroad Passenger Corporation has a written binding commitment from 1 or more States to make matching contributions not later than the date of issuance of the issue of not less than 20 percent of the cost of the qualified project. State matching contributions may include privately funded contributions.

(B) USE OF STATE MATCHING CONTRIBUTIONS.—The matching contributions described in paragraph (3)(A) may be used with respect to each qualified project as to the scope and estimated cost of such improvements, the impact on freight capacity of such rail carriers; provided that the National Railroad Passenger Corporation shall not exercise its rights under section 24102 of title 49 for such project until 2 years after the date of sale of the qualified Amtrak bond.

(4) QUALIFIED PROJECT.—

(A) IN GENERAL.—The term ‘‘qualified project’’ means—

(i) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,

(ii) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,

(iii) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,

(iv) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements, including station rehabilitation or construction, track or signal improvements, or the elimination of grade crossings, for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,
(e) Limitations on Amount of Bonds Designated.—

(1) In General.—There is a qualified Amtrak bond limitation for each fiscal year. Such limitation—

(A) $120,000,000 for each of the fiscal years 2002 through 2011, and

(B) except as provided in paragraph (5), zero after the date of issuance of such credit.

(2) BONDS FOR RAIL CORRIDORS.—Not more than $3,000,000,000 of the limitation under paragraph (1) may be designated for any 1 rail corridor described in clause (i) or (ii) of subsection (d)(4)(A).

(3) BONDS FOR OTHER PROJECTS.—Not more than $500,000,000 of the limitation under paragraph (1) for any fiscal year may be allocated to all qualified projects described in subsection (d)(4)(A)(iii).

(4) Bonds for Alaska Railroad.—The Secretary of Transportation may allocate to the Alaska Railroad a portion of the qualified Amtrak limitation for any fiscal year in order to allow the Alaska Railroad to issue bonds which meet the requirements of this section for use in financing any project described in subsection (d)(4)(A)(iii) (determined without regard to the requirement of increasing railroad speeds). For purposes of this section, the Alaska Railroad shall be treated in the same manner as the National Railroad Passenger Corporation.

(5) Carryover of Unused Limitation.—If for any fiscal year—

(A) the limitation amount under paragraph (1), exceeds

(B) the amount of bonds issued during such year which are designated under subsection (d)(4)(A)(iii), the limitation amount under paragraph (1) for the following fiscal year (through fiscal year 2015) shall be increased by the amount of such excess.

(6) Additional Selection Criteria.—In selecting qualified projects for allocation of the qualified Amtrak bond limitation under this subsection, the Secretary of Transportation—

(A) may give preference to any project with a State matching contribution rate exceeding 20 percent, and

(B) shall consider regional balance in infrastructure investment and the national interest in ensuring the development of a nation-wide high-speed rail transportation network.

(7) Other Definitions.—For purposes of this subpart—

(A) The term `bond' includes any obligation.

(B) Credit Allowance Date.—The term `credit allowance date' means—

(A) March 15,

(B) June 15,

(C) September 15, and

(D) December 15.

Such term includes the last day on which the bond is outstanding.

(8) State.—The term `State' means the several States and the District of Columbia, and any registered foreign country.

(9) Program.—The term `program' means 1 or more projects implemented over 1 or more years to support the development of infrastructure for intercity passenger rail corridors.

(10) Gross Income.—Gross income includes the amount of the credit allowed to the taxpayer under this section and interest without regard to subsection (c) and the amount so included shall be treated as interest income.

(b) Special Rules Relating to Amtrak.—

(1) In General.—Subject to paragraph (2), an issue shall be treated as meeting the requirements of this subsection if as of the date of issuance, the issuer reasonably expects—

(A) to spend at least 95 percent of the proceeds of the issue for 1 or more qualified projects within the 5-year period beginning on such date, and

(B) to proceed with due diligence to complete such projects and to spend the proceeds of the issue.

(2) Rules Regarding Continuing Compliance and Amendments.—If at least 95 percent of the proceeds of the issue is not expended for 1 or more qualified projects within the 5-year period beginning on the date of issuance, the proceeds of the issue shall be treated as continuing to meet the requirements of this subsection if either—

(A) the issuer pays to the Federal Government any proceeds of the issue that accrue after the end of such 5-year period.

(B) the following requirements are met:

(i) The issuer spends at least 75 percent of the proceeds of the issue for 1 or more qualified projects within the 5-year period beginning on the date of issuance.

(ii) The issuer has proceed with due diligence to spend the proceeds of the issue within such 5-year period and continues to proceed with due diligence to spend such proceeds.

(iii) The issuer pays to the Federal Government any proceeds of the issue that accrue after the end of such 5-year period.

(4) Treatment for Estimated Tax Purposes.—(A) In General.—If any bond which when issued purported to be a qualified Amtrak bond ceases to be a qualified Amtrak bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

(a) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

(b) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for the taxable year in which such cessation occurs.

(5) Credit May Be Stripped.—Under regulations prescribed by the Secretary—

(A) In General.—There may be a separation (including at issuance) of the ownership of a qualified Amtrak bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of such bonds.

(6) Certain Rules to Apply.—In the case of a separation described in subparagraph (A), the rules of section 1286 shall apply to the Amtrak bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

(7) Treatment for Estimated Tax Purposes.—(A) In General.—For purposes of sections 6641 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified Amtrak bond on a credit allowance date shall be treated as if such credit were an estimated tax made by the taxpayer on such date.

(B) Credit May Be Transferred.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

(8) Reporting.—Issuer of qualified Amtrak bonds shall submit reports similar to the reports required under section 194(e).–

(b) Reporting.—Subsection (d) of section 6049 (relating to returns regarding payments of interest), as amended by section 595(d), is amended by adding at the end the following new paragraph:

(9) Reporting of Credit on Qualified Amtrak Bonds.—

(A) In General.—For purposes of subsection (a), the term `interest income' includes amounts includible in gross income under section 54(g) and such amounts shall be
treated as paid on the credit allowance date (as defined in section 54(f)(2)).

(‘(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any facility or investment described in paragraph (A) of this subsection, paragraph (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L).

(‘C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this section, including regulations which require more frequent or more detailed reporting.

(B) CLARIFYING AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end of the following new item:

``Subpart H. Nonrefundable Credit for Hold-

ers of Qualified Amtrak Bonds.``

(2) Section 6401(b)(1) is amended by strik-

ing “and G” and inserting “and H.”

(D) EFFECTIVE DATE.—The amendments

made by this section shall apply to obligations issued after September 30, 2001.

(e) MULTI-YEAR CAPITAL SPENDING PLAN AND OVERSIGHT.—

(1) AMTRAK CAPITAL SPENDING PLAN.—

(A) IN GENERAL.—The National Railroad

Passenger Corporation shall annually submit to the President and Congress a multi-year capital spending plan as approved by the Board of Directors of the Corporation.

(B) CONTENTS OF PLAN.—Such plan shall identify the capital investment needs of the Corporation over a period of not less than 5 years and the funding sources available to finance such needs and shall prioritize such needs according to corporate goals and strategies.

(C) INITIAL SUBMISSION DATE.—The first plan shall be submitted before the issuance of any qualified Amtrak bonds by the National Railroad Passenger Corporation pursuant to section 54 of the Internal Revenue Code of 1986 (as added by this section).

(2) OVERSIGHT OF AMTRAK TRUST ACCOUNT AND QUALIFIED PROJECTS.—

(A) TRUST ACCOUNT OVERSIGHT.—The Secretary of the Treasury shall annually report to Congress as to whether the amount deposited in a trust account established by the National Railroad Passenger Corporation under section 54(j) of such Code (as so added) is sufficient to fully repay at maturity principal of any outstanding qualified Amtrak bonds (as defined in section 54(d) of the Internal Revenue Code of 1986 (as added by this section) or to repayment of principal upon maturity.

(B) REGULATORY AUTHORITY.—Notwithstanding any other provision of law, no rail carrier (as defined in section 24102 of title 49, United States Code) shall be re-

quired to pay any tax or fee imposed by the Internal Revenue Code of 1986 with respect to the acquisition, improvement, or ownership of personal or real property funded by the proceeds of qualified Amtrak bonds (as de-

fined in section 54(d) of the Internal Revenue Code of 1986 (as added by this section) with respect to funds of the Highway Trust Fund, the Railroad Retirement Trust Fund, or any other source of funds.

