

Mr. WHITEHOUSE. Mr. President, thank you. I appreciate that.

COLONEL EDWARD CYR

Mr. WHITEHOUSE. Mr. President, one of the great privileges that I have as a Member of this body is to travel around my home State of Rhode Island and hear directly from the people I was elected to serve. We are a small State, and we all know one another pretty well. So it is a pleasure to get out and listen to people, to hear what is on their minds, their good news and their bad news, and the challenges and the opportunities they and their families face each and every day.

One of the things we do is to regularly hold community dinners around the State. My wife Sandra and I get together with folks over pasta and meatballs or hamburgers and hot dogs and we talk about the issues that are interesting to them.

Mr. President, having the opportunity to hear people of my State share their stories this way has made such a difference in my work here in Washington. I say to the Presiding Officer, I know that as you represent the people in Florida, you feel very much the same way and I've heard you both in committee and on this floor give speeches and remarks that have focused on individual constituents of yours who had troubles and problems that they needed to attend to and you needed to attend to. So I know that you feel very much the same way.

You know, we stand in this Chamber and we debate back and forth on the war in Iraq or the price of a gallon of gas or the crisis in the housing industry. But when we go back home, we see people who are living in the middle of these issues every day. In Rhode Island right now, there are parents worrying about their sons and daughters serving overseas in Iraq. There are families watching the numbers on the gas pump roll, roll, roll, flying higher and higher, and they are wondering how they are going to make ends meet. And there are working people who see their mortgage payments climb out of reach, and they face the gnawing, terrible fear that they might lose the home their children grew up in. So, as glorious as is this grand Chamber we have the opportunity to serve in, the reason we are really here is that it is all about them.

And last Sunday evening, we had one of those moments. We hosted a community dinner in Bristol, RI, which is a beautiful, historic town on Rhode Island's East Bay. Bristol is known for many wonderful things, but one is the oldest—and I think the best—Fourth of July parade in the United States of America. So it was great to be in Bristol, and it was a beautiful evening. The day had been rainy, and toward the end of the day, the clouds had begun to open up and the evening Sun was shining through on the clouds above. The earth and the trees were still wet around, but they were lit up by the lit

sky, and we were in this handsome stone VFW hall that is just a little bit back from Bristol Harbor. It was beautiful not only outside but inside because we had a wonderful group of people. And as the questions and answers were winding down toward the end of the evening, a man stood up and he took the microphone, and he began to speak.

The man was COL Edward Cyr. Colonel Cyr is a 29-year veteran of the Army Reserves, 399th Combat Support Hospital. He has served two tours in Iraq, first in 2003 and then again from June 2006 to October 2007, and was also deployed to Kosovo in 2001. When he is not serving our country in the Army Reserves, Colonel Cyr is a nurse anesthetist at Saint Anne's Hospital in Massachusetts. He is a loving husband to his wife Patricia, and he is the father to five daughters.

Colonel Cyr wanted to tell me about a provision in the 2008 Defense authorization bill which grants early retirement eligibility to reservists and National Guard members who have served on Active Duty since September 11, to allow these individuals to gain 3 months of retirement eligibility for every 90 days of Active service.

He was concerned that the effective date of the legislation was set for the date of its passage, and that it did not reach back to September 11 to pick up all the veterans who had served since that date. I agreed to help him with that legislation, to make the date of the early retirement provision retroactive to September 11, 2001, so that it would reach every veteran in this conflict who served our country and carried the burden of a disastrous war policy with such great honor and dignity.

And often people come with a specific request like that, but that was not what was significant about this. What was significant about this was that Colonel Cyr took the chance to tell his story.

He spoke of the strains of his multiple deployments which have weighed so heavily upon him and his family. He spoke of the blood of the wounded soldiers he worked on, on his hands, on his clothes, in his very pores. He spoke of their service and their loss and his pride in the men and women who served beside him. When he was done, the big room was quiet.

I asked him—I was a little embarrassed to ask because I did not want to ask a personal question that might not be welcome, but I asked him anyway: I said, Colonel, if I may ask a personal question, what was your family situation through all of this? He paused a minute, and he said: Well, Senator, I am glad you asked that question because my wife is sitting right beside me. And he proudly pointed her out, and he said this: For all those months, over three tours, she had to go it alone, raising my five daughters, and I want to take this chance to thank her because if it weren't for her, I wouldn't have had a home to come home to.

Mr. President, you could have heard a pin drop. There was not a dry eye in the House, including my own. And the room then burst into applause.

Mr. President, this was just one of those moments—just one of those moments. I do not think I can explain it, and frankly, I do not even want to try because if I tried to explain it, I would just make it smaller. So all I want to say, as we all leave this glorious Chamber to go home to our States to celebrate this Memorial Day weekend, for all the Edward Cyrs and for all the Patricia Cyrs across this country, thank you and God bless you.

