

ourselves as a body. As we stood here this morning and said the Pledge of Allegiance to the Flag, which always makes me proud, to be indivisible, to come together as one body when it comes to our troops—we are going to have our differences. We always have and we always will. But I think it is so important in this time of paying tribute to our armed services, the forces that are out there to defend our freedoms, that we act in a nonpartisan and indivisible way.

I was really saddened today when I picked up the paper and, in what has become a very common manner, there was a sense of making fun about some of the priorities that many of us Democrats had in this recent budget debate. Budgets are all about priorities, and in our household, I run our budget. We sometimes have to cut our spending to make sure we have enough money for college education and other priorities in our household budget.

I had an amendment on the budget which I thought was very important. When the men and women who serve in our Reserves and National Guard are activated, they have health care at that point, but prior to that point, they do not have health care. I think it is equally as important to honor them not just when they are serving but when they are at home preparing and willing to serve.

I do not think it is comical in terms of a Democratic "spend-o-meter." It is my priority that these men and women are important enough to me that I am willing to ask some to delay a tax cut so we can provide that kind of health care to their families and to our men and women serving when they are willing and preparing to serve us in the armed services.

In these continuing debates—we certainly come to the floor to talk about the men and women from our States who serve us in the armed services, who have put their lives in harm's way, to talk about their families at home who are heartbroken, who are anxious, who are in thoughtful prayer—I hope we will also remember in this body as we debate these priorities—whether it is a budget, tax cuts, or any other issue—that we also remember what they fight for: Our ability in this country to have the freedom to disagree but to disagree with respect.

My priorities in that budget were for the service men and women who serve, and I will continue to put them as a priority because when I put my son on that bus this morning, I thought about the rest of those mothers across this country. I thought about those men and women serving us who left family members behind who maybe did not have health care, and I think it is critical. Whether or not we disagree, we certainly respect the differences of opinions that we may have in this body and, for the sake of those men and women who have put their lives in harm's way, that we will not be frivolous with our comments or comical in

the priorities each of us may have, even though there is a difference.

I thank the Chair.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senator from Arkansas be allowed to speak for as long as she would like. She is making a good statement, and there is no other Member on the floor. I make that request.

Mrs. LINCOLN. I thank the Senator from Montana. I thank him very much for what he is going to begin, a tax package that really does serve the men and women in uniform. I appreciate his hard work and leadership on that issue.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. SUNUNU). Morning business is closed.

ARMED FORCES TAX FAIRNESS ACT OF 2003

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H.R. 1307, which the clerk will report.

The senior assistant bill clerk read as follows:

A bill (H. R. 1307) to amend the Internal Revenue Code of 1986 to provide a special rule for members of the uniformed services in determining the exclusion of gain from the sale of a principal residence and to restore the tax exempt status of death gratuity payments to members of the uniformed services, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the previous order, there will now be 3 hours of debate on the bill.

The Senator from Montana.

Mr. BAUCUS. Mr. President, we are now awaiting the arrival of the chairman of the committee. Pending his arrival, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, it is a privilege for me to be before the Senate again in a working relationship with Senator BAUCUS, the ranking Democrat of the Senate Finance Committee. It is another example of legislation that comes out of our committee in the bipartisan tradition of our committee, and this one came out, I believe, with unanimous support.

I very much appreciate not only the cooperation of Senator BAUCUS, but other members on the Democratic side of the committee, for helping us move along a very important piece of legislation, one that was very important last fall when we did not get it passed but

more important now because it deals with our people in the military and because of what is going on in Iraq at this moment.

We are here today to consider the Armed Forces Tax Fairness Act which the Finance Committee developed during this and the last Congress. This is a particularly somber time in our country as we continue our dangerous operations in the country of Iraq.

The contributions of the men and women of our uniformed services, our reservists and our National Guard, are foremost in our minds, and our thoughts and prayers remain with their loved ones and with families. I particularly wish to extend my condolences to the family of SGT Bradley Korthaus of Davenport, IA, whose death was reported yesterday. SGT Korthaus died while serving his Marine Corps engineering unit in southeast Iraq. So we have before us legislation affecting all of these men and women, legislation to ensure that our service men and women and their families are treated fairly under tax law. It seems to me this legislation is particularly timely.

The military bill we consider today rectifies a number of inequities faced by the uniformed services, our National Guard, and even Foreign Service personnel. For example, this legislation before the Senate now ensures that the families of military personnel called into active duty are not disadvantaged under the home sale exclusion provisions that affect many homeowners in the United States because most Americans are permitted to exclude built-in gain on the sale of their personal residence if they meet certain residency requirements.

The situation for military personnel owning a home is entirely different because we know that military personnel, called to active duty or asked to relocate, do not have the flexibility to meet these residency requirements and are consequently then adversely impacted by these rules. The Tax Code is unfair to them because they have no control over where they are going to live because they are called to meet the command of a military commanding officer to move out to someplace else.

The legislation, then, would suspend the residency test for periods of active duty aggregating no more than 10 years. We should obviously not punish members of our military and their families who are asked to relocate in the name of serving their country and protecting our national security, protecting our freedoms. To that extent, the Tax Code is unfair so that they get punished in ways that people who are nonmilitary and can control more of their lives would not be punished.

Another important issue weighing on the minds of many military personnel called into active duty is the well-being and the care of their children. The Federal Government works to ensure that military families have adequate and affordable access to child