(3) ISSUANCE FROM TAXES FOR HIGH-SPEED RAIL LINKS AND IMPROVEMENTS.—Notwithstanding any other provision of law, the Secretary of Transportation shall be authorized to remit to the U.S. Treasury any amount derived from such acquisition, improvement, or ownership (other than revenues or income de-

rived from expanded operations resulting from such acquisition, improvement, or ownership).

(h) ISSUANCE OF REGULATIONS.—The Secretary of the Treasury shall issue regula-

tions prescribing such standards under section 54 of the Internal Revenue Code of 1986 (as added by this section) not later than 90 days after the date of the enactment of this Act.

(1) ISSUANCE OF TAX-EXEMPT BONDS FOR RAIL PASSENGER PROJECTS.—

(1) FUNDING STATE MATCH REQUIREMENT.—

Section 142(a) (relating to exempt facility bonds) is amended by striking the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ‘‘or,’’ and by adding at the end the following new paragraph:

‘‘(13) The state contribution requirement for qualified projects under section 54.’’.

(2) REPEAL OF GOVERNMENTAL OWNERSHIP REQUIREMENT.—Section 142(b)(1)(A) (relating to certain facilities must be governmentally owned) is amended by striking ‘‘(3).’’.

(3) DEFINITION OF HIGH-SPEED INTERCITY RAIL FACILITIES.—Section 142(1)(A) is amended by striking ‘‘in excess of 150 miles per hour’’ and inserting ‘‘in excess of 150 miles per hour’’.

(4) EXEMPTION FROM VOLUME CAP.—Sub-

section (g) of section 146 (relating to excep-

tions for certain bonds) is amended by strik-

ing paragraphs (4) and (5) and the last sentence of such subsection and inserting the following new paragraph:

‘‘(4) any exempt facility bond issued as part of a series specified in paragraph (3), (11), or (13) of section 142(a) (relating to mass commuting facilities, high-speed intercity rail facilities, and State contribution require-

ments under section 54).’’.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to bonds issued after the date of enactment of this Act.

SA 677. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 1336, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 66, in the table set forth between lines 2 and 3, striking after relating to years 2007, 2008, 2009, and 2010 and insert the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$46</td>
<td>$46</td>
</tr>
</tbody>
</table>

At the end of subtitle A of title VIII, add the following:

SEC. 45G. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) GENERAL RULE.—For purposes of section 38, the vaccine research credit deter-

mined under this section for the taxable year is an amount equal to 30 percent of the qual-

ified vaccine research expenses for the taxable year.

(b) QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of this section—

(1) QUALIFIED VACCINE RESEARCH EXPENSES.

(‘‘(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term ‘qualified vaccine research expenses’ means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if subparagraph (4) of paragraph (4) and the last sentence of subparagraph (b) of subsection (4) were to be applied with the modifications set forth in subparagraph (B).

(B) MODIFICATIONS; INCREASED INCENTIVE FOR CONTRACT RESEARCH PAYMENTS.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

(i) by substituting ‘‘vaccine research’’ for ‘‘qualified vaccine research’’ each place it appears in paragraphs (2) and (3) of such subsection, and

(ii) by substituting ‘‘100 percent’’ for ‘‘65 percent’’ in paragraph (3)(A) of such subsection.

(C) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term ‘‘qualified vaccine research expenses’’ shall not include any amount which is funded by any grant, contract, or otherwise by another person (or any governmental entity).

(D) VACCINE RESEARCH.—The term ‘‘vaccine research’’ means research to develop vaccines and microbicides for—

(‘‘(A) malaria,

(B) tuberculosis,

(C) HIV, or

(D) any infectious disease (of a single eti-

ology) which, according to the World Health Organization, causes over 1,000,000 human deaths annually.

(E) COORDINATION WITH CREDIT FOR IN-

CREASING RESEARCH EXPENDITURES.—

(‘‘(1) IN GENERAL.—Except as provided in paragraphs (2), any qualified vaccine research expenses for a taxable year to which an elec-

tion under this section applies shall not be
years.

base period research expenses for purposes of

taxable year which are qualified research ex-

ences (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

(d) Special Rules.—

(1) Limitations on foreign testing.—No credit shall be allowed under this section with respect to research conducted outside the United States.

(2) Pre-clinical research.—No credit shall be allowed under this section with respect to research conducted other than than human clinical testing) conducted outside the United States.

(3) Certain rules made applicable.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

(4) Election.—This section (other than subsection (d)) shall not apply to any taxable year if the taxpayer elects to have this section apply for such taxable year.

(e) Credit To Be Refundable For Certain Taxpayers.—

(1) In General.—In the case of an electing qualified taxpayer:

(A) the credit under this section shall be determined without regard to section 38(c), and

(B) the credit so determined shall be allowed as a credit under subpart C.

(2) Electing Qualified Taxpayer.—For purposes of this section—

(A) the term ‘electing qualified taxpayer’ means, with respect to any taxable year, any domestic C corporation if—

(a) the aggregate gross assets of such corporation at any time during such taxable year are $500,000,000 or less,

(b) the net income tax (as defined in section 38(c)) of such corporation is zero for such taxable year and the 2 preceding taxable years,

(c) as of the close of the taxable year, the corporation is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(5)(A)),

(d) the corporation provides such assurances as the Secretary requires that, not later than 2 taxable years after the taxable year in which the taxpayer receives any refund of a credit of a credit under this subsection, the taxpayer will make an amount of qualified vaccine research expenses (as defined in section 41(b)) equal to the amount of the credit under this subsection for such taxable year.

(3) Certain rules shall apply for purposes of this subsection.

(4) Deduction for Unused Portion of Credit.—

(1) In General.—Section 196(c) (defining qualified business credits) is amended by striking ‘‘and’’ at the end of paragraph (8), by striking the period at the end of paragraph (15) and inserting ‘‘. except as provided in subpart D of part IV of subchapter A of chapter 1 of the Code, with respect to such credit, section 196 shall apply for purposes of section 38,’’ and by adding at the end of such section the following new paragraph:

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 620, is amended by adding at the end the following new paragraph:

(3) Defined Terms.—The term ‘qualified research expenses’ means the qualified vaccine research expenses for purposes of this section.

(f) MODIFICATIONS; INCREASED INCENTIVE FOR CONTRACT RESEARCH PAYMENTS.—

(1) In General.—Section 45G is amended by inserting at the end the following new section:

(2) Calculation of Credit.—The credit determined under section 45G shall be applied—

(A) in the case of an electing qualified taxpayer, in accordance with section 41 if such subsection were applied with respect to such taxpayer during the taxable year which

(B) for purposes of section 41 if such subsection were applied with respect to such taxpayer during the taxable year which

(C) for purposes of section 41 if such subsection were applied with respect to such taxpayer during the taxable year which

(g) Coordination With Credit For Increasing Research Expenditures.—

(1) Coordination Of Credit For Increasing Research Expenditures.—

(2) Special Rules.—

(3) Special Rules.—

(4) Special Rules.—
SEC. 45G. CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

(a) IN GENERAL.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section 45Gr(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

(b) DENIAL OF DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new paragraph:

(4) CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

(1) In general.—No deduction shall be allowed for that portion of the qualified vaccine research expenses as (as defined in section 45Gr(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).

(2) Special rules.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.

(3) Application.—This subsection shall be in addition to any other provision of law that provides a credit or deduction for research expenses.

(b) Effective date.—This subsection shall apply to amounts paid or incurred after December 31, 1986.
SA 683. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, which was ordered to lie on the table; as follows: On page 9, between lines 14 and 15, insert: "(4) DELAY OF TOP RATE REDUCTION.

(A) IN GENERAL.—Notwithstanding paragraph (2), with respect to a calendar year, no percentage described in that paragraph shall be substituted for 39.6 percent unless the requirement of subparagraph (B) is met.

(B) EXEMPTION FROM REQUIREMENTS FOR ORGANIZATIONS.—The exemption of subparagraph (A) is made by this section shall apply to any political organization that is a subsidiary of another political organization, including any subsidiary of such organization, that is not subject to section 527 or section 408 of the Internal Revenue Code of 1986.

(C) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by Public Law 106-239.

SEC. 34. WAIVER OF PENALTIES.