Mr. President, I believe there is no quorum present.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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.

HEROES EARNINGS ASSISTANCE  
AND RELIEF TAX ACT OF 2008

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 6081, which was received from the House.

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

The legislative clerk read as follows:

A bill (H.R. 6081) to amend the Internal Revenue Code of 1986 to provide benefits for military personnel, and for other purposes.

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

Mr. BAUCUS. Mr. President, I ask unanimous consent that the bill be read three times and passed, and the motion to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the bill be printed in the Record.

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

The bill (H.R. 6081) was ordered to a third reading, was read the third time, and passed.

Mr. BAUCUS. Mr. President, on Memorial Day in 1884, Justice Oliver Wendell Holmes said:

It is now the moment when by common consent we pause to become conscious of our national life and to rejoice in it, to recall what our country has done for each of us, and to ask ourselves what we can do for our country in return.

I am pleased that today, on the eve of the Memorial Day weekend, the Senate has been able to recall what our service men and women have done for each of us. I am pleased that we can do something for them in return. And I am pleased that we have been able to pass the Heroes Earnings Assistance and Relief Tax Act of 2008.

Nearly 1.5 million American service men and women have served in Iraq, Afghanistan, or both. Nearly 30,000

troops have been wounded in action there.

It is time that Congress showed its gratitude to these brave men and women. They have devoted their lives to the pursuit of American freedom.

Today, we are doing just that. We have passed a bill that offers tax relief to these men and women who serve our country so valiantly.

During a trip to Iraq last year, I saw the amazing job that our troops are doing. I met many Montanans from small towns such as Roundup and Townsend.

I saw firsthand what a heavy burden our troops bear for all of us. They face hardships and danger. But they keep at it every day.

This bill makes permanent the special tax rules that make sense for our military. Many of these rules expired at the end of 2007.

For example, most troops doing the heavy lifting in combat situations are lower ranking soldiers in the lower income brackets. Some of them are earning combat pay at levels that would qualify for the earned income tax credit. But under current law, combat pay does not count toward computing the EITC.

Congress fixed that temporarily. But the provision that fixed the problem expired at the end of 2007.

The EITC is a beneficial tax provision for working Americans. It makes no sense to deny it to our troops.

Today, we have made combat duty income count for EITC purposes, and we have made that change a permanent part of the Tax Code.

This military tax package also eliminates obstacles in the current tax laws that create problems for some veterans and service members.

For example, family members of fallen soldiers killed in the line of duty receive a death gratuity benefit of \$100,000. But the tax law does not allow the survivors to put this benefit into a Roth IRA. This bill will guarantee that the family members of fallen soldiers may take advantage of these tax-favored accounts.

Another problem for our disabled veterans is the time limit for filing to get a tax refund. Most VA disability claims filed by veterans are quickly resolved. But many disability awards are delayed because of lost paperwork or the appeals of rejected claims. Once a disabled vet finally gets a favorable award, the disability award is tax-free.

In many cases, however, these disabled veterans paid taxes on the payments in the past. The veterans cannot get the taxes paid back because the law bars them from filing a claim for a tax refund that goes back far enough.

We take care of this problem by giving disabled veterans an extra year to claim their tax refunds.

This bill is paid for by requiring that companies that do business with the Federal Government pay their employment taxes. The bill makes sure that foreign subsidiaries of U.S. parent com-

panies that have contracts with the Federal Government pay employment taxes for their employees.

Another offset in the bill is a provision that makes certain that individuals who relinquish their American citizenship or long-term residency pay their fair share of Federal taxes. This provision ensures that these folks pay the same tax for appreciation of assets, such as stocks or bonds, as they would pay if they sold them as U.S. citizens or residents.

We owe the men and women fighting in our armed forces an enormous debt of gratitude. They leave their families and put their lives on the line to fight for our freedoms.

And so today, the Senate pauses to recall what our service men and women have done for each of us. Today, the Senate pauses to ask ourselves what we can do for them in return. And today, the Senate pauses to say thank you.

Mr. GRASSLEY. Mr. President, the Heroes Earnings Assistance and Relief Tax Act of 2008, the HEART Act, which passed the Senate by unanimous consent today, was a bipartisan effort that incorporates most of the provisions in the Defenders of Freedom Tax Relief Act of 2007, which passed the Senate last December. The HEART Act also makes permanent and expands upon some of the tax relief measures that I coauthored with Senator BAUCUS in 2003, while chairman of the Senate Finance Committee.

