

Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 685

At the request of Mr. BAYH, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 685, a bill to amend title IV of the Social Security Act to strengthen working families, and for other purposes.

S. 710

At the request of Mr. KENNEDY, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 710, a bill to require coverage for colorectal cancer screenings.

S. 790

At the request of Mr. BROWNBACK, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Ohio (Mr. DEWINE) were added as cosponsors of S. 790, a bill to amend title 18, United States Code, to prohibit human cloning.

S. 826

At the request of Mrs. LINCOLN, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 826, a bill to amend title XVIII of the Social Security Act to eliminate cost-sharing under the medicare program for bone mass measurements.

S. 830

At the request of Mr. CHAFEE, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. 830, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 885

At the request of Mr. HUTCHINSON, the name of the Senator from Arkansas (Mrs. LINCOLN) 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.

S. 948

At the request of Mr. LOTT, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 948, a bill to amend title 23, United States Code, to require the Secretary of Transportation to carry out a grant program for providing financial assistance for local rail line relocation projects, and for other purposes.

S. 952

At the request of Mr. GREGG, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 952, a bill to provide collective bargaining rights for public safety offi-

cers employed by States or their political subdivisions.

S. 1006

At the request of Mr. HAGEL, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1006, a bill to provide for the energy security of the United States and promote environmental quality by enhancing the use of motor vehicle fuels from renewable sources, and for other purposes.

S. 1009

At the request of Mrs. HUTCHISON, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1009, a bill to require the provision of information to parents and adults concerning bacterial meningitis and the availability of a vaccination with respect to such diseases.

S. 1030

At the request of Mr. CONRAD, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 1030, a bill to improve health care in rural areas by amending title XVIII of the Social Security Act and the Public Health Service Act, and for other purposes.

S. 1075

At the request of Mr. BIDEN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1075, a bill to extend and modify the Drug-Free Communities Support Program, to authorize a National Community Antidrug Coalition Institute, and for other purposes.

S. 1111

At the request of Mr. CRAIG, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1111, a bill to amend the Consolidated Farm and Rural Development Act to authorize the National Rural Development Partnership, and for other purposes.

S. 1140

At the request of Mr. FEINGOLD, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1140, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1209

At the request of Mr. BINGAMAN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1209, a bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes.

S. 1220

At the request of Mr. BREAU, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 1220, a bill to authorize the Secretary of Transportation to estab-

lish a grant program for the rehabilitation, preservation, or improvement of railroad track.

S. 1232

At the request of Mr. MCCONNELL, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1232, a bill to provide for the effective punishment of online child molesters, and for other purposes.

S. 1256

At the request of Mrs. FEINSTEIN, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 1256, a bill to provide for the reauthorization of the breast cancer research special postage stamp, and for other purposes.

S. 1275

At the request of Mr. KENNEDY, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1275, a bill to amend the Public Health Service Act to provide grants for public access defibrillation programs and public access defibrillation demonstration projects, and for other purposes.

S. 1286

At the request of Mrs. CARNAHAN, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 1286, a bill to provide for greater access to child care services for Federal employees.

S. 1298

At the request of Mr. HARKIN, the names of the Senator from Michigan (Ms. STABENOW) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1298, a bill to amend title XIX of the Social Security Act to provide individuals with disabilities and older Americans with equal access to community-based attendant services and supports, and for other purposes.

S. 1327

At the request of Mr. MCCAIN, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1327, a bill to amend title 49, United States Code, to provide emergency Secretarial authority to resolve airline labor disputes.

S. 1397

At the request of Mr. GRASSLEY, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 1397, a bill to ensure availability of the mail to transmit shipments of day-old poultry.

S. 1400

At the request of Mr. KYL, the name of the Senator from Texas (Mr. GRAMM) was added as a cosponsor of S. 1400, a bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to extend the deadline for aliens to present a border crossing card that contains a biometric identifier matching the appropriate biometric characteristic of the alien.

STATEMENTS ON INTRODUCED  
BILLS AND JOINT RESOLUTIONS

By Mr. HAGEL:

S. 1412. A bill to protect the property rights guaranteed by the fifth amendment to the Constitution by requiring Federal agencies to prepare private property taking impact analyses and by allowing expanded access to Federal courts; to the Committee on Governmental Affairs.