(a) WAIVER OF FILING PENALTIES.—Section 527(c)(1)(C) is amended by adding the following:

"(D) to any organization described in paragraph (7), but only if, during the calendar year,

(1) such organization is required by State or local law to report, and such organization reports, information regarding each separate expenditure and contribution (including information regarding the person who makes such contribution or receives such expenditure) with respect to which information would otherwise be required to be reported under this subsection, and

(2) description of organization.—Section 527(c)(1)(C) is amended by adding the following:

"(3) CERTAIN ORGANIZATIONS.—An organization is described in this paragraph if such organization is described in subparagraph (A) or (B) of section 527(c)(1) and all that follows through "section 527(c)(1)" and inserting "organization—".
(2) Provision described.—A provision of law described in this paragraph—

(a) a provision of this Act that takes effect in fiscal year 2005 or 2007 and results in a revenue reduction; or

(b) a provision of law that—

(i) is enacted after the date of enactment of this Act; and

(ii) takes effect in fiscal year 2005 or 2007 and causes increased outlays through mandatory spending.

(3) DELAY.—If, on September 30 of 2004 and 2006, the Secretary of the Treasury determines that the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 will be exceeded in the fiscal year beginning October 1 of the following year, the effective date of any provision of law described in paragraph (2) that takes effect during that fiscal year shall be delayed by 1 calendar year.

(4) DISCRETIONARY SPENDING LIMITATION.—Notwithstanding any other provision of law, in any fiscal year subject to the delay provisions of paragraph (3), the amount of discretionary spending in each discretionary spending account be the level provided for that account in the preceding fiscal year plus an adjustment for inflation.

(5) REPORTS TO CONGRESS.—On July 1 and September 30 of 2005, the Secretary of the Treasury shall report to Congress the estimated amount of the debt held by the public for the fiscal year beginning on October 1 of that year.

(6) CONGRESSIONAL ACTION.—(A) Trigger.—(i) Modification.—In fiscal year 2005 or 2007, if the level of debt held by the public for that fiscal year would be below the level of debt held by the public for that fiscal year in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, due to the provisions of paragraphs (3) and (4) any Member of Congress may move to proceed to a bill that would make changes in law to increase discretionary spending and direct spending and increase revenues (proportionately) in a manner that would increase the debt held by the public for that fiscal year to a level not exceeding the level provided in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985. The motion to proceed shall be voted on at the end of 4 hours of debate. A bill considered under this clause shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)). Any amendment offered to the bill shall maintain the proportionality requirement.

(ii) Waiver.—The delay and limitation provided in paragraphs (3) and (4) may be disapproved by a joint resolution. A joint resolution considered under this clause shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)). Any amendment offered to the bill shall maintain the proportionality requirement.

(B) Public debt targets.—In the case of an adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program. The amount of the exclusion shall be—

(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

(2) in the case of an adoption of a child with special needs, $10,000.

(2) In General.—(A) the term ‘adequate’ means the outstanding face amount of all debt obligations issued by the United States, the Federal Reserve System.

(B) For the purpose of this paragraph, the term ‘face amount’, for any month, any debt obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

(i) the original issue price of the obligation; plus

(ii) the portion of the discount on the debt attributable to periods before the beginning of such month;.

(3) in section 301(a) by—

(i) redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectfully; and

(ii) inserting after paragraph (5) the following:

‘‘(b) the debt held by the public; and;’’; and

(C) in section 510(a) by—

(i) striking ‘‘or’’ at the end of paragraph (3);

(ii) by redesigning paragraph (4) as paragraph (5); and

(iii) inserting the following new paragraph:

‘‘(4) specify the amounts by which the statutory limit on the debt held by the public is to be changed and direct the committee having jurisdiction to recommend such change; or’’.

SA 686. Ms. LANDRIEU (for herself, Mr. CRAIG, and Mrs. LINCOLN) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, as follows:

On page 18, between lines 14 and 15, insert the following:

SEC. 202. EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) In General.—(1) Public credit.—Section 23a(a)(1) (reating to allowance of credit) is amended to read as follows:

‘‘(1) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

(2) in the case of an adoption of a child with special needs, $10,000.’’.

(2) Adoption assistance programs.—Section 137(a) (relating to adoption assistance programs) is amended to read as follows:

‘‘(a) in General.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program. The amount of the exclusion shall be—

(i) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

(ii) in the case of an adoption of a child with special needs, $10,000.’’.

(b) Dollar limitations.—(1) Dollar amount of allowed expenses.
A DOPTION EXPENSES.—Section 23(b)(1) (relating to allowance of credit) is amended—

(i) by striking “$5,000” and inserting “$15,000”;

(ii) by striking “$6,000, in the case of a child with special needs”;

(iii) by striking “subsection (a)” and inserting “subsection (a)(1)”.

(B) ADOPITON ASSISTANCE PROGRAMS.—Section 137(b)(1) (relating to dollar limitations for adoption assistance programs) is amended—

(i) by striking “$5,000” and inserting “$10,000”;

(ii) by striking “$6,000, in the case of a child with special needs”; and

(iii) by striking “subsection (a)” and inserting “subsection (a)(1)”.

(2) PHASE-OUT LIMITATION.—

(a) ADOPITON EXPENSES.—Clause (1) of section 23(b)(2)(A) (relating to income limitation) is amended by striking “$75,000” and inserting “$150,000”.

(B) ADOPITON ASSISTANCE PROGRAMS.—Section 137(b)(2)(A) (relating to income limitation) is amended by striking “$75,000” and inserting “$150,000”.

(c) EXEMPTION ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush statement:—

“In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.”.

(d) REPEAL OF SUNSET PROVISIONS.—

(1) CHILDREN WITHOUT SPECIAL NEEDS.—Paragraph (2) of section 23(d)(1) (relating to definition of eligible child) is amended to read as follows:—

“(B) is physically or mentally incapable of caring for himself”.

(2) ADOPITON ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs) is amended by striking subsection (f).

(e) ADJUSTMENT OF DOLLAR AND INCOME LIMITATION.—

(A) ADOPITON CREDIT.—Section 23 (relating to adoption expenses) is amended by redesignating subsection (b) as subsection (a) and inserting after subsection (a) the following new subsection:

“(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2001, the dollar amounts in subsection (a)(1)(B) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

(1) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.”.

(B) ADOPITON ASSISTANCE PROGRAMS.—Section 137 (relating to adoption assistance programs), as amended by subsection (d), is amended by adding at the end the following new subsection:

“(f) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b) shall be increased by an amount equal to—

(1) such dollar amount, multiplied by

(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.”.

(3) CONFORMING AMENDMENTS.—

(A) Section 26(a) (relating to limitation based on amount of tax) is amended by inserting “(other than section 23)” after “allowed by this subpart”.

(B) Section 53(b)(1) (relating to minimum tax credit) is amended by inserting “reduced by the aggregate amount taken into account under section 32(b)(1) for all such prior taxable years,” after “1986.”.

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SA 687. Mr. GRAHAM (for himself, Mr. CORZINE, and Mr. DANTON) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, as follows:

Strike all after the first word and insert the following:

SECTION 1. SHORT TITLE; ETC.

(A) SHORT TITLE.—This Act may be cited as the “Economic Insurance Tax Cut of 2001”.

(B) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be made to a section or other provision of the Internal Revenue Code of 1986.

(C) SECTION 15 NOT TO APPLY.—No amendment by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. 10-PERCENT INCOME TAX RATE BRACKET.

(A) RATES FOR 2001.—Section 1 (relating to tax imposed) is amended by striking subsection (a) (through (d) and inserting the following:

“(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $9,500</td>
<td>10% of taxable income.</td>
</tr>
<tr>
<td>Over $9,500 but not over $19,000</td>
<td>15% of the excess over $9,500.</td>
</tr>
<tr>
<td>Over $19,000 but not over $27,050</td>
<td>25% of the excess over $19,000.</td>
</tr>
<tr>
<td>Over $27,050 but not over $38,777</td>
<td>28% of the excess over $27,050.</td>
</tr>
<tr>
<td>Over $38,777 but not over $83,250</td>
<td>31% of the excess over $38,777.</td>
</tr>
<tr>
<td>Over $83,250 but not over $136,750</td>
<td>35% of the excess over $83,250.</td>
</tr>
<tr>
<td>Over $136,750 but not over $20,755.75</td>
<td>38.6% of the excess over $136,750.</td>
</tr>
<tr>
<td>Over $20,755.75</td>
<td>39.6% of taxable income.</td>
</tr>
</tbody>
</table>

(b) INFLATION ADJUSTMENT TO APPLY IN DETERMINING RATES FOR 2002.—Subsection (f) of section 1 is amended—

(1) by striking “1993” in paragraph (1) and inserting “2001”;

(2) by striking “1992” in paragraph (3)(B) and inserting “2000”;

(3) by striking paragraph (7);

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking “1993” and inserting “2000” each place it appears:

(A) Section 25A(h).

