

PROVIDING FOR CONSIDERATION OF H.R. 2015, THE BALANCED BUDGET ACT AND H.R. 2014, THE TAXPAYER RELIEF ACT

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JUNE 25 (legislative day, JUNE 24), 1997.—Referred to the House Calendar and ordered to be printed

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Mr. SOLOMON, from the Committee on Rules,  
submitted the following

REPORT

[To accompany H. Res. 174]

The Committee on Rules, having had under consideration House Resolution 174, by a record vote of 9 to 4, report the same to the House with the recommendation that the resolution be adopted.

BRIEF SUMMARY OF PROVISIONS OF RESOLUTION

The resolution provides for consideration of H.R. 2015, “the Balanced Budget Act” and waives all points of order against its consideration. The rule provides three hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. The rule considers the amendment printed in the Congressional Record and numbered 1, as adopted. The rule further waives all points of order against the provisions of the bill, as amended by the rule. Finally, the rule provides one motion to recommit H.R. 2015, with or without instructions.

In addition, Section 2 of the rule provides for consideration of H.R. 2014, “The Taxpayer Relief Act”, and waives all points of order against consideration of the bill and against its provisions, as amended by the rule. The rule further provides three hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule considers the amendment printed in the Congressional Record and numbered 2, as adopted in the House and in the Committee of the Whole. The rule provides for consideration of the bill, as amended, as an original bill for the purposes of further amendment. Furthermore, the rule provides for the consideration of an

amendment printed in the Congressional Record and numbered 1, only if offered by Representative Rangel of New York or his designee, which shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and which shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole. All points of order are waived against this amendment. Finally, the rule provides one motion to recommit H.R. 2014, with or without instructions.

COMMITTEE VOTES

Pursuant to clause 2(1)(2)(B) of House rule XI the results of each rollcall vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

*Rules Committee Rollcall No. 43*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the "Balanced Budget Act" and H.R. 2014, the "Taxpayer Relief Act".

Motion by: Mr. Moakley.

Summary of motion: Make in order the Ros-Lehtinen/Meek en bloc amendment to preserve SSI and Medicaid benefits for elderly or disabled legal immigrants who were in the country on August 22, 1996, but were not getting benefits; offset by requiring the States to reimburse the Federal government for some of the costs of administering the SSI program.

Results: Defeated 5 to 8.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Yea; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 44*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the "Balanced Budget Act" and H.R. 2014, the "Taxpayer Relief Act".

Motion by: Mr. Moakley.

Summary of motion: Make in order the Kennedy of Massachusetts amendment which alters the funding formula for child health insurance coverage to ensure that States that have enacted state laws to provide insurance for its uninsured children are not penalized.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 45*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the "Balanced Budget Act" and H.R. 2014, the "Taxpayer Relief Act".

Motion by: Mr. Frost.

Summary of motion: Make in order the Barton/Minge amendment which incorporates budget targets into law and holds the President and Congress accountable if the actual budget outcomes do not meet the budget agreement goals. The amendment further requires (1) the President to submit any necessary corrections and (2) the Congress to vote on a proposal to correct any violation of the agreement.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 46*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.

Motion by: Mr. Frost.

Summary of motion: Adopt an amendment to the rule striking the spectrum provision from the manager’s amendment self-executed in this rule.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 47*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.

Motion by: Mr. Frost.

Summary of motion: Adopt amendment to the rule—self-executed strike of the Agriculture and Commerce Committee provisions that allow administrative determinations of Medicaid and food stamp eligibility to be privatized.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 48*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.

Motion by: Mr. Frost.

Summary of motion: Make in order the Taylor of Mississippi amendment to give guaranteed health coverage to military retirees when they become Medicare-eligible.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay;

Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 49*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.

Motion by: Mr. Hall.

Summary of motion: Make in order three Brown of Ohio amendments offered en bloc: reduces the number of medical savings account demonstration policies from 500,000 to 100,000, and uses that savings to cover co-payments for Medicare prevention services like mammography; continues Medicaid eligibility for disabled children who lose their SSI benefits under welfare reform; and ensures that the child health insurance provided to the states may only be used for that purpose.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 50*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.

Motion by: Mrs. Slaughter.

Summary of motion: Make in order the McDermott/Matsui amendment that strikes a provision in the bill which would permit employers to reclassify their workers as independent contractors, thereby eliminating worker protections and pension benefits.