Mr. HAGEL. Mr. President, America's property owners are increasingly pressured by more and more burdensome government regulations and restrictions. Federal agencies should comply with state and local laws on property rights, and ensure that our Nation's policies are implemented with minimal impact on property owners. Today, I am reintroducing legislation that would help enforce the U.S. Constitution's guarantee of private property rights.

The Private Property Rights Act would help protect land owners in two ways. First, the bill would require the Federal Government to conduct an economic impact analysis prior to taking any action that would inhibit or restrict the use of private property. For the first time, the government would be forced to determine in advance how its actions will impact the property owner.

Second, when government does take private property or restricts land use, the bill would allow landowners to plead their case in a Federal District Court instead of forcing them to the U.S. Court of Federal Claims. This means property owners could appeal any Federal taking of their property in their home state, rather than Washington, D.C.

This bill has won the endorsement of the Nebraska Cattlemen, the Nebraska Farm Bureau, and the Defenders of Property Rights. Their letters of support are being submitted for the RECORD.

The Private Property Rights Act is commonsense legislation that will return some justice to the system by reining in regulatory agencies, as well as giving the property owner a voice in the process. This is the fair thing to do. This is the right thing to do.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

SEPTEMBER 6, 2001.

Hon. CHUCK HAGEL,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR HAGEL: The Nebraska Cattlemen applaud you for reintroducing property rights protection legislation, The Private Property Rights Act of 2001, in the 107th Congress. The Association supported similar legislation (S. 246) in the 106th Congress and extends their support for your efforts again this year.

The Private Property Rights Act of 2001 addresses a phenomenon of federal and state government growth over the past three decades—regulatory programs that creep into areas and activities they were never envisioned to impact at their creation. Wetland regulations and endangered or threatened

species designations are just two examples of how "regulatory creep" has begun to affect almost every agricultural activity. A little closer to home, recent efforts by EPA to identify the sun as a source of pollution in the Platte River may only be overshadowed by more recent efforts to list the prairie dog as a species threatened with extinction.

Considering these examples, it has never been more important for federal agencies to be required to conduct an analysis of the effects of their actions on property rights. As found in The Private Property Rights Act of 2001, agency actions critical to public safety or law enforcement would be exempt from this requirement. Finally, and most critically, the legislation provides affected property owners an opportunity to seek relief from federal agencies whose actions result in a taking of private property rights through a federal district court in their state—instead of forcing them into the Federal Claims Court in Washington, DC.

The Private Property Rights Act of 2001 is a solid solution to a growing problem—the increased impact that federal regulations have on property rights guaranteed by the Fifth Amendment to the U.S. Constitution. The Nebraska Cattlemen support this legislation and thank you for again taking a leadership role on this important issue.

Sincerely,

GREG RUEHLE,  
Executive Vice President,  
Nebraska Cattlemen.

NEBRASKA FARM BUREAU FEDERATION,  
Lincoln, NE, September 7, 2001.

Hon. CHUCK HAGEL,  
Russell Senate Building,  
Washington, DC.

DEAR SENATOR HAGEL: On behalf of the Nebraska Farm Bureau Federation, I would like to offer our strong support for your bill titled "Private Property Rights' Act of 2001"

As Nebraska's largest farm organization, we have been a long time supporter of legislative efforts to protect property rights for landowners. For years farmers and ranchers have seen their property rights erode through various government actions and regulations. The problem is only exacerbated by the fact the government has failed to provide full and equitable compensation for the loss of the use of property due to government actions.

Your bill would take a giant step forward by providing some protection for landowners' property rights. By requiring federal agencies to prepare private property taking impact analyses and by allowing expanded access to Federal courts, the bill would certainly help prevent or reduce the loss of private property rights. Government should be forced to determine in advance how its actions would impact the property owner and this bill would put those necessary requirements in place.

In Nebraska, the Endangered Species Act and wetland regulations have decreased the use or value on many privately held acres by farmers and ranchers. This legislation would go a long way towards putting some fairness back into the system by making agencies think twice before they act on rules that impact private property rights and by giving property owners a voice in the process.

Nebraska farmers and ranchers appreciate your support for private property rights and your introduction of this bill.

Sincerely,

BRYCE P. NEIDIG,  
President.

DEFENDERS OF PROPERTY RIGHTS,

Washington, DC, September 6, 2001.

Re: Introduction of the Private Property Fairness Act.