(B) Section 26(j)(1)(B).

(C) Section 41(e)(5)(C).

(D) Section 132(f)(6)(A)(ii).

(E) Section 132(f)(6)(B).

(F) Section 63(c)(4)(B).

(G) Section 132(f)(6)(A)(ii).

(H) Section 132(f)(6)(A)(ii).

(I) Section 132(f)(6)(B)(ii).


(K) Section 63(c)(4)(B).

(L) Section 132(f)(6)(A)(ii).

(M) Section 132(f)(6)(A)(ii).


(O) Section 132(f)(6)(B)(ii).

(P) Section 63(c)(4)(B).

(Q) Section 132(f)(6)(A)(ii).

(R) Section 132(f)(6)(B)(ii).

(S) Section 132(f)(6)(B)(ii).

(T) Section 132(f)(6)(B)(ii).

(U) Section 132(f)(6)(B)(ii).

(V) Section 132(f)(6)(B)(ii).

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the hearing previously scheduled before the Committee on Energy and Natural Resources for Tuesday, May 22 at 2:30 p.m. in SH-216 has been rescheduled for Wednesday, May 23, 2001 at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to receive testimony on the Administration’s National Energy Policy report.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 201 Dirksen Senate Office Building, Washington, D.C. 20510-6100.

For further information, please call Trici Heninger, Staff Assistant, or Bryan Hannegan, Staff Scientist, at (202) 224-4971.

Mr. SMITH. Mr. President, I would like to announce for the information of the Senate and the public that the oversight hearing regarding the Lower Klamath River Basin which had been previously scheduled for Wednesday, May 23, 2001 at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, D.C. has been postponed until further notice.

For further information, please call Trici Heninger, Staff Assistant, or Colleen Deegan, Counsel, at (202) 224-8115.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet to conduct a hearing on Thursday, May 17, at 9:30 a.m. to receive testimony regarding the following nominees:

Linda Fisher to be Deputy Administrator, Environmental Protection Agency;

Jeffrey Holmstead to be Assistant Administrator for Air and Radiation, Environmental Protection Agency;

Stephen Johnson to be Assistant Administrator for Air and Radiation, Environmental Protection Agency; and

James Connaughton to be a Member, Council on Environmental Quality.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 17, 2001, at 2 p.m. and 4 p.m. to hold two hearings as follows: at 2 p.m., in room SD-419, the Senate Committee on Foreign Relations will conduct a hearing on the nominations of Michael Powell, of West Virginia, to be Assistant Secretary of State for South Asian Affairs; and Mr. Walter H. Kansteiner, of Virginia, to be Assistant Secretary of State for African Affairs.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, May 17, 2001 at 10 a.m. for a hearing to consider the nominations of John D. Graham to be Administrator of the Office of Information and Regulatory Affairs at the Office of Management and Budget, Stephen A. Perry to be Administrator of the General Services and Angela Styles to be Administrator of the Office of Federal Procurement Policy.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Addressing Direct Care Staffing Shortages during the session of the Senate on Thursday, May 17, 2001, at 9:30 a.m.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, May 17, 2001 at 10 a.m., in SD-236.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select

SA 688. Mr. GRAHAM proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002 as follows:

Beginning on page 64, line 17, strike all through page 66, before line 2, and insert:

Subtitle B—Reduction of Gift Tax Rate

SEC. 311. REDUCTION OF GIFT TAX RATE AFTER REPEAL

On page 66, line 2, strike "(d)" and insert "(a)".

On page 67, line 1, strike "(e)" and insert "(b)".

Beginning on page 67, line 12, strike all through page 68, line 6, and insert:

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to gifts made after December 31, 2000.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to gifts made after December 31, 2010.

On page 68, strike the table between lines 14 and 15, and insert:

"In the case of estates of decedents dying after December 31, 2000, the applicable exclusion amount is:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2004</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>2006</td>
<td>$3,000,000</td>
</tr>
</tbody>
</table>

Beginning on page 70, line 20, strike all through page 79, line 6.
Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 17, 2001 at 2 p.m. to hold a closed hearing on intelligence matters.

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

SPECIAL COMMITTEE ON AGING

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet on Thursday, May 17, 2001 from 9:30 a.m.–12 p.m. in Dirksen 562 for the purpose of conducting a hearing.

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

SUBCOMMITTEE ON INTERNATIONAL TRADE AND FINANCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on International Trade and Finance of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on May 17, 2001 to conduct a hearing on “Reauthorization of the U.S. Export-Import Bank.”

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

PRIVILEGES OF THE FLOOR

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the following employees of the Joint Committee on Taxation be allowed on the Senate floor for the duration of the debate on the tax RELIEF bill: Robert Bailey, Thomas A. Barthold, Ray Beeman, John Bloyer, Roger Colinvaux, H. Benjamin Hartley, Harold E. Hirsch, Deirdre James, Lauralee A. Matthews, Patricia McDermott, Brian Meighan, John Navratil, Joseph W. Nega, Samuel Olchyk, Lindy L. Paul, Oren S. Penn, Cecily W. Rock, Mary M. Schmitt, Todd C. Simmens, Carolyn E. Smith, and Barry L. Wold.

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

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928d, as amended, appoints the following Senators as members of the Senate Delegation to the NATO Parliamentary Assembly during the First Session of the 107th Congress, to be held in Vilnius, Lithuania, May 27–31, 2001: The Senator from Ohio (Mr. VOINOVICH), the Senator from Maryland (Mr. SARBANES), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Illinois (Mr. DURBIN).

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GRASSLEY. In executive session, I ask unanimous consent that the Senate proceed to the consideration of the following nominations: Calendar Nos. 47, 49, and 78. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate’s action, and the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

DEPARTMENT OF DEFENSE

Victoria Clarke, of Maryland, to be an Assistant Secretary of Defense.

William J. Haynes II, of Tennessee, to be an Assistant Secretary of Defense.

EXPORT-IMPORT BANK OF THE UNITED STATES

John E. Robson, of California, to be President of the Export-Import Bank of the United States for a term expiring January 20, 2005, vice James A. Harmon, resigned.
The House passed H.R. 622, the Hope for Children Act, to amend the Internal Revenue Code of 1986 to expand the adoption credit

Senate

Chamber Action

Routine Proceedings, pages S5101–S5182

Measures Introduced: Nine bills and three resolutions were introduced, as follows: S. 906–914, S. Con. Res. 38–40. Page S5118

Measures Reported:

Special Report entitled “Legislative and Oversight Activities During the 106th Congress by the Senate Committee on Veterans’ Affairs”. (S. Rept. No. 107–17) Page S5117

Elementary and Secondary Education Act Authorization: Senate continued consideration of S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965, taking action on the following amendments proposed there-to:

Adopted:

By 76 yeas to 24 nays (Vote No. 111), Voinovich Amendment No. 443 (to Amendment No. 358), to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers. Pages S5025–S5026

Rejected:

By 34 yeas to 65 nays (Vote No. 110), Dayton Modified Amendment No. 622 (to Amendment No. 358), to amend the Individuals with Disabilities Education Act to fully fund 40 percent of the average per pupil expenditure for programs under part B of such Act. Pages S5027–S5028

Pending:

Jeffords Amendment No. 358, in the nature of a substitute. Pages S5025–S5026

Kennedy (for Dodd) Amendment No. 382 (to Amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Biden Amendment No. 386 (to Amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools. Pages S5025–S5026

Voinovich Amendment No. 389 (to Amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved. Pages S5026

Reed Amendment No. 425 (to Amendment No. 358), to revise provisions regarding the Reading First Program. Page S5026

Leahy (for Hatch) Amendment No. 424 (to Amendment No. 358), to provide for the establishment of additional Boys and Girls Clubs of America. Page S5026

Helms Amendment No. 574 (to Amendment No. 358), to prohibit the use of Federal funds by any State or local educational agency or school that discriminates against the Boy Scouts of America in providing equal access to school premises or facilities. Page S5026

Helms Amendment No. 648 (to Amendment No. 574), in the nature of a substitute. Page S5026

Dorgan Amendment No. 640 (to Amendment No. 358), expressing the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to investigate the rapidly increasing energy prices across the country and to determine what is causing the increases. Page S5026
Wellstone/Feingold Amendment No. 465 (to Amendment No. 358), to improve the provisions relating to assessment completion bonuses. Page S5026

