

money their attorney is compensated for his/her efforts in obtaining the settlement/verdict. While in some situations it is possible to deduct those costs, given the Alternative Minimum Tax provisions and recent Tax Court cases, it is close to impossible to do so. Thus, victims of discrimination may well add up with an additional tax burden in excess of any sums of money actually obtained in the litigation to compensate them for their injuries. This must be contrary to the intent of Congress in passing civil rights legislation over the past thirty years, and the views of the Supreme Court in holding that attorney fees awards should be fully but reasonably compensatory to the attorneys, in order to facilitate attorneys in handling civil rights legislation.

I can provide you with a real-life example which impacts an Iowa citizen who successfully fought discrimination and retaliation and his attorney, the undersigned, who joined in that effort. Based on what we know now, both of us are quite sorry we ever entered into the effort to prevent discrimination and retaliation from occurring.

Don Lyons assisted a co-worker in filing a sex discrimination complaint against their employer. As a result, he and the co-worker were retaliated against. We brought suit on behalf of the co-worker for sex discrimination in employment in the Southern District of Iowa and made a claim for retaliation in violation of Title VII on behalf of both Don and his co-worker. The case was litigated in the court here, with the result that the sex discrimination case was resolved prior to trial. However, because no settlement of Don's claim was possible, his retaliation case went onto a jury trial before eight jurors from the southern District of Iowa.

We put on two days of evidence before the jury and Judge Wolle, with the result that Don was awarded \$1.00 in nominal damages (a recognition of his right to bring the claim) and \$150,000 in punitive damages. On post-trial motions, Judge Wolle upheld the jury's verdict on liability and held that there was sufficient evidence that "defendant had an evil motive and had intentionally violated federal law in retaliating against Lyons because he had assisted other pilots in protecting their civil rights." However, Judge Wolle remitted the punitive damage amount to \$15,000.00, because he thought that would be sufficient to punish the defendant. Pursuant to the attorney fee provision of the civil rights law, I have petitioned the court for approximately \$170,000 in fees and expenses; that is based on my hourly rate of \$180.00 an hour (a rate much less than that of lawyers in other cities, and probably much less than the two defense lawyers from Chicago who tried the case). The fees and expenses amount may seem high, but is the result of a fair amount of contentiousness and the need to take depositions in Kansas and Arizona.

The problem for my client and for myself arises from the clear tax implications of this situation. My client would normally pay out of his \$15,000 in punitive damages the sum of \$5,467.00, and that would be fine for him.

However, if the court awards me a "fully compensatory" fee and expenses figure of \$150,000 (I am using that as an example, because we have run the figures on this sum), not only will I pay my taxes on this figure (gladly so), but my client will also and without the ability to deduct the sum due to the pernicious effect of the alternative minimum tax!

	<i>Amount</i>
Don's taxes of \$15,000 .....	\$5,467.00
Don's taxes on \$15,000 plus the attorney fee award of \$150,000 .....	67,791.00

Difference/Additional Taxes Owed by Don for the "privilege" of having won his retaliation case 58,236.00

In other words, because Don assisted someone to bring a claim of sex discrimination through appropriate channels and prevailed in his jury trial claim of retaliation, he will be forced by present tax laws to pay an additional amount of \$58,236.00, which is over two-thirds of his annual salary. And he will not have any additional money as a result of the remittance of the judgment to pay that additional tax. And because Don hired me to be his advocate and then prevailed before a jury of eight citizens, he is penalized with a severe tax penalty for having advocated civil rights. And I need not tell you that this result has severely strained what had been a cordial and positive working relationship between attorney and client.

This is a clear injustice and one that we cannot find any way of resolving, given the present state of the law. If we could, we would. We are, therefore, bringing this to your attention because it is a concern which only legislation can rectify. We believe that H.R. 1997 is the only means possible to rectify this problem and urge you to support it strongly and vocally as soon as Congress returns.

If you have need of further information, please let me know. Both Don and I would appreciate the opportunity to visit with you or your staff to discuss this problem and to shed light upon how this situation causes me to rethink my chosen profession and Don to rethink his willingness to assist people who are being discriminated against.

Very truly yours,

VICTORIA L. HERRING,  
*Attorney at Law.*

Mr. ROBB. Mr. President, I am pleased to introduce the Civil Rights Tax Fairness Act of 2000 with Senators GRASSLEY, DASCHLE and COLLINS. This important legislation will correct several imperfections in our Tax Code that unfairly tax the victims of civil rights violations at a time when they are most vulnerable. I'm pleased that it accomplishes this in a fashion that has bi-partisan Congressional support and has been endorsed by civil rights organizations as well as the business community.