Hon. CHUCK HAGEL,  
Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR HAGEL: It has come to the attention of our organization that you are to shortly re-introduce the Private Property Fairness Act of 1999 [formerly S. 246]. As this country's only public interest legal foundation dedicated exclusively to the protection of private property rights, Defenders of Property Rights commends your efforts to pass this valuable piece of legislation. We would be happy to assist you in your efforts to pass this piece of legislation.

As you noted when you introduced S. 246 on January 20, 1999, "... the law of takings is not yet settled to the satisfaction of most Americans." Our membership includes scores of individual property owners across this nation—in courts from coast to coast—whose constitutionally protected rights to ownership, use and enjoyment of property are or have been unconstitutionally denied them, we can attest to the accuracy of your observation. Sadly, Defenders of Property Rights can report that there are fewer 'satisfied' Americans now, than when we began our efforts nearly a dozen years ago. We can state without exaggeration that while individual cases of regulatory takings of property without just compensation are increasing, the operative effect of regulations now threatens the very existence of entire regions of rural America.

Like you, Defenders of Property Rights acknowledges the need for the rational application of this nation's environmental laws to protect our natural resources. However, when government policy and regulation unconstitutionally deprive individuals or businesses of their private property rights, then just and adequate compensation is constitutionally required. However, as you correctly noted in your January 20, 1999 statement, the cost of bearing too many of the impacts of regulatory takings are shouldered by the few. And, you rightly stated, "This is not fair." We could not agree more. We would also add that it is not constitutional.

We believe that enactment of the successor to The Private Property Fairness Act would arrest the continued diminishment of what the Framers of our Constitution considered a fundamental right—property rights. Additionally, we believe that your legislation will impose reasonable restraints on governmental agencies that will add a measure of calculated seriousness to their decisions to destroy private property. Finally, we are encouraged to note that your bill would dramatically increase the forums available to private property owners who seek redress when their property rights are diminished or taken.

In short, Defenders of Property Rights is delighted to register its support for your proposed legislation. The fundamental importance of property rights is one of the animating principles of our form of government. Moreover, we are enormously encouraged by your leadership on this important issue. We look forward to working with you on this valuable piece of legislation.

Yours truly,

NANCIE G. MARZULLA,  
President.

By Mr. LUGAR (for himself and Mr. HARKIN):

S. 1413. A bill to amend the Consolidated Farm and Rural Development Act to permit borrowers and grantees to use certain rural development loans

and grants for other purposes under certain circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. LUGAR. Mr. President, I rise to introduce legislation amending the Consolidated Farm and Rural Development Act to allow the Secretary of Agriculture to approve changes to the original purpose for which a USDA Rural Development grant or loan was made when requested by a recipient.

The Rural Community Advancement Program, as established under the Con Act, consists of separate accounts to provide funding for rural community facilities, rural waste and water utilities, and rural business and cooperative development. In the 1996 Farm Bill, we provided State Directors of Rural Development with the authority to transfer up to 25 percent of funds allocated to one of those accounts for a State in a fiscal year to any of the other accounts for which funds were allocated for the State in that fiscal year. This flexibility allows a State to adjust funding among the accounts to meet changing circumstances. For example, in a given year a State may have greater demand for financial assistance for rural community facilities than for rural business development, and the authority we granted in 1996 would allow a State the flexibility to address that change in demand.

The flexibility provided by the 1996 Farm Bill, however, extended only to prospective funding. It did not cover changes to loan and grant purposes needed by a community after a loan or grant has been made. Any post-award change to the grant or loan purpose would require return to USDA of any unspent grant or loan funds, or reimbursement to the Federal Government for its proportionate financial interest in any property acquired with the loan or grant funds.

Communities in Pennsylvania, Oregon, and Oklahoma have faced this dilemma when they have sought to provide space in grant-funded industrial parks to businesses that were too large to qualify under the terms of their Rural Business Enterprise Grant but that otherwise would have been eligible for a Rural Development Business and Industry loan. An Indiana community has unused property in its grant-funded industrial park that it now would like to use for a critically needed police station and water tower. USDA has no authority to allow any of these communities to change the authorized use for the land for which the grant or loan originally was made.

The measure I offer today would allow the Secretary to approve these types of requests. Under the bill, a community could request the Secretary to approve a change in the rural development purpose for previously awarded grants and loans to another rural development purpose authorized under the Con Act. A change in purpose could be requested only for property acquired with such funds, or for the

proceeds from sale of property acquired with such funds.