Our men and women who serve in the military make tremendous sacrifices to keep this great Nation safe and strong. Oftentimes, this very service makes taxes complicated and sometimes unfair. It is only right that these honorable men and women get treated fairly under the Federal Tax Code. The Federal Tax Code shouldn't penalize people for serving their country.

It has been a few years since Congress enacted a tax relief measure for the military. As such, we have updated the relief package to include some additional relief. Amongst some of these new measures is a clarification that members of the military who file a joint tax return would be eligible for the stimulus rebate payment even if one spouse does not have a Social Security number.

The bill also ensures that U.S. employers of Americans working abroad pursuant to a Government contract pay Social Security and Medicare taxes, regardless of whether they operate through a foreign subsidiary. Amongst the offsets in the HEART Act is a provision that ensures individuals who relinquish their U.S. citizenship or long-term residency pay the same Federal taxes for the appreciation of assets as they would have paid if they sold them prior to relinquishing their U.S. citizenship or terminating their long-term residency.

It is unfortunate that the Senate was not able to strike an agreement with the House to include a provision that Senator ROBERTS championed. This

provision would make more service members eligible for low-income housing.

However, Senator ROBERTS has been reassured by House, Ways and Means Democrats that this provision will be processed with the House's low-income housing credit reform measures, which was part of their housing bill.

Mr. KERRY. Mr. President, today the Senate has passed legislation which will assist military families. I agree with Ways and Means Chairman CHARLES RANGEL that this legislation should be called the "thank you bill." As we approach Memorial Day, I am pleased that the House and Senate have passed this important legislation which will help thousands of military families.

I would like to thank Senators BAUCUS and GRASSLEY for the work they have done on this bill. The HEART Act reflects a compromise reached by the Ways and Means and Senate Finance Committees. Last year, Senator SMITH and I introduced the Active Duty Military Tax Relief Act of 2007, which would help those who bravely serve their country and the families that they have left behind.

The HEART Act includes several provisions from the Active Duty Military Tax Relief Act of 2007. It also includes additional provisions to help military families and veterans who often struggle financially.

The best definition of patriotism is keeping faith with those who serve our country. That means giving our troops the resources they need to keep them safe while they are protecting us. And it means supporting our troops at home as well as abroad.

Currently, there are over 160,000 military personnel serving in Iraq. There are approximately 33,000 United States servicemembers in Afghanistan. Many of these men and women are reservists and have been called to active duty, frequently for multiple tours.

Most large businesses have the resources to provide supplemental income to reservist employees called up. I applaud the businesses that have been able to pay supplemental income to their reservists, but it is not easy for small businesses to do the same.

In January 2007, the Committee on Small Business and Entrepreneurship held a hearing on veterans' small business issues. A majority of our veterans returning from Iraq and Afghanistan are Reserve and National Guard members—35 percent of whom are either self-employed or own or are employed by a small business.

We heard some disturbing statistics about the impact and unintended consequences the call up of reservists is having on small businesses. According to a January 2007 survey conducted by Workforce Management, 54 percent of the businesses surveyed responded that they would not hire a citizen soldier if they knew that they could be called up for an indeterminate amount of time. I am concerned that long call ups and re-deployments have made it hard for

small businesses to be supportive of civilian soldiers.

The Active Duty Military Tax Relief Act of 2007 provides a tax credit to small businesses to assist with the cost of paying the salary of their reservist employees when they are called to active duty. A similar provision is included in the HEART Act.

In addition to helping small businesses, the Active Duty Military Tax Relief of 2007 addresses concerns related to differential military pay, income tax withholding, and retirement plan participation. These provisions will make it easier for employers who would like to pay their employees supplemental income, above their military pay, and make pension contributions. Our legislation would make differential military pay subject to federal income tax withholding. In addition, with respect to the retirement plan rules, the bill provides that a person receiving differential military pay would be treated as an employee of the employer making the payment, and allows the differential military pay to be treated as compensation. These provisions are included in the HEART Act.

The Active Duty Military Tax Relief Act of 2007 would make permanent the existing provision which allows taxpayers to include combat pay as earned income for purposes of the earned income tax credit, EITC. Without this provision, some military families would no longer be eligible to receive the EITC because combat pay is currently not taxable. It also would provide tax relief for the death gratuity payment that is given to families that have lost a loved one in combat. This payment is currently \$100,000. Our current tax laws do not allow the recipients of this payment to use it to make contributions to tax-preferred saving accounts that help with saving for retirement. Both of these provisions are included in the HEART Act.

Recently, Representatives ELLSWORTH and EMANUEL and Senator OBAMA and I introduced the Fair Share Act of 2008 which ends the practice of U.S. government contractors setting up shell companies in foreign jurisdictions to avoid payroll taxes. I think that is appropriate that the Fair Share Act is included in the HEART Act. The revenue raised from closing this abusive loophole will help offset the tax relief provided to military families.

