

available to any department, agency, or other entity of the United States unless the funds are specifically authorized by law for that purpose.

STEVENS (AND OTHERS) EXECUTIVE AMENDMENT NO. 2066

(Ordered to lie on the table.)

Mr. STEVENS (for himself, Mr. BYRD, Mr. CAMPBELL, Mr. WARNER, and Mr. ROBERTS) submitted an executive amendment intended to be proposed by them to the resolution of ratification for the treaty (Treaty Doc. No. 105-36) protocols to the North Atlantic Treaty of 1949 on the accession of Poland, Hungary, and the Czech Republic. These protocols were opened for signature at Brussels on December 16, 1997, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty; as follows:

At the end of section 3(2) of the resolution, add the following:

(C) RESTRICTION ON USE OF APPROPRIATED FUNDS.—None of the funds appropriated by any provision of United States law may be obligated for the payment of costs incurred in connection with NATO after September 30, 1998, unless the Secretary of Defense, with respect to any payment of costs under the Military Budget or the Security Investment Program of NATO, and the Secretary of State, with respect to any payment of costs under the Civil Budget of NATO, certify to Congress that such payment will not cause the total payments of the United States to the common budgets, accounts, and activities of NATO during the NATO fiscal year to exceed 20 percent of the total amount payable by NATO members to those budgets, accounts, and activities during that year.

1998 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR RECOVERY FROM NATURAL DISASTERS, AND FOR OVERSEAS PEACEKEEPING EFFORTS

DOMENICI (AND BINGAMAN) AMENDMENT NO. 2067

Mr. STEVENS (for Mr. DOMENICI, for himself and Mr. BINGAMAN) proposed an amendment to the bill, S. 1768, supra; as follows:

On page 15, after line 21, insert:

SEC. . Notwithstanding any other provision of law, the Department of the Army is hereby prohibited from moving forward with civilian personnel reductions at all Army Test Ranges resulting from proposed reductions in their fiscal year 1999 budget, until such time as the Congress has the opportunity to consider the merits of such action during the fiscal year 1999 defense appropriations process. Where civilian personnel are concerned, the Army is required to offer such Voluntary Separation Incentive Pay (VSIP) and Voluntary Early Retirement Authority benefits as are currently being offered, should such benefits be necessary at a future date.

THE EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

SPECTER AMENDMENT NO. 2068

(Ordered to lie on the table.)

Mr. SPECTER submitted amendment intended to be proposed by him to the bill, H.R. 2646, supra; as follows:

At the end of the matter proposed to be inserted, insert:

TITLE —FLAT TAX

SEC. —01. SHORT TITLE; TABLE OF CONTENTS; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This title may be cited as the "Flat Tax Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Sec. —01. Short title; table of contents; amendment of 1986 Code.

Sec. —02. Flat tax on individual taxable earned income and business taxable income.

Sec. —03. Repeal of estate and gift taxes.

Sec. —04. Additional repeals.

Sec. —05. Effective dates.

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

SEC. —02. FLAT TAX ON INDIVIDUAL TAXABLE EARNED INCOME AND BUSINESS TAXABLE INCOME.

(a) IN GENERAL.—Subchapter A of chapter 1 of subtitle A is amended to read as follows:

"Subchapter A—Determination of Tax Liability

"Part I. Tax on individuals.

"Part II. Tax on business activities.

"PART I—TAX ON INDIVIDUALS

"Sec. 1. Tax imposed.

"Sec. 2. Standard deduction.

"Sec. 3. Deduction for cash charitable contributions.

"Sec. 4. Deduction for home acquisition indebtedness.

"Sec. 5. Definitions and special rules.

"SECTION 1. TAX IMPOSED.

"(a) IMPOSITION OF TAX.—There is hereby imposed on every individual a tax equal to 20 percent of the taxable earned income of such individual.

"(b) TAXABLE EARNED INCOME.—For purposes of this section, the term 'taxable earned income' means the excess (if any) of—

"(1) the earned income received or accrued during the taxable year, over

"(2) the sum of—

"(A) the standard deduction,

"(B) the deduction for cash charitable contributions, and

"(C) the deduction for home acquisition indebtedness,

for such taxable year.

"(c) EARNED INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term 'earned income' means wages, salaries, or professional fees, and other amounts received from sources within the United States as compensation for personal services actually rendered, but does not include that part of compensation derived by the taxpayer for personal services rendered by the taxpayer to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

"(2) TAXPAYER ENGAGED IN TRADE OR BUSINESS.—In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 30 percent of the taxpayer's share of the net profits of such trade or business, shall be considered as earned income.

"SEC. 2. STANDARD DEDUCTION.

"(a) IN GENERAL.—For purposes of this subtitle, the term 'standard deduction' means the sum of—

"(1) the basic standard deduction, plus

"(2) the additional standard deduction.

"(b) BASIC STANDARD DEDUCTION.—For purposes of subsection (a), the basic standard deduction is—

"(1) \$17,500 in the case of—

"(A) a joint return, and

"(B) a surviving spouse (as defined in section 5(a)).

"(2) \$15,000 in the case of a head of household (as defined in section 5(b)), and

"(3) \$10,000 in the case of an individual—

"(A) who is not married and who is not a surviving spouse or head of household, or

"(B) who is a married individual filing a separate return.

"(c) ADDITIONAL STANDARD DEDUCTION.—For purposes of subsection (a), the additional standard deduction is \$5,000 for each dependent (as defined in section 5(d))—

"(1) whose earned income for the calendar year in which the taxable year of the taxpayer begins is less than the basic standard deduction specified in subsection (b)(3), or

"(2) who is a child of the taxpayer and who—

"(A) has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins, or

"(B) is a student who has not attained the age of 24 at the close of such calendar year.

"(d) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1997, each dollar amount contained in subsections (b) and (c) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1996' for 'calendar year 1992' in subparagraph (B) of such section.

"(2) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.

"SEC. 3. DEDUCTION FOR CASH CHARITABLE CONTRIBUTIONS.

"(a) GENERAL RULE.—For purposes of this part, there shall be allowed as a deduction any charitable contribution (as defined in subsection (b)) not to exceed \$2,500 (\$1,250, in the case of a married individual filing a separate return), payment of which is made within the taxable year.

"(b) CHARITABLE CONTRIBUTION DEFINED.—For purposes of this section, the term 'charitable contribution' means a contribution or gift of cash or its equivalent to or for the use of the following:

"(1) A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

"(2) A corporation, trust, or community chest, fund, or foundation—

"(A) created or organized in the United States or in any possession thereof, or under