This measure would not require the Secretary to approve requests. It simply allows the Secretary to be fair and reasonable in considering requests by communities to alter the original purpose of the grant or loan. The beneficiary of such a change would not reap any financial windfall from such a change at the expense of the Federal government. The Federal government would retain its financial interest in any property used for the new purpose approved by the Secretary.

We all know how the needs of communities change over time due to economic development and demographic change. This measure allows the Secretary to be fair and reasonable in considering requests by communities to alter the original purpose of a grant or loan in response to such changes. I am hopeful my colleagues will join me in supporting this legislation.

By Mr. CRAIG:

S. 1414. A bill to provide incentives for States to establish and administer periodic testing and merit pay programs for elementary school and secondary school teachers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. CRAIG. Mr. President, I rise today to introduce the Parent and Teacher Achievement Act of 2001. We spent much of the spring debating the Federal Government's role in education, and in the end we passed a bill which gives a lot of money to the education establishment. Now, however, it is time to work on a policy that addresses what we can do for parents and teachers, and how we can let them keep some of their money so they can start improving education from the ground up.

This bill has many important provisions, but the most important is the tax credit for parents and relatives to use for education expenses. They can use this credit for any expenses they incur when they spend money on their children's education, such as school supplies, computers, private tutors, or other such expenses. This credit can also be used by parents who home school as well as to help offset tuition at private schools. This is not a voucher program nor is it a government subsidy for private schools. This tax credit is simply the Federal Government recognizing that parents know best how to educate their children. As education researcher Andrew Coulson has said, "... parents have consistently made better education choices for their own children than state-appointed experts have made on their behalf." The Federal Government should not penalize them by taxing the money parents spend to further that education. It should be pointed out that this credit would also apply to relatives of students if they contribute money towards educational expenses. We all know that grandparents and aunts and uncles do a

lot to contribute to children's education. It is only appropriate to recognize those efforts, too.

The idea of the type of tax credit contained in this bill has been picking up steam recently, and many think tanks, such as the Cato Institute, the Mackinac Center, and the Buckeye Institute, have issued reports on tuition tax credits which clearly illustrate their benefits. A tax credit of this type has also begun to be enacted in the real world. Arizona has had an education tax credit for a few years, and it has proven to be remarkably successful. The Canadian province of Ontario also recently enacted a tax credit of this type.

Of course, a tax credit is only available to people who pay taxes, but my bill also benefits low income individuals. To address the needs of these people, I have included a provision in this bill which would give individuals or corporations a tax credit when they donate money to organizations which give scholarships to lower income students. This would allow funds to go to private organizations so they award scholarships, while avoiding any church/state entanglements which concern so many who oppose vouchers. The state of Arizona has had success with this program, too.

Another important tax component contained in this bill is one which allows teachers to take a credit for money spent on school supplies for their students. Nobody goes into teaching to get rich; they do it because they recognize their job is one of the most important in this Nation, preparing our youth for the future. And though teachers do not receive lavish salaries, many of them spend considerable sums for school supplies for their students. It is only fair that the Federal Government should not tax this money. The bill also contains a provision that would allow teachers and other school staff a tax deduction for expenses they incur while improving their education or job skills. Our teachers need to be the best trained teachers in the world, and we should encourage this all we can.

The final section of this bill would empower teachers by allowing the Secretary of Education to give grants to States and school districts which set up merit pay systems in schools and implement teacher testing programs, as long as those states also have a continuing education requirement as part of their teacher certification process. It also has a provision which clarifies any Department of Education regulations and says that federal funds can be used for merit pay systems and for teacher testing programs. If States and school districts find the need to use their funds for these programs, the Federal Government should not tie them up in red tape and prevent them from meeting their needs as they see them. We all know that local educators have a much better view of the needs they encounter, and we in Washington

should give them as much freedom as possible to meet those needs.

By enacting this bill, the U.S. Senate will be making a firm commitment to helping parents and teachers achieve education success. Parents in this country need to have as much freedom as possible to choose the ways in which their children will be educated, and this bill is a modest step in that direction. To complement the efforts of parents, though, we need to have teachers who are the most qualified and the most able to meet the needs of the children parents send to them every day. Encouraging states to implement merit pay and teacher testing, and allowing teachers to have a credit for their educational expenses, will go a long way towards making this a reality.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1414

*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 "Parent and Teacher Achievement Act of 2001".