Hutchinson Modified Amendment No. 555 (to Amendment No. 358), to express the sense of the Senate regarding the Department of Education program to promote access of Armed Forces recruiters to student directory information. Page S5026

Bond Modified Amendment No. 476 (to Amendment No. 358), to strengthen early childhood parent education programs. Page S5026

Feinstein Modified Amendment No. 369 (to Amendment No. 358), to specify the purposes for which funds provided under subpart 1 of part A of title I may be used. Page S5026

**Tax Relief Reconciliation:** Senate began consideration of H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, taking action on the following amendments proposed thereto:

Adopted:

Grassley/Baucus Amendment No. 650, in the nature of a substitute. Page S5030

Rejected:

By 44 yeas to 56 nays (Vote No. 112), Conrad Amendment No. 654, to accelerate the elimination of the marriage penalty in the standard deduction and 15-percent bracket and to modify the reduction in the marginal rate of tax. Pages S5042–58

By 27 yeas to 73 nays (Vote No. 113), Hutchison Amendment No. 659, to begin the phase-in of the elimination of the marriage penalty in the standard deduction in 2002 and to offset the revenue loss. Pages S5049–58

By 43 yeas to 55 nays (Vote No. 114), Schumer Amendment No. 669, to increase the deduction for higher education expenses for certain taxpayers and to increase the tax credit for student loan interest. Pages S5059–61, S5062–72, S5075–76

Pending:

Fitzgerald Amendment No. 670, to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates. Pages S5061–62

Gregg Amendment No. 656, to provide a temporary reduction in the maximum capital gains rate from 20 percent to 15 percent. Pages S5072–73

Carnahan/Daschle Amendment No. 674, to provide a marginal tax rate reduction for all taxpayers. Pages S5073–75, S5083

Collins/Warner Amendment No. 675, to provide an above-the-line deduction for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials. Pages S5077–83

Rockefeller Amendment No. 679, to delay the reduction of the top income tax rate for individuals until a real Medicare prescription drug benefit is enacted. Pages S5083–86

Bayh Modified Amendment No. 685, to preserve and protect the surpluses by providing a trigger to delay tax reductions and mandatory spending increases and limit discretionary spending if certain deficit targets are not met over the next 10 years. Pages S5086–93

Landrieu Amendment No. 686, to expand the adoption credit and adoption assistance programs. Pages S5093–95

Graham Amendment No. 687, of a perfecting nature. Pages S5095–97

Graham Amendment No. 688, to provide a reduction in State estate tax revenues in proportion to the reduction in Federal estate tax revenues. Pages S5097–5100

A unanimous-consent-time agreement was reached providing for further consideration of the bill, pending amendments, and certain amendments to be proposed thereto, at 9:30 a.m., on Monday, May 21, 2001, with votes to occur thereon, beginning at 6 p.m. Page S5100

**Appointments:**

**NATO Parliamentary Assembly:** The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928d, as amended, appointed the following Senators as members of the Senate Delegation to the NATO Parliamentary Assembly during the First Session of the 107th Congress, to be held in Vilnius, Lithuania, May 27–31, 2001: Senators Voinovich, Sarbanes, Mikulski, and Durbin.

Page S5182

**Nominations Confirmed:** Senate confirmed the following nominations:

Victoria Clarke, of Maryland, to be an Assistant Secretary of Defense.

William J. Haynes II, of Tennessee, to be General Counsel of the Department of Defense.

John E. Robson, of California, to be President of the Export-Import Bank of the United States.

Page S5100

**Nominations Received:** Senate received the following nominations:

Robert E. Fabricant, of New Jersey, to be an Assistant Administrator of the Environmental Protection Agency.

Allen Frederick Johnson, of Iowa, to be Chief Agricultural Negotiator, Office of the United States Trade Representative, with the rank of Ambassador.
George L. Argyros, Sr., of California, to be Ambassador to Spain, and to serve concurrently and without additional compensation as Ambassador to Andorra.

Howard H. Baker, Jr., of Tennessee, to be Ambassador to Japan.

Sam E. Haddon, of Montana, to be United States District Judge for the District of Montana.

Richard F. Cebull, of Montana, to be United States District Judge for the District of Montana.

Donald Burnham Ensenat, of Louisiana, to be Chief of Protocol, and to have the rank of Ambassador during his tenure of service.

Executive Communications:
Pages S5116–17

Petitions and Memorials:
Page S5117

Executive Reports of Committees:
Pages S5117–18

Messages From the House:
Page S5116

Measures Referred:
Page S5116

Statements on Introduced Bills:
Pages S5120–26

Additional Cosponsors:
Pages S5118–20

Amendments Submitted:
Pages S5128–81

Additional Statements:
Pages S5112–16

Enrolled Bills Presented:
Page S5116

Notices of Hearings:
Page S5181

Authority for Committees:
Page S5181

Privilege of the Floor:
Page S5182

Record Votes: Five record votes were taken today. (Total—114)
Pages S5027, S5028, S5058, S5058, S5076

Adjournment: Senate met at 9 a.m., and adjourned at 11:28 p.m., until 10 a.m., on Friday, May 18, 2001, for a pro forma session. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on page S5100.)

Committee Meetings
(Committees not listed did not meet)

AGRICULTURE MARKET CONCENTRATION
Committee on Appropriations: Subcommittee on Agriculture, Rural Development, and Related Agencies concluded hearings to examine factors contributing to consolidation and concentration in the food production and marketing system, present data on recent structural trends in the food system, including farm inputs, farm production, transportation, processing, merchandising, and retailing, and economic issues that have been raised regarding increasing levels of concentration in the food production and marketing system, after receiving testimony from Keith Collins, Chief Economist, and JoAnn Waterfield, Deputy Administrator, Packers and Stockyards Programs, Grain Inspection, Packers and Stockyards Administration, both of the Department of Agriculture; John M. Nannes, Acting Assistant Attorney General, Antitrust Division, Department of Justice; Iowa Attorney General Tom Miller, Des Moines; Jon Caspers, Swaledale, Iowa, on behalf of the National Pork Producers Council; Mark D. Dopp, American Meat Institute, Arlington, Virginia; William P. Roenigk, National Chicken Council, Washington, D.C.; David S. Reiff, Reiff Grain and Feed, Inc., Fairfield, Iowa, on behalf of the National Grain and Feed Association; Thomas F. Stokes, Organization for Competitive Markets, Lincoln, Nebraska; J. Dudley Butler, Mississippi Cattlemen’s Association, Yazoo City; Robert Carlson, Glenbum, North Dakota, on behalf of the North Dakota Farmers Union; Peter C. Carstensen, University of Wisconsin Law School, Madison; Dan Kelley, Normal, Illinois, on behalf of GROWMARK; and David Reis, Window Hill, Illinois, on behalf of the Illinois Pork Producers Association.

APPROPRIATIONS—FBI/DEA/INS

APPROPRIATIONS—IRS
Committee on Appropriations: Subcommittee on Treasury and General Government concluded hearings on proposed budget estimates for fiscal year 2002 for the Department of the Treasury, focusing on the Internal Revenue Service, after receiving testimony from Charles O. Rossotti, Commissioner, Internal Revenue Service, Department of the Treasury.

U.S. EXPORT-IMPORT BANK
Committee on Banking, Housing, and Urban Affairs: Subcommittee on International Trade and Finance held hearings on proposed legislation authorizing funds for the Export-Import Bank of United States, receiving testimony from Tom McKenna, Indiana Department of Commerce, Indianapolis; Peter Bowe, Ellicott Machinery Corporation International, Baltimore, Maryland, on behalf of the U.S. Chamber of Commerce and Liquid Waste Technology; E. Robert Meaney, Valmont Industries, Inc., Valley, Nebraska;

Hearings recessed subject to call.

NOMINATIONS

Committee on Commerce, Science, and Transportation: Committee concluded hearings on the nominations of Michael K. Powell, of Virginia, Kathleen Q. Abernathy, of Maryland, Michael Joseph Copps, of Virginia, and Kevin J. Martin, of North Carolina, each to be a Member, all of the Federal Communications Commission, after the nominees testified and answered questions in their own behalf. Mr. Powell was introduced by Senator Allen and Representative Davis, Ms. Abernathy was introduced by Senator Stevens, Mr. Copps was introduced by Senator Hollings, and Mr. Martin was introduced by Senator Edwards.