The Civil Rights Tax Fairness Act contains several provisions. The first section excludes emotional distress awards received in discrimination cases from the gross income of the recipient. Due to a change in the Small Business Job Protection Act of 1996, damages received for emotional distress in civil rights cases are taxable, while those received in slip and fall accidents are not. There is no defensible reason for this disparity and it must be changed.

The bill would also allow employees who receive lump sum awards for back wages for civil rights violations by their employers to take advantage of income averaging. Currently, if an employee receives a large award it will generally push that person into a higher income bracket for that year due to the income spike from the damages. The result is that the victim may be taxed at a higher rate than they would if they had received the income as wages in the normal course of business. This is the wrong tax treatment and should be corrected.

Finally, this legislation ends the double taxation on attorney's fees that are awarded to a victim in a discrimination case. Mr. President, even though the attorney ultimately gets the fees, not the victim, present law not only taxes the attorney on the fees that they receive when they take them into income, but also requires that the victim include them in computing their gross income. Even though they are supposed to be able to take a corresponding deduction, due to limitations on miscellaneous deductions and the alternative minimum tax, in most cases the victims cannot get the entire amount. This is not fair and cannot be the intended effect.

I look forward to working with the senior Senator from Iowa in getting this bill signed into law. It is time to bring our Tax Code into the 21st Century. We must implement tax policies that help to eradicate discrimination.

ADDITIONAL COSPONSORS

S. 203

At the request of Mr. MOYNIHAN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 203, a bill to amend title XIX of the Social Security Act to provide for an equitable determination of the Federal medical assistance percentage.

S. 345

At the request of Mr. ALLARD, the names of the Senator from Delaware (Mr. BIDEN) and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 1016

At the request of Mr. DEWINE, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 1016, a bill to provide collective bargaining for rights for public safety officers employed by States or their political subdivisions.

S. 1351

At the request of Mr. GRASSLEY, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1351, a bill to amend the Internal Revenue Code of 1986 to extend and modify the credit for electricity produced from renewable resources.

S. 1378

At the request of Mr. VOINOVICH, the names of the Senator from Idaho (Mr. CRAIG), the Senator from Georgia (Mr. COVERDELL), and the Senator from Florida (Mr. MACK) were added as cosponsors of S. 1378, a bill to amend chapter 35 of title 44, United States Code, for the purposes of facilitating compliance by small businesses with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, and for other purposes.

S. 1439

At the request of Mr. FEINGOLD, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1439, a bill to terminate production under the D5 submarine-launched ballistic missile program.

S. 1489

At the request of Ms. SNOWE, her name was added as a cosponsor of S. 1489, a bill to amend title 38, United States Code, to provide for the payment to States of plot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States.

S. 1796

At the request of Mr. MACK, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1796, a bill to modify the enforcement of certain anti-terrorism judgements, and for other purposes.

S. 1902

At the request of Mrs. FEINSTEIN, the names of the Senator from Virginia (Mr. ROBB) and the Senator from Missouri (Mr. ASHCROFT) were added as cosponsors of S. 1902, a bill to require disclosure under the Freedom of Information Act regarding certain persons and records of the Japanese Imperial Army in a manner that does not impair any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes.

S. 2018

At the request of Mrs. HUTCHISON, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 2018, a bill to amend title XVIII of the Social Security Act to revise the update factor used in making payments to PPS hospitals under the medicare program.

S. 2274

At the request of Mr. GRASSLEY, the names of the Senator from South Carolina (Mr. THURMOND) and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of S. 2274, a bill to amend title XIX of the Social Security Act to provide families and disabled children with the opportunity to purchase coverage under the medicaid program for such children.

S. 2456

At the request of Ms. LANDRIEU, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2456, a bill to amend the Internal Revenue Code of 1986 to expand the adoption credit to provide assistance to adoptive parents of special needs children, and for other purposes.

S. 2516

At the request of Mr. THURMOND, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2516, a bill to fund task forces to locate and apprehend fugitives in Federal, State, and local felony criminal cases and give administrative subpoena authority to the United States Marshals Service.

S. 2608

At the request of Mr. GRASSLEY, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 2608, a bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain expenses of rural letter carriers.