#### SEC. 2. STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY.

(a) AMENDMENTS.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

- (1) by redesignating part E as part F;
- (2) by redesignating sections 2401 and 2402 as sections 2501 and 2502, respectively; and
- (3) by inserting after part D the following:

##### **"PART E—STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY**

#### **"SEC. 2401. STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY.**

"(a) STATE AWARDS.—From funds made available under subsection (b) for a fiscal year, the Secretary shall make an award to each State that—

"(1) administers a test to each elementary school and secondary school teacher in the State, with respect to the subjects taught by the teacher, every 3 to 5 years;

"(2) has an elementary school and secondary school teacher compensation system that is based on merit; and

"(3) requires elementary school and secondary school teachers to earn continuing education credits as part of a State recertification process.

"(b) AVAILABLE FUNDING.—Notwithstanding any other provision of law, the amount of funds that are available to carry out this section for a fiscal year is 50 percent of the amount of funds appropriated to carry out this title that are in excess of the amount so appropriated for fiscal year 2001, except that no funds shall be available to carry out this section for any fiscal year for which—

"(1) the amount appropriated to carry out this title exceeds \$600,000,000; or

"(2) each of the several States is eligible to receive an award under this section.

"(c) AWARD AMOUNT.—A State shall receive an award under this section in an amount that bears the same relation to the total amount available for awards under this section for a fiscal year as the number of States that are eligible to receive such an award for the fiscal year bears to the total number of all States so eligible for the fiscal year.

"(d) USE OF FUNDS.—Funds provided under this section may be used by States to carry out the activities described in section 2207.

"(e) DEFINITION OF STATE.—In this section, the term 'State' means each of the 50 States and the District of Columbia."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2001.

#### SEC. 3. TEACHER TESTING AND MERIT PAY.

(a) IN GENERAL.—Notwithstanding any other provision of law, a State may use Federal education funds—

(1) to carry out a test of each elementary school or secondary school teacher in the State with respect to the subjects taught by the teacher; or

(2) to establish a merit pay program for the teachers.

(b) DEFINITIONS.—In this section, the terms "elementary school" and "secondary school" have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

#### SEC. 4. NONREFUNDABLE CREDIT FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

##### **"SEC. 25C. CREDIT FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.**

"(a) 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 qualified elementary and secondary education expenses (within the meaning of section 530(b)(4)) with respect to one or more qualifying students which are paid or incurred by the individual during such taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed \$1000 per qualifying student.

"(2) MAXIMUM TUITION EXPENSES.—The tuition expenses which may be taken into account in determining qualified elementary and secondary education expenses for any taxable year shall not exceed \$500 per qualifying student.

"(c) QUALIFYING STUDENT.—For purposes of this section, the term "qualifying student" means a dependent (within the meaning of section 152) or a relative of the taxpayer who is enrolled in school (as defined in section 530(b)(4)(B)) on a full-time basis. For purposes of the preceding sentence, the term "relative" means an individual bearing a relationship to the taxpayer which is described in any of paragraphs (1) through (8) of section 152(a).

"(d) DENIAL OF DOUBLE BENEFIT.—No deduction or exclusion shall be allowed under this chapter for any expense for which credit is allowed under this section.

"(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year."

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25B the following new item:

"Sec. 25C. Credit for elementary and secondary school expenses."

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

#### SEC. 5. CREDIT FOR CONTRIBUTIONS FOR THE BENEFIT OF ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal

Revenue Code of 1986 (relating to other credits) is amended by adding at the end the following new section:

##### **"SEC. 30B. CREDIT FOR CONTRIBUTIONS FOR THE BENEFIT OF ELEMENTARY AND SECONDARY SCHOOLS.**

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 75 percent of the qualified charitable contributions of the taxpayer for the taxable year.

"(b) MAXIMUM CREDIT.—

"(1) INDIVIDUALS.—In the case of a taxpayer other than a corporation, the credit allowed by subsection (a) for any taxable year shall not exceed \$500 (\$1,000 in the case of a joint return).

"(2) CORPORATIONS.—In the case of a corporation, the credit allowed by subsection (a) shall not exceed \$100,000.