NOMINATIONS

Committee on Environment and Public Works: Committee concluded hearings on the nominations of Linda J. Fisher, of the District of Columbia, to be Deputy Administrator, Stephen L. Johnson, of Maryland, to be Assistant Administrator for Toxic Substances, and Jeffrey R. Holmstead, of Colorado, to be Assistant Administrator for Air and Radiation, all of the Environmental Protection Agency, and James Laurence Connaughton, of the District of Columbia, to be a Member of the Council on Environmental Quality, after the nominees testified and answered questions in their own behalf.

NOMINATIONS

Committee on Foreign Relations: Committee concluded hearings on the nominations of William J. Burns, of the District of Columbia, to be Assistant Secretary for Near Eastern Affairs, and Christina B. Rocca, of Virginia, to be Assistant Secretary for South Asian Affairs, both of the Department of State, after the nominees testified and answered questions in their own behalf.

NOMINATION

Committee on Foreign Relations: Committee concluded hearings on the nomination of Walter H. Kansteiner, of Virginia, to be Assistant Secretary of State for African Affairs, after the nominee, who was introduced by Senator Warner, testified and answered questions in his own behalf.

NOMINATIONS

Committee on Governmental Affairs: Committee concluded hearings on the nominations of Angela Styles, of Virginia, to be Administrator for Federal Procurement Policy, Stephen A. Perry, of Ohio, to be Administrator of General Services, and John D. Graham, of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, after the nominees testified and answered questions in their own behalf. Ms. Styles was introduced by Representative Barton, and Mr. Perry was introduced by Senator Voinovich and Representative Regula.

NURSE STAFFING SHORTAGES

Committee on Health, Education, Labor, and Pensions: Committee concluded hearings on issues related to the current recruitment and retention of nursing staff, including both nurses and nurse aids, and concerns about the future supply of these workers, after receiving testimony from William J. Scanlon, Director, Health Care Issues, General Accounting Office; Michael Elsas, Cooperative Home Care Associates and Paraprofessional Healthcare Institute, Bronx, New York; Gerald M. Shea, AFL-CIO, Washington, D.C.; Julie Sochalski, University of Pennsylvania School of Nursing, Philadelphia; and Sister Mary Roch Rocklage, Sisters of Mercy Health System, St. Louis, Missouri, on behalf of the American Hospital Association.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

S. 487, to amend chapter 1 of title 17, United States Code, relating to the exemption of certain performances or displays for educational uses from copyright infringement provisions, to provide that the making of a single copy of such performances or displays is not an infringement, with an amendment in the nature of a substitute; and

The nominations of Viet D. Dinh, of the District of Columbia, to be an Assistant Attorney General, and Michael Chertoff, of New Jersey, to be an Assistant Attorney General, both of the Department of Justice.

INTELLIGENCE

Select Committee on Intelligence: Committee held closed hearings on intelligence matters, receiving testimony from officials of the intelligence community.

Committee recessed subject to call.
NATIONAL FAMILY CAREGIVER SUPPORT PROGRAM

Special Committee on Aging: Committee concluded hearings to examine the implementation of the National Family Caregiver Support Program, a component of the Older Americans Act, after receiving testimony from Norman L. Thompson, Acting Principal Deputy Assistant Secretary of Health and Human Services for Aging; Helen O. Hunter, Hartford, North Carolina, on behalf of the ALS Association and the Jim “Catfish” Hunter ALS Association; Suzanne Mintz, National Family Caregivers Association, Kensington, Maryland; Deborah Briceland-Berret, Older Women’s League, Washington, D.C.; Kristin Duke, Cenla Area Agency on Aging, Alexandria, Louisiana, on behalf of the National Association of Area Agencies on Aging; and Sandra Tatom, Boise, Idaho.

House of Representatives

Chamber Action


Reports Filed: No reports were filed today.

Guest Chaplain: The prayer was offered by the guest Chaplain, Rev. F. Kenneth Hoffer, Mt. Culmen Evangelical Congregational Church of East Earl, Pennsylvania.

Journal Vote: Agreed to the Speaker’s approval of the Journal of Wednesday, May 16, by a yea and nay vote of 336 yeas to 68 nays with 1 voting “present”, Roll No. 122.

Member Sworn—Ninth Congressional District, Commonwealth of Pennsylvania: Representative-Elect Bill Shuster of Pennsylvania presented himself in the well of the House and was administered the oath of office by the Speaker.

Hope for Children Act: The House passed H.R. 622, to amend the Internal Revenue Code of 1986 to expand the adoption credit, by a yea and nay vote of 420 yeas with 1 voting nay, Roll No. 124.

Pursuant to the rule the Committee amendment in the nature of a substitute now printed in the bill, H. Rept. 107–64, was adopted. H. Res. 141, the rule that provided for consideration of the bill was agreed to by a yea and nay vote of 415 yeas to 1 nays, Roll No. 123.

Leave No Child Behind Act: The House began general debate on H.R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, consuming 14 minutes of the 2 hours of debate time made in order by the rule. Further consideration of the bill will resume at a later date.

Canada-United States Interparliamentary Group: The Chair announced the Speaker’s appointment of the following members to the Canada-United States Interparliamentary Group, in addition to Representative Houghton, Chairman appointed on March 20, 2001: Representatives Gilman, Dreier, Shaw, Stearns, Peterson of Minnesota, Manzullo, English, and Souder.

Welcoming President Chen Shui-bian of Taiwan to the United States: The House agreed to H. Con. Res. 135, expressing the sense of the Congress welcoming President Chen Shui-bian of Taiwan to the United States. Agreed to amendments to the preamble and the text.

Legislative Program: Representative McKeon announced the Legislative Program for the week of May 21.

Meeting Hour—Monday, May 21: Agreed that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday, May 21 for morning-hour debates.

Calendar Wednesday: Agreed to dispense with the Calendar Wednesday business of Wednesday, May 23.

Quorum Calls Votes: Four yea and nay votes developed during the proceedings of the House today and appear on pages H2283–84, H2288, H2297–98, H2309–10. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 5:57 p.m.
Committee Meetings

COMMERCe, JusTICE, STAte aNd jUdIciary APPROPriATIONS

Committee on Appropriations: Subcommittee on Commerce, Justice, State and Judiciary held a hearing on the DEA. Testimony was heard from Donnie Marshall, Administrator, DEA, Department of Justice.

DISTRICT OF COLUMBIA APPROPRIATIONS

Committee on Appropriations: Subcommittee on District of Columbia held a hearing on Housing and Environment Issues. Testimony was heard from Thomas Voltaggio, Acting Regional Administrator, Region III, EPA; Thomas S. Elias, Director, U.S. National Arboretum, USDA; the following officials of the District of Columbia: Michael Kelly, Director, Housing Authority; Eric Price, Deputy Mayor, Planning and Economic Development; Jerry N. Johnson, General Manager, Water and Sewer Authority; James L. Wareck, Special Assistant to the Mayor, Environmental Affairs; and Theodore J. Gordon, Director, Environmental Health; and Jay Fisette, member, Board of Directors, Metropolitan Washington Council of Governments, and Chairman, Arlington County Board, State of Virginia.

FOREIGN OPERATIONS APPROPRIATIONS

Committee on Appropriations: Subcommittee on Foreign Operations, Export Financing and Related Programs held a hearing on AID Administrator. Testimony was heard from Andrew S. Natsios, Administrator, AID, Department of State.

LABOR-HHS-EDUCATION APPROPRIATIONS

Committee on Appropriations: Subcommittee on Labor, Health and Human Services and Education held a hearing on NIH Health Budget (Research Infrastructure), and on the NLRB. Testimony was heard from Ruth L. Kirschstein, M.D., Acting Director, NIH, Department of Health and Human Services; and John C. Truesdale, Chairman, NLRB.

VA, HUD APPROPRIATIONS

Committee on Appropriations: Subcommittee on VA, HUD and Independent Agencies held a hearing on FEMA. Testimony was heard from Joe M. Allbaugh, Director, FEMA.

TRICARE MANAGED CARE

Committee on Armed Services: Subcommittee on Military Personnel held a hearing on lessons learned from the current version of the TRICARE managed care support contracts and recommendations for the design of the next round of contracts. Testimony was heard from the following officials of the Department of Defense: Maj. Gen. Lee Rodgers, USAF, Commander, 59th Medical Wing, Lackland Air Force Base; Brig. Gen. Kenneth Farmer, USA, Commander, Western Regional Medical Command, Madigan Army Medical Center; and Rear Adm. Kathleen L. Martin, USN, Commander, National Naval Medical Center; Stephen P. Backhus, Director, Veterans' Affairs and Military Health Care Issues, GAO; and public witnesses.