S. 2609

At the request of Mr. CRAIG, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 2609, a bill to amend the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act to enhance the funds available for grants to States for fish and wildlife conservation projects, and to increase opportunities for recreational hunting, bow hunting, trapping, archery, and fishing, by eliminating chances for waste, fraud, abuse, maladministration, and unauthorized expenditures for administration and implementation of those Acts, and for other purposes.

S. 2689

At the request of Ms. LANDRIEU, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 2689, a bill to authorize the President to award a gold medal on behalf of Congress to Andrew Jackson Higgins (posthumously), and to the D-day Museum in recognition of the contributions of Higgins Industries and the more than 30,000 employees of Higgins Industries to the Nation and to world peace during World War II.

S. 2703

At the request of Mr. AKAKA, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 2703, a bill to amend the provisions of title 39, United States Code, relating to the manner in which pay policies and schedules and fringe benefit programs for postmasters are established.

S. 2707

At the request of Mr. CRAPO, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 2707, a bill to help ensure general aviation aircraft access to Federal land and the airspace over that land.

S. 2781

At the request of Mr. LEAHY, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2781, a bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. CON. RES. 130

At the request of Mrs. LINCOLN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. Con. Res. 130, concurrent resolution establishing a special task force to recommend an appropriate recognition for the slave laborers who worked on the construction of the United States Capitol.

S.J. RES. 48

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S.J. Res. 48, a joint resolution calling upon the President to issue a proclamation recognizing the 25th anniversary of the Helsinki Final Act.

At the request of Mr. CAMPBELL, the names of the Senator from Rhode Island (Mr. L. CHAFEE), the Senator from Indiana (Mr. BAYH), the Senator from Vermont (Mr. JEFFORDS), the Senator from Utah (Mr. BENNETT), the Senator from Maryland (Mr. SARBANES), the Senator from Wisconsin (Mr. KOHL), the Senator from California (Mrs. BOXER), the Senator from Massachusetts (Mr. KERRY), the Senator from California (Mrs. FEINSTEIN), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Nevada (Mr. BRYAN), the Senator from Vermont (Mr. LEAHY), and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S.J. Res. 48, supra.

S.J. RES. 50

At the request of Mr. CRAPO, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S.J. Res. 50, a joint resolution to disapprove a final rule promulgated by the Environmental Protection Agency concerning water pollution.

S. RES. 212

At the request of Mr. ABRAHAM, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. Res. 212, a resolution to designate August 1, 2000, as "National Relatives as Parents Day."

S. RES. 294

At the request of Mr. ABRAHAM, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. Res. 294, a resolution designating the month of October 2000 as "Children's Internet Safety Month."

S. RES. 301

At the request of Mr. THURMOND, the names of the Senator from Arkansas (Mr. HUTCHINSON), the Senator from New York (Mr. MOYNIHAN), the Senator from Wisconsin (Mr. FEINGOLD), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Nebraska (Mr. HAGEL), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from California (Mrs. BOXER) were added as cosponsors of S. Res. 301, a resolution designating August 16, 2000, as "National Airborne Day."

AMENDMENT NO. 3457

At the request of Mr. LEVIN, the names of the Senator from Michigan (Mr. ABRAHAM) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of amendment No. 3457 intended to be proposed to S. 2536, an original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2001, and for other purposes.

## AMENDMENT NO. 3798

At the request of Mr. REED, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of amendment No. 3798 proposed to H.R. 4578, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

## AMENDMENT NO. 3847

At the request of Mr. HARKIN, the names of the Senator from Wisconsin (Mr. FEINGOLD) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of amendment No. 3847 proposed to H.R. 4810, a bill to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.

## AMENDMENT NO. 3886

At the request of Mr. BOND, the names of the Senator from Arkansas (Mrs. LINCOLN), the Senator from Nebraska (Mr. KERREY) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of amendment No. 3886 proposed to H.R. 4578, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

## AMENDMENT NO. 3887

At the request of Mr. BINGAMAN, the names of the Senator from New Mexico (Mr. DOMENICI) and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of amendment No. 3887 proposed to H.R. 4578, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

## AMENDMENT NO. 3888

At the request of Ms. LANDRIEU, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of amendment No. 3888 proposed to H.R. 4810, a bill to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.