"(c) QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified charitable contribution' means, with respect to any taxable year, the aggregate amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

"(2) SCHOOL TUITION ORGANIZATION.—

"(A) IN GENERAL.—The term 'school tuition organization' means any organization which—

"(i) is described in section 170(c)(2),

"(ii) allocates at least 90 percent of its gross income and contributions and gifts to elementary and secondary school scholarships, and

"(iii) awards scholarships to any student who is eligible for free or reduced cost lunch under the school program established under the Richard B. Russell National School Lunch Act.

"(B) ELEMENTARY AND SECONDARY SCHOOL SCHOLARSHIP.—The term 'elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

"(d) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

"(2) 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 subpart, over

"(B) the tentative minimum tax for the taxable year.

"(3) CONTROLLED GROUPS.—All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

"(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year."

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 30B. Credit for contributions for the benefit of elementary and secondary schools."

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

#### SEC. 6. 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 of the Internal

Revenue Code of 1986 (relating to other credits), as amended by section 4(a), is amended by adding at the end the following new section:

**“SEC. 30C. 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 the qualified elementary and secondary education 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 \$1,000.

“(c) DEFINITIONS.—

“(1) ELIGIBLE EDUCATOR.—The term ‘eligible educator’ means an individual who is a teacher, instructor, counselor, principal, or aide in a school (as defined in section 530(b)(4)(B)) for at least 900 hours during a school year.

“(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term ‘qualified elementary and secondary education 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.

“(d) SPECIAL RULES.—

“(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

“(2) 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 subpart, over

“(B) the tentative minimum tax for the taxable year.

“(e) 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 subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986, as amended by section 4(b), is amended by adding at the end the following new item:

“Sec. 30C. 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, 2001.

**SEC. 7. ADJUSTED GROSS INCOME DETERMINED BY TAKING INTO ACCOUNT PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.**

(a) IN GENERAL.—Section 62(a)(2) of the Internal Revenue Code of 1986 (relating to certain trade and business deductions of employees) is amended by adding at the end the following:

“(D) PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.—The deductions allowed by section 162 which consist of expenses, not in excess of \$1,500, paid or incurred by an eligible educator (as defined section 30C(c)(1)) by reason of the participation of the educator in professional development courses which are related to the curriculum and academic subjects in which the educator provides instruction or to the students for which the educator provides instruction and which are part

of a program of professional development which is approved and certified by the appropriate local educational agency (as defined by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this subparagraph).”.

(b) SPECIAL RULES.—Section 62 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(d) SPECIAL RULES.—A deduction shall be allowed under subsection (a)(2)(D) for expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.”.

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

By Mr. HATCH (for himself, Mr. BAUCUS, and Mr. DODD):

S. 1415. A bill to amend the Internal Revenue Code of 1986 to enhance book donations and literacy; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to introduce legislation designed to clarify and enhance the charitable contribution tax deduction for donations of excess book inventory for educational purposes. I am pleased to be joined in this effort by my good friends and colleagues Senators BAUCUS and DODD. This proposal would simplify a complex area of the current law and eliminate significant roadblocks that now stand in the way of corporations with excess book inventory to donating those books to schools, libraries, and literacy programs, where they are much needed.

Unfortunately, our current tax law contains a major flaw when it comes to the donation of books that are excess inventory for publishers or booksellers. The tax benefits for donating such books to schools or libraries are often no greater than those of sending the books to the landfill. And, since it is generally cheaper and faster for a company to simply send the books to the dump, rather than go through the trouble and cost of finding donees, and of packing, storing, and shipping the books, it often ends up being more cost effective and easier for companies to truck the books to a landfill or recycling center.

While there are provisions in the current law where a larger deduction is available for the donation of excess books, many companies have found that the complexity and uncertainty of dealing with the requirements, regulations, and possible Internal Revenue Service challenges of the higher deduction serve as a real disincentive to making a contribution.

This is a sad situation, when one considers that many, if not most, of these books would be warmly welcomed by schools, libraries, and literacy programs.

The heart of the problem is that under the current law, the higher deduction requires that the donated books be used only for the care of the needy, the sick, or infants. This requirement makes it difficult for

schools to qualify as donees and also frequently prohibits libraries and adult literacy programs from receiving such deductions. This is because these schools, libraries, and literacy programs often serve those who are not needy or are over the age of 18. Further complicating the issue, the valuation of donated book inventory has been the subject of ongoing disputes between taxpayers and the IRS. The tax code should not contain obstacles that provide disincentives to charitable donations of books that can enhance learning.