Results: Defeated 4 to 9.

Vote by Members: Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Hastings—Nay; Myrick—Nay; Moakley—Yea; Frost—Yea; Hall—Yea; Slaughter—Yea; Solomon—Nay.

*Rules Committee Rollcall No. 51*

Date: June 24, 1997.

Measure: Resolution providing for consideration of H.R. 2015, the “Balanced Budget Act” and H.R. 2014, the “Taxpayer Relief Act”.

Motion by: Mr. Dreier.

Summary of motion: Order the rule reported.

Results: Adopted 9 to 4.

Vote by Members: Dreier—Yea; Goss—Yea; Linder—Yea; Pryce—Yea; Diaz-Balart—Yea; McInnis—Yea; Hastings—Yea; Myrick—Yea; Moakley—Nay; Frost—Nay; Hall—Nay; Slaughter—Nay; Solomon—Yea.

SUMMARY OF AMENDMENT CONSIDERED AS ADOPTED BY THE RULE TO  
H.R. 2015—THE BALANCED BUDGET ACT

This manager’s amendment consists of changes from reconciliation legislation reported to the Committee on the Budget that will be self-executed in the rule on reconciliation at the request of the

Chairman of the Committee on the Budget. The manager's amendment makes the following changes from the reported legislation:

*Low-Income Medicare Premium Protections.* Provides an additional \$1 billion for low-income Medicare premium protections, bringing the total to \$1.5 billion over 5 years. The provision covers the full Medicare Part B premium for seniors with incomes up to 135 percent of poverty. For seniors with incomes between 135 percent and 175 percent of poverty, the assistance covers that portion of the Medicare Part B premium increase attributable to the home health spending transfer.

*Minimum Wage/Welfare-to-Work Participant Protections.* Contains the following changes from the reported legislation:

Limits to no more than 40 hours per week the number of hours participants in public sector or nonprofit workfare activities can be required to work.

Counts only Temporary Assistance for Needy Families [TANF] and food stamp benefits as compensation under the minimum wage for workfare participants.

Adopts the AFDC JOBS criteria for defining work experience and community service jobs when States use workfare in the public or nonprofit sector to meet State work participation requirements, and uses the same criteria for determining whether participants are "employees" under the terms of the Fair Labor Standards Act.

Adopts worker protection and nondiscrimination provisions (preventing discrimination based on age, race, gender, and disability), but provides for an independent nonfederal grievance resolution procedure.

Incorporates worker displacement language, which applies to all workfare participants and which does not preempt stronger State displacement laws.

*Food Stamp Work Slots.* Eliminates "job search" as a qualified activity for additional food stamp work slot funds, and raises to 80 percent (from 75 percent) the earmarked funds for people between 18 and 50 years old who may lose food stamp benefits due to new work requirements.

*Medicaid.* Drops language in Medicaid section that allows only physicians to decide appropriate hospital stays. This language was added to bring the Committee on Commerce closer to compliance with its reconciliation directives.

*Children's Health Care.* Modifies the children's health care block grant to ensure that it complies with the Bipartisan Budget Agreement's proposed spending \$16 billion over the next 5 years.

*Medicaid Coverage for SSI Children.* Provides \$100 million to allow States the option of maintaining Medicaid benefits for children currently on the Medicaid rolls who would otherwise lose Medicaid eligibility because of stricter SSI eligibility standards.

*Spectrum Auctions.* Increases from \$9.7 billion to \$20.3 billion over 5 years the receipts due to spectrum auctions. Drops or relaxes numerous conditions specified in the Commerce Committee's reported legislation that restricted the Federal Communication Commission's ability to auction spectrum. Also specifies additional spectrum to be made available for auction.

*Welfare to Work.* Requires that all of \$3 billion in welfare-to-work funds be obligated by fiscal year 1999.

*Multiple Employer Welfare Arrangements.* Modifies language on Multiple Employer Welfare Arrangements to overcome jurisdictional issue between the Committees on Education and the Workforce and Ways and Means.

*Veterans' Medical Care.* Allow veterans hospitals to retain, subject to appropriations, medical care cost recovery receipts, so that veterans' medical care remains a discretionary program.

*Budget Enforcement.* Budget process changes that are consistent with the Bipartisan Budget Agreement (see attached summary).