## AMENDMENT NO. 3899

At the request of Ms. SNOWE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of amendment No. 3899 proposed to H.R. 4578, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

SENATE CONCURRENT RESOLUTION 131—COMMEMORATING THE 20TH ANNIVERSARY OF THE WORKERS' STRIKES IN POLAND THAT LED TO THE CREATION OF THE INDEPENDENT TRADE UNION SOLIDARNOSC, AND FOR OTHER PURPOSES

Mr. ROTH submitted the following concurrent resolution; which was re-

ferred to the Committee on Foreign Relations

## S. CON. RES. 131

Whereas, in July and August of 1980, Polish workers went on strike to protest communist oppression and demand greater political freedom;

Whereas, in the shipyards of Gdansk and Szczecin, workers' committees coordinated these strikes and ensured that the strikes were peaceful and orderly and did not promote acts of violence;

Whereas workers' protests against the communist authorities in Poland were supported by the Polish people and the international community of democracies;

Whereas, on August 30 and 31 of 1980, the communist government of the People's Republic of Poland yielded to the 21 demands of the striking workers, including the release of all political prisoners, including Jacek Kuron and Adam Michnik, the broadcasting of religious services on television and radio, and the right to establish independent trade unions;

Whereas from these agreements emerged Solidarność, the first independent trade union in the communist bloc, led by Lech Walesa, an electrician from Gdansk;

Whereas Solidarność and its 10,000,000 members became a great social movement in Poland that was committed to promoting fundamental human rights, democracy, and Polish independence;

Whereas, during its first congress in 1981, Solidarność issued a proclamation urging workers in Soviet-bloc countries to resist their communist governments and to struggle for freedom and democracy;

Whereas the communist government of Poland introduced martial law in December 1981 in an attempt to block the growing political and social influence of the Solidarność movement;

Whereas Solidarność remained a powerful and political force that resisted the efforts of Poland's communist government to suppress the desire of the Polish people for freedom, democracy, and independence from the Soviet Union;

Whereas, in February 1999, the communist government of Poland agreed to conduct roundtable talks with Solidarność that led to elections to the National Assembly in June of that year, in which nearly all open seats were won by candidates supported by Solidarność;

Whereas, on August 19, 1999, Solidarity leader Tadeusz Mazowiecki was asked to serve as Prime Minister of Poland and on September 12, 1999, the Polish Sejm voted to approve Prime Minister Mazowiecki and his cabinet, Poland's first noncommunist government in 4 decades;

Whereas, on December 9, 1990, Lech Walesa was elected President of Poland;

Whereas the Solidarność movement, by its courage and example, initiated political transformations in other countries in Central and Eastern Europe and thereby initiated the collapse of the Soviet Bloc in 1989; and

Whereas, since the time Poland freed itself from communist domination, Polish-American relations have transformed from partnership to alliance, a transition marked by Poland's historic accession to the North Atlantic Treaty Organization in March 1999; Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That Congress—*

(1) commemorates the 20th anniversary of the workers' strikes in Poland that led to the creation of the independent trade union Solidarność; and

(2) honors the leaders of Poland who risked and lost their lives in attempting to restore democracy in their country and to return Poland to the democratic community of nations.

SENATE RESOLUTION 338—RELATIVE TO THE DEATH OF THE HONORABLE PAUL COVERDELL, A SENATOR FROM THE STATE OF GEORGIA

Mr. LOTT (for himself, Mr. DASCHLE, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. ASHCROFT, Mr. BAUCUS, Mr. BAYH, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. BRYAN, Mr. BUNNING, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Mr. L. CHAFEE, Mr. CLELAND, Mr. COCHRAN, Ms. COLLINS, Mr. CONRAD, Mr. CRAIG, Mr. CRAPO, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FRIST, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HARKIN, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. KYL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. REED, Mr. REID, Mr. ROBB, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. ROTH, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THOMPSON, Mr. THURMOND, Mr. TORRICELLI, Mr. VOINOVICH, Mr. WARNER, Mr. WELLSTONE, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

## S. RES. 338

Whereas the Honorable Paul Coverdell served Georgia in the United States Senate with devotion and distinction;

Whereas the Honorable Paul Coverdell served all the people of the United States as Director of the Peace Corps;

Whereas his efforts on behalf of Georgians and all Americans earned him the esteem and high regard of his colleagues; and

Whereas his tragic and untimely death has deprived his State and Nation of an outstanding lawmaker and public servant: Now, therefore, be it

*Resolved*, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Paul Coverdell a Senator from the State of Georgia.

*Resolved*, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

*Resolved*, That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the deceased Senator.