The bill we are introducing today addresses the obstacles of donating excess book inventory by providing a simple and clear rule whereby any donation of book inventory to a qualified school, library, or literacy program is eligible for the enhanced deduction. This means that booksellers and publishers would receive a higher tax benefit for donating the books rather than throwing them away and would thus be encouraged to go to the extra trouble and expense of seeking out qualified donees and making the contributions.

My home State of Utah, like the rest of the Nation, has a problem with illiteracy. According to the National Institute for Literacy, between 21 and 23 percent of the adult population of the United States, about 44 million people, are only at Level 1 literacy, meaning they can read a little but not well enough to fill out an application, read a food label, or read a simple story to a child. Another 25 to 28 percent of the adult population, or between 45 and 50 million people, are estimated to be at Level 2 literacy, meaning they can usually can perform more complex tasks such as comparing, contrasting, or integrating pieces of information but usually not higher level reading and problem-solving skills. Literacy experts tell us that adults with skills at Levels 1 and 2 lack a sufficient foundation of basic skills to function successfully in our society.

While this bill is not a cure-all for the tragedy of illiteracy, it will increase access to books, both for adults and for children. Our tax code should not encourage the destruction of perfectly good books while schools, libraries, and literacy programs go begging for them.

The Senate is already on record in unanimous support of this bill. During the floor debate on the Economic Growth and Tax Relief Reconciliation Act of 2001, I offered this proposal as an amendment, which was accepted without opposition. Unfortunately, the provision was dropped in the conference with the House.

The Joint Committee on Taxation estimates this provision to decrease revenues to the Treasury by \$246 million over a ten year period. This estimate helps demonstrate the extent of the value of the books that are currently being discarded that could be utilized to help America's adults and children.

I hope our colleagues will join us in supporting this bill. It is wrong for our

tax code to encourage book publishers to send books to the landfill instead of to the library. Let's correct this problem.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1415

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

**SECTION 1. CONTRIBUTIONS OF BOOK INVENTORY.**

(a) IN GENERAL.—Section 170(e)(3) of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new subparagraph:

“(D) SPECIAL RULE FOR CONTRIBUTIONS OF BOOK INVENTORY FOR EDUCATIONAL PURPOSES.—

“(i) CONTRIBUTIONS OF BOOK INVENTORY.—In determining whether a qualified book contribution is a qualified contribution, subparagraph (A) shall be applied without regard to whether or not—

“(I) the donee is an organization described in the matter preceding clause (i) of subparagraph (A), and

“(II) the property is to be used by the donee solely for the care of the ill, the needy, or infants.

“(ii) QUALIFIED BOOK CONTRIBUTION.—For purposes of this paragraph, the term ‘qualified book contribution’ means a charitable contribution of books, but only if the contribution is to an organization—

“(I) described in subclause (I) or (III) of paragraph (6)(B)(i), or

“(II) described in section 501(c)(3) and exempt from tax under section 501(a) which is organized primarily to make books available to the general public at no cost or to operate a literacy program.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act.

Mr. DODD. Mr. President, I rise with my colleagues Senator HATCH and Senator BAUCUS to introduce a measure to encourage book publishers to donate excess inventory to schools, libraries, and literacy programs.

Currently, because of the TAX CODE's treatment of such donations, and the cost of shipping books to schools and libraries, often it is more economical for publishers to destroy books than to donate them. That is as shocking as it is unacceptable.

Both the House and Senate versions of the education bills that currently are in conference authorize nearly \$1 billion dollars for grants to State and local educational agencies for pre-reading or reading programs for children from pre-kindergarten through 3rd grade. I think it goes without saying that programs to teach kids to read won't work unless they can provide kids with access to books. You can't learn to read if you don't have anything to read.

That is why measures such as this, and the provision in the Senate's education bill to help school libraries acquire up-to-date books and to remain open for longer hours, are essential to

the success of the reading programs in both bills. This provision will increase children's access to books, introduce them to whole new worlds of knowledge, and enable them to read more at school, in libraries, and at home.

This is important, because in a recent study of 15 countries, the United States was 12th in the percentage of 13-year-olds who read for fun. Of course, reading for fun is valuable for its own sake, but it also is an important indicator of academic achievement. For example, students who read on their own do better on both math and reading tests.