DOD NETWORKS—EXAMINING VULNERABILITIES


SMALL BUSINESS LIABILITY PROTECTION ACT


COMMUNICATIONS ACT—INCREASE PENALTIES FOR VIOLATIONS

Committee on Energy and Commerce: Subcommittee on Telecommunications and the Internet held a hearing on H.R. 1765, to increase penalties for common violations of the Communications Act of 1934. Testimony was heard from David H. Solomon, Chief, Enforcement Bureau, FCC; and public witnesses.
Insurance held a hearing entitled “Fair Disclosure or Flawed Disclosure: Is Reg FD helping or hurting investors?” Testimony was heard from the following officials of the SEC: Laura S. Unger, Acting Chairman; and Isaac C. Hunt, Jr., Commissioner; and public witnesses.

PRESIDENTIAL ARCHIVAL DEPOSITORY—DISCLOSE SOURCES AND AMOUNTS OF FUNDS RAISED

Committee on Government Reform: Ordered reported, as amended, H.R. 577, to require any organization that is established for the purpose of raising funds for the creation of a Presidential archival depository to disclose the sources and amounts of any funds raised.

RULE OF LAW ASSISTANCE PROGRAMS

Committee on Government Reform: Subcommittee on National Security, Veterans Affairs, and International Relations held a hearing on “Rule of Law Assistance Programs: Limited Impact, Limited Sustainability.” Testimony was heard from Jess T. Ford, Associate Director, National Security and International Affairs Division, GAO; the following officials of the Department of State: Daniel Rosenblum, Deputy Coordinator, U.S. Assistance to the New Independent States; Viviann Gary, Director, Office of Democracy and Governance, Europe and Eurasia Bureau, AID; and Peter Prahar, Deputy Director, Office of Asian, African, and European NIS Programs, Bureau of International Narcotics and Law Enforcement; Bruce Swartz, Deputy Assistant Attorney General, Criminal Division, Department of Justice; and Pamela Hicks, Acting Deputy Assistant Secretary, Law Enforcement, Department of the Treasury.

VOTING TECHNOLOGY

Committee on House Administration: Held a hearing on Voting Technology. Testimony was heard from public witnesses.

CONGO—HUMANITARIAN CRISIS

Committee on International Relations: Subcommittee on International Operations and Human Rights held a hearing on Suffering and Despair: Humanitarian Crisis in the Congo. Testimony was heard from public witnesses.

OVERSIGHT—MUSIC ON THE INTERNET

Committee on the Judiciary: Subcommittee on the Courts, the Internet, and Intellectual Property held an oversight hearing on “Music On The Internet.” Testimony was heard from public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Recreation, and Public Lands approved for full Committee action, as amended, the following bills: H.R. 1161, to authorize the American Friends of the Czech Republic to establish a memorial to honor Tomas G. Masaryk in the District of Columbia; and H.R. 1384, Navajo Long Walk National Historic Trail Act.

DOE—OFFICE OF SCIENCE

Committee on Science: Subcommittee on Energy held a hearing on the Department of Energy Office of Science Issues and Opportunities. Testimony was heard from the following officials of the Lawrence Berkeley National Laboratory: Charles V. Shank, Director; and T. James Symons, Chair, DOE/NSF Nuclear Science Advisory Committee, National Sciences Division; and public witnesses.

EPA—ESTABLISH POSITION; EPA—SCIENCE AND TECHNOLOGY BUDGET REQUEST

Committee on Science: Subcommittee on Environment, Technology, and Standards approved for full Committee, as amended, H.R. 64, to provide for the establishment of the position of Deputy Administrator for Science and Technology of the Environmental Protection Agency.

The Subcommittee also held a hearing on Science and Technology at the Environmental Protection Agency: The Fiscal Year Budget Request. Testimony was heard from the following officials of the EPA: Henry Longest, Acting Assistant Administrator, Office of Research and Development; and W. Randall Seeker, member, EPA’s Science Advisory Board’s Research Strategies Advisory Committee; and Ron Hammerschmidt, Director, Division of Environment, Department of Health and the Environment, State of Kansas.

ACCESS TO CAPITAL

Committee on Small Business: Held a hearing on Access to Capital. Testimony was heard from Roger W. Ferguson, Jr., Vice Chairman, Board of Governors, Federal Reserve System; and public witnesses.

RURAL AMERICA—ECONOMIC DEVELOPMENT

Committee on Small Business: Subcommittee on Regulatory Reform and Oversight and the Subcommittee on Rural Enterprises, Agriculture and Technology held a joint hearing on Economic Development in Rural America-Small Business Access to Broadband. Testimony was heard from public witnesses.

SOCIAL SECURITY’S PROCESSING ATTORNEY FEES

Committee on Ways and Means: Subcommittee on Social Security held a hearing on Social Security’s Processing of Attorney Fees. Testimony was heard from
William C. Taylor, Deputy Associate Commissioner, Office of Hearings and Appeals, SSA; Barbara D. Bovbjerg, Director, Education, Workforce and Income Security Issues; and public witnesses.

COMMITTEE MEETINGS FOR FRIDAY, MAY 18, 2001

(Committee meetings are open unless otherwise indicated)

Senate
No meetings/hearings scheduled.

House
No Committee hearings are scheduled.

CONGRESSIONAL PROGRAM AHEAD

Week of May 21 through May 26, 2001

Senate Chamber

On Monday, Senate will resume consideration of H.R. 1836, Economic Growth and Tax Relief Reconciliation Act, with votes on pending amendments and final passage of the bill to occur beginning at 6 p.m.

During the remainder of the week, Senate will resume consideration of S. 1, Elementary and Secondary Education Act Authorization, and may consider any other cleared legislative and executive business.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Appropriations: May 23, Subcommittee on Defense, to hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Defense and related programs, 9:30 a.m., SD–192.

May 23, Subcommittee on Labor, Health and Human Services, and Education, to hold hearings on proposed budget estimates for fiscal year 2002 for the National Institutes of Health, Department of Health and Human Services, 9:30 a.m., SH–216.

May 23, Subcommittee on Foreign Operations, to hold hearings on proposed budget estimates for fiscal year 2002 for international financial institutions, 10 a.m., SD–138.

May 24, Subcommittee on Legislative Branch, to hold hearings on proposed budget estimates for fiscal year 2002 for the Secretary of the Senate and the Architect of the Capitol, 10 a.m., SD–124.

May 24, Subcommittee on Transportation, to hold hearings to examine transportation safety issues and Coast Guard modernization proposals, 10 a.m., SD–192.

Committee on Banking, Housing, and Urban Affairs: May 22, Subcommittee on Economic Policy, to hold hearings to examine the reverse wealth effect, focusing on consumer confidence with regard to market losses, 10 a.m., SD–538.

May 24, Subcommittee on Securities and Investment, to hold hearings on the implementation and future of decimalized markets, 10 a.m., SD–538.

Committee on Commerce, Science, and Transportation: May 22, to hold hearings to examine Amtrak, 9:30 a.m., SR–253.

May 22, Subcommittee on Consumer Affairs, Foreign Commerce, and Tourism, to hold hearings to examine prescription drug advertising, 2:30 p.m., SR–253.

May 23, Full Committee, to hold hearings to examine issues relating to the boxing industry, 9:30 a.m., SR–253.

May 23, Subcommittee on Science, Technology, and Space, to hold hearings to examine issues relating to carbon sequestration, 2 p.m., SR–253.

May 24, Full Committee, business meeting to consider pending calendar business, 9:30 a.m., SR–253.

Committee on Energy and Natural Resources: May 23, to hold hearings on the Administration’s proposed national energy policy report, 9:30 a.m., SD–366.

Committee on Environment and Public Works: May 23, business meeting to consider pending calendar business, 9:30 a.m., SD–628.

May 23, Subcommittee on Fisheries, Wildlife, and Water, to hold hearings to examine the Environmental Protection Agency’s support of water and wastewater infrastructure, 10 a.m., SD–628.

Committee on Foreign Relations: May 22, to hold hearings on the nomination of Lorne W. Craner, of Virginia, to be Assistant Secretary for Democracy, Human Rights, and Labor, the nomination of Ruth A. Davis, of Georgia, to be Director General of the Foreign Service, the nomination of Carl W. Ford, Jr., of Arkansas, to be Assistant Secretary for Intelligence and Research, and the nomination of Paul Vincent Kelly, of Virginia, to be Assistant Secretary for Legislative Affairs, all of the Department of State, 2 p.m., SD–419.