On March 6, 2008, Farah Stockman of the Boston Globe reported that Kellogg, Brown and Root Inc.—KBR—has avoided payroll taxes by hiring workers through shell companies in the Cayman Islands. The article estimates that hundreds of millions of dollars in payroll taxes have been avoided a disturbing, yet not all too surprising discovery.

The Fair Share Act of 2008 will end the practice of U.S. Government contractors setting up shell companies in foreign jurisdictions to avoid payroll taxes. The legislation amends the Internal Revenue Code and the Social Se-

curity Act to treat foreign subsidiaries of U.S. companies performing services under contract with the United States government as American employers for the purpose of Social Security and Medicare payroll taxes.

Our service men and women need to know that we are honoring their service. These changes to our tax laws will help our military families with some of their financial burdens. It cannot repay the sacrifices they have made for us, but it is a small way we can support our troops and their families at home and abroad.

Mr. HATCH. Mr. President, today I rise to congratulate Senator WEBB on the passage of S.22 the Post 9/11 Veterans Educational Assistance Act. This is an important piece of legislation worthy of serious consideration.

However, despite its noble intent, I voted against the measure for two reasons. First, Senator WEBB's legislation was attached to a massive spending amendment which, coupled with the rest of the wartime supplemental bill, exceeds the \$108.1 billion expenditure limit set by the President. Therefore, for this reason, and others, I believe that the President will veto this legislation.

The second reason is that I believe that Senators GRAHAM, BURR, and MCCAIN have offered a superior piece of legislation, S.2938 the Enhancement of Recruitment, Retention and Readjustment through Education Act. S.2938 will assist our nation's veterans by significantly improving education benefits for both those who have left the services and those who decided to make the military their career.

Specifically, S.2938 will permit Guard and Reservists to more easily qualify for benefits; eliminate the \$1,200 fee that servicemembers are currently required to pay in order to qualify for education benefits; and increase the annual stipend for books to \$1,000. Most importantly, the Graham, Burr and McCain legislation will increase the level of monthly payments for a college education from \$1,100 to \$1,500.

I view this as a much simpler and fairer compensation package than S.22. S.22 would provide tuition assistance equal to the sum charged by the program in which the veteran is enrolled. However, this assistance is capped at the amount of in-state tuition imposed by the most expensive public college in the same state as the school where the veteran is enrolled.

Obviously, this is a very complicated funding mechanism which I fear will unnecessarily complicate the future education plans of many servicemembers. I am also concerned that such a funding scheme will adversely affect those veterans who wish to pursue educational opportunities at private and parochial colleges and universities.

However, S.22 is not without its advantages, since it provides a basic housing allowance. But, the Graham, Burr and McCain bill also supports military families by enabling service-

members and veterans the option of transferring some of those benefits to a spouse or child. This is a provision that S.22 does not contain.

In final analysis these are two serious pieces of legislation that merit close scrutiny. However, in my final analysis, I believe that the Graham, Burr and McCain bill is the superior bill and I look forward to debating that measure and voting for it once the Senate returns from the Memorial Day recess.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

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

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

#### GOOD WISHES FOR SENATOR KENNEDY

Mr. ENZI. Mr. President, in my 11½ years in the Senate, I have worked closely with a very special man, a very caring man, a very liberal man, a very energetic man, a very thoughtful man, and a man who has become my dear friend. That man is Senator TED KENNEDY, the Senator from Massachusetts.

A great blow was dealt to the Senate when we found out Senator KENNEDY had a malignant brain tumor. This blow is not because of what may or may not get done in his absence. No, this blow went straight to the heart of anyone who has known this man as a friend.

Many find it hard to believe that Senator KENNEDY, the third most liberal Senator in the Senate, and I, the fourth most conservative Senator in this body, could get along or actually enjoy each other's company. But we do.

When I was chairman of the HELP Committee, I worked under what I called my 80 percent rule. I always believed we could agree on 80 percent of the issues and on 80 percent of each issue, and that if we focus on the 80 percent, we can do great things for the American people. Senator KENNEDY and I worked together on proposals using that rule, and we found that 80 percent in the things we undertook. We also found friendship.

In those 2 years, we passed 35 bills out of the Health Education, Labor & Pensions Committee, and the President signed 27 of those into law. Most of them passed almost unanimously. Again, it was kind of the belief that if two people that far apart could come together on an issue, it must be OK. The HELP Committee used to be the most contentious committee in the Senate, but in our 3 years of working together as chairman and ranking member, we turned it into the most productive committee in the Senate. I