#### SUMMARY OF BUDGET ENFORCEMENT CHANGES

##### *Congressional Budget & Impoundment Control Act of 1974*

Permanently extends the requirement that budget resolutions cover a five-year period.

Similarly, extends indefinitely the enforcement of the five-year spending and revenue levels set forth in budget resolutions through points of order.

Simplifies and updates points of order that are used to enforce the budget resolution's spending and revenue levels.

Provides for adjustments in the budget resolution levels for legislation appropriating funds for designated emergencies, arrearages and the International Monetary Fund.

Eliminates the need to waive the Budget Act for a reported bill that violates the Act but is cured by a self-executing rule. In such cases, the point of order no longer lies against the bill.

##### *Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985*

Adjusts and extends statutory discretionary spending limits, which are enforced through sequestration, through fiscal year 2002.

Provides for adjustments in the discretionary spending limits for appropriations for emergencies, arrearages, and the International Monetary Fund.

Extends pay-as-you-go requirements, which provide that entitlement and tax legislation must be fully offset, through fiscal year 2002.

Modifies baseline that is used to "score" legislation so that committees get credit for eliminating entitlement programs.

Eliminates accrued paygo balance and savings from reconciliation to ensure that all savings are used for deficit reduction.

#### SUMMARY OF AMENDMENT CONSIDERED AS ADOPTED BY THE RULE TO H.R. 2014—THE TAXPAYER RELIEF ACT

##### *I. Modifications to the child tax credit*

The amendment would provide that in the case of lower- and middle-income taxpayers, the otherwise allowable child tax credit is not reduced by one-half of the otherwise allowable dependent care credit. Under the amendment, the reduction only applies to taxpayers above certain thresholds of modified adjusted gross income ("modified AGI"). For married taxpayers filing joint returns, the threshold is \$60,000. For taxpayers filing single or head of household returns, the threshold is \$33,000. For married taxpayers filing separate returns, the threshold is \$30,000. The reduction is

phased in over the first \$10,000 (\$5,000, in the case of single individuals and \$5,000, in the case of married individuals filing separate returns) of modified AGI above the threshold. The rules for determining a taxpayer's modified AGI and marital status under the bill remained unchanged. The effective date would be years beginning on or after January 1, 2000.

The amendment would provide that the Secretary of the Treasury shall submit notice to all taxpayers of the passage of the child tax credit. In addition, the amendment would direct the Secretary of the Treasury to modify withholding tables for single taxpayers claiming more than one exemption and for married taxpayers claiming more than two exemptions to take account of the effects of the child tax credit. The adjustments to the withholding tables would apply to employees whose annualized wages from an employer are expected to be at least \$30,000, but not more than \$100,000.

*2. Estimated tax safe harbor*

The amendment would change the 110-percent-of-last-year's-liability estimated tax safe harbor to a 105-percent-of-last-year's-liability safe harbor for 1998.

*3. Repeal alternative minimum tax depreciation adjustment*

The amendment would direct the Secretary of the Treasury to conduct a study of whether the repeal of the depreciation adjustment for minimum tax purposes would have the result of permitting any corporation with taxable income from current year operations to pay no Federal income tax and, if so, the policy implications of that result. The study would be due no later than January 1, 2001, to the House Committee on Ways and Means and the Senate Committee on Finance.

*4. Airport and Airway Trust Fund excise taxes*

The amendment would provide that the deposit rules with respect to the commercial air passenger excise taxes are modified to permit payment of these taxes that otherwise would have been required to be deposited during the period July 1, 1998, through September 30, 1998, to be deposited on October 13, 1998.

*5. Modification to tax benefits for ethanol and renewable source methanol*

The amendment would delete those provisions in the bill relating to a reduction in tax benefits for ethanol and renewable source methanol.

*6. Name of the act*

The amendment would change the name of the Act from the "Revenue Reconciliation Act of 1977" to the "Taxpayer Relief Act of 1997".

*7. Change in budgetary treatment of certain expiring provisions*

The amendment would amend the Balanced Budget and Emergency Deficit Control Act of 1985 to provide that any preferential rate (or any credit or refund) that is scheduled to expire and that,

under current scorekeeping conventions, is presumed to be extended for purposes of determining the present-law revenue baseline shall, for budget scorekeeping purposes, be assumed to expire on the scheduled expiration date.