May 24, Full Committee, business meeting to consider pending calendar business, 10:30 a.m., SD–419.

Committee on Governmental Affairs: May 22, to hold hearings on the nomination of Erik Patrick Christian and the nomination of Maurice A. Ross, each to be an Associate Judge of the Superior Court of the District of Columbia, 9 a.m., SD–342.

May 23, Full Committee, business meeting to consider certain nominations, 10 a.m., SD–342.

May 24, Permanent Subcommittee on Investigations, to hold hearings to examine alleged problems in the tissue industry, such as claims of excessive charges and profit making within the industry, problems in obtaining appropriate informed consent from donor families, issues related to quality control in processing tissue, and whether current regulatory efforts are adequate to ensure the safety of human tissue transplants, 9:30 a.m., SD–342.

Committee on Health, Education, Labor, and Pensions: May 22, to hold hearings to examine certain issues surrounding retiree health insurance, 9:30 a.m., SD–430.

May 23, Subcommittee on Public Health, to hold hearings to examine issues surrounding human subject protection, 9:30 a.m., SD–430.
May 24, Full Committee, to hold hearings to examine issues surrounding Congress' role in patient safety, 9:30 a.m., SD–430.

Committee on the Judiciary: May 22, to hold hearings to examine competition in the pharmaceutical marketplace, focusing on the antitrust implications of patent settlements, 10 a.m., SD–226.

May 22, Subcommittee on Technology, Terrorism, and Government Information, to hold hearings to examine the challenges in cybercrime focusing on the National Infrastructure Protection Center, 10 a.m., SD–366.

May 22, Subcommittee on Immigration, to hold hearings to examine U.S. immigration policy, focusing on rural and urban health care needs, 2 p.m., SD–226.

May 23, Full Committee, to hold hearings on Department of Justice and certain judicial nominations, 10 a.m., SD–226.

House Chamber

To be announced.

House Committees

Committee on Agriculture, May 22, Subcommittee on Livestock and Horticulture, hearing to review national dairy policy, 10 a.m., 1300 Longworth.

May 23, full Committee, hearing to review the Administration's proposals for the Free Trade Area of the Americas and their impact on United States Agriculture, 10 a.m., 1300 Longworth.

May 23, Subcommittee on Conservation, Credit, Rural Development and Research, hearing to review conservation programs, 2:30 p.m., 1300 Longworth.

Committee on Appropriations, May 22, Subcommittee on Commerce, Justice, State and Judiciary, on FCC, 10 a.m., and on the SEC, 2 p.m., H–309 Capitol.

May 22, Subcommittee on Labor, Health and Human Services and Education, on public witnesses, 10 a.m., and on the Secretary of Labor, 2 p.m., 2358 Rayburn.

May 22, Subcommittee on VA, HUD and Independent Agencies, on DOD-Civil, Cemeterial Expenses, Army, 10:30 a.m., and on the American Battle Monuments Commission, 11:30 a.m., H–143 Capitol.

May 23, Subcommittee on Commerce, Justice, State and Judiciary, on Bureau of Prisons, 10 a.m., and on the SBA, 2 p.m., H–509 Capitol.

May 23, Subcommittee on District of Columbia, on Fiscal Year 2002 D.C. Budget, 1:30 p.m., 2358 Rayburn.

May 23, Subcommittee on Labor, Health and Human Services and Education, on Worker Protection, 10 a.m., and on Employment Training, and Veterans Employment, 2 p.m., 2358 Rayburn.

May 23 and 24, Subcommittee on VA, HUD and Independent Agencies, on HUD, 12:30 p.m., on May 23, and 9:30 a.m., on May 24, 2359 Rayburn.

May 24, Subcommittee on Labor, Health and Human Services and Education, on SSA, 10 a.m., and on Corporation for Public Broadcasting, 11:15 a.m., 2358 Rayburn.

Committee on Armed Services, May 22, Subcommittee on Military Readiness, hearing on constraints and challenges facing military test and training ranges, 2 p.m., 2212 Rayburn.

May 22, Special Oversight Panel on Terrorism, hearing on patterns of global terrorism and terrorist threats to the homeland, 10 a.m., 2212 Rayburn.

May 24, Subcommittee on Military Research and Development, hearing on Ballistic Missile Defense testing, 10 a.m., 2118 Rayburn.


Committee on Financial Services, May 22, hearing on the state of the international financial system, IMF reform, and compliance with IMF agreements, 2 p.m., 2128 Rayburn.


Committee on Government Reform, May 22, Subcommittee on National Security, Veterans Affairs, and International Relations, hearing on Aircraft Cannibalization: An Expensive Appetite, 10 a.m., 2247 Rayburn.

May 23, Subcommittee on Criminal Justice, Drug Policy and Human Resources, hearing on Effective Faith-Based Drug Treatment Programs, 10 a.m., 2154 Rayburn.

May 24, Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs and the Subcommittee on Technology and the House of the Committee on Rules, joint hearing on "Unfunded Mandates—A Five-Year Review and Recommendations for Change," 10:30 a.m., 2154 Rayburn.

Committee on International Relations, May 23, Subcommittee on International Relations, hearing on the Export Administration Act: The Case for Its Renewal, 10 a.m., 2172 Rayburn.


Committee on the Judiciary, May 22, hearing on the following bills: H.R. 1698, American Broadband Competition Act of 2001; and H.R. 1697, Broadband Competition and Incentives Act of 2001, 2 p.m., 2141 Rayburn.
May 24, Subcommittee on Crime, oversight hearing on “Fighting Cyber Crime: Efforts by State and Local Officials,” 10 a.m., 2337 Rayburn.

Committee on Resources, May 22, Subcommittee on Energy and Mineral Resources, oversight hearing on Short-Term solutions for increasing energy supply from the public lands, 10 a.m., 1324 Longworth.


May 23, full Committee, oversight hearing on Recreational Access to Public Lands, 10 a.m., 1324 Longworth.

May 24, Subcommittee on Fisheries Conservation, Wildlife and Oceans, hearing on the Reauthorization of the Coastal Zone Management Act, 9:30 a.m., 1324 Longworth.

Committee on Science, May 22, hearing on Improving Voting Technology: the Role of Standards, 10 a.m., 2318 Rayburn.

May 24, Subcommittee on Energy, hearing on Energy Conservation Potential of Extended and Double Daylight Savings Time, 10 a.m., 2325 Rayburn.

May 24, Subcommittee on Space and Aeronautics, hearing on Space Tourism, 10 a.m., 2318 Rayburn.

Committee on Small Business, May 23, hearing with respect to SBA Programs for Veterans and the National Veterans Business Development Corporation, 10 a.m., 2360 Rayburn.

May 24, Subcommittee on Regulatory Reform and Oversight and the Subcommittee on Rural Enterprises, Agriculture and Technology, joint hearing on Eliminating the Digital Divide—Who Will Wire Rural America? 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, May 22, Subcommittee on Railroads, hearing on obstacles to Rail Infrastructure Improvements, 3 p.m., 2167 Rayburn.

May 23, Subcommittee on Coast Guard and Maritime Transportation, and the Subcommittee on Water Resources and Environment, joint oversight hearing on Port and Maritime Transportation Congestion, 2 p.m., 2167 Rayburn.

May 25, Subcommittee on Highways and Transit, hearing on Solutions to Highway Congestion, 9:30 a.m., 2167 Rayburn.

May 24, Subcommittee on Aviation, hearing on Airport Runway Construction Challenges, 10 a.m., 2167 Rayburn.

Committee on Veterans’ Affairs, May 24, Subcommittee on Benefits, hearing on H.R. 1291, 21st Century Montgomery GI Bill Enhancement Act, 10 a.m., 334 Cannon.

Committee on Ways and Means, May 22, Subcommittee on Human Resources, hearing on welfare and marriage issues, 2 p.m., B–318 Rayburn.

May 22, Subcommittee on Social Security, hearing on protecting privacy and preventing the misuse of Social Security numbers, 10 a.m., B–318 Rayburn.

Joint Meetings

Joint Economic Committee: May 23, to hold joint hearings on the economic outlook of the nation, 10 a.m., 311 Cannon Building.
Next Meeting of the SENATE
10 a.m., Friday, May 18

Senate Chamber
Program for Friday: Senate will meet in a pro forma session.

Next Meeting of the HOUSE OF REPRESENTATIVES
12:30 p.m., Monday, May 21

House Chamber
Program for Monday: To be announced.