So, I believe that this provision is exactly the sort of good bipartisan tax and public policy that we ought to be promoting in the Senate, and I ask my colleagues to join Senators HATCH, BAUCUS, and myself in supporting this bill.

**STATEMENTS ON SUBMITTED RESOLUTIONS**

**SENATE RESOLUTION 158—HONORING THE ACCOMPLISHMENTS AND UNFAILING SPIRIT OF WOMEN IN THE 20TH CENTURY**

Mr. CLELAND (for himself, Mrs. CLINTON, Mr. COCHRAN, and Mrs. MURRAY) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 158

Whereas women should be celebrated for the unparalleled strides made during the 20th century in education, professional careers, legal rights, politics, military service, religion, sports, and self-reliance;

Whereas at the dawn of the 20th century, women in the United States were denied their constitutional right to equal protection of the law, including the right to vote;

Whereas the women's suffrage movement, the largest grassroots political movement in the Nation's history, involved approximately 2,000,000 women and took more than 70 years of petitions, referenda, speeches, national and State campaigns, demonstrations, arrests, and hunger strikes;

Whereas women won the right to vote throughout the United States with the ratification of the 19th amendment to the Constitution in 1920, and by the end of the century women were voting in larger numbers than men in some national elections;

Whereas women represent an increasing percentage of the population awarded college and postgraduate degrees;

Whereas women are increasingly owning businesses and working to narrow the pay gap between women and men;

Whereas in World War I, women were only allowed to serve in the Army as nurses, and approximately 10,000 of the 30,000 women that served in World War I served as volunteers overseas, with no rank and no benefits;

Whereas during the 20th century, women served the Nation proudly and capably in the Armed Forces, including duty in World War I, World War II, Korea, Vietnam, Panama, Libya, the Persian Gulf, Bosnia, Kosovo, and in supportive roles during all of these conflicts;

Whereas women now serve in all ranks and branches of the Armed Forces as pilots, intelligence specialists, drill instructors, spe-

cialists, technicians, soldiers, airmen, and marines on the battlefields, and as sailors aboard Navy and Coast Guard ships at sea;

Whereas the 20th century saw women in new roles as justices on the Supreme Court, members of the President's Executive Cabinet, and Members of Congress;

Whereas women's contributions have become invaluable as Federal, State, and local legislators, Governors, judges, Cabinet officers, county commissioners, mayors, city council members, and directors of Federal, State, and local agencies;

Whereas women made significant strides in the 20th century, yet as we enter the 21st century women continue to face inequality;

Whereas women are disparately excluded from health care research, clinical trials, and treatment;

Whereas women continue to be underrepresented in science and technology careers;

Whereas women are often paid only 72 cents for each 1 dollar paid to men for the same work;

Whereas women are disproportionately affected by poverty and elderly women are generally more dependent on the social security program under title II of the Social Security Act; and

Whereas women can reflect upon the opportunities created during the 20th century and look toward even greater accomplishments in the 21st century: Now, therefore, be it

*Resolved*, That the Senate—

(1) honors and commends the accomplishments and unflinching spirit of women in the 20th century;

(2) recognizes the crucial roles of women in our communities as mothers, wives, and family caregivers;

(3) recognizes the disparity in equality that women still face;

(4) reaffirms the need to prevent and punish violence against women so that women may be safe from domestic violence, sexual assault, elder abuse, and violence in the workplace;

(5) recognizes that women should have equal access to health care and inclusion in research and clinical trials;

(6) recognizes the need for equality in vocational and academic education;

(7) recognizes that the pay gap should be closed;

(8) commits to preserving the social security program under title II of the Social Security Act and the medicare program under title XVIII of such Act; and

(9) pledges to make the 21st century the ‘Century of Equal Opportunity for Women’.

Mr. CLELAND. Mr. President, I rise today to submit a resolution recognizing the 21st century as the ‘Century of Equal Opportunity for Women.’

This proposal recognizes that as we enter the 21st century, it is essential that we note the great strides made by women in the 20th century as well as recognizing fundamental inequalities still faced by women as we begin the 21st century. The need for this resolution comes from the important requirement to acknowledge past achievements but to also address specific areas where further improvements are needed in order to ensure that women are given equal opportunity.

Unfortunately, women continue to face challenges and disparities in areas like health care and wages. This resolution acknowledges inequities such as the pay gap and challenges us to see that these issues are addressed so that