Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Young (AK)
Young (FL)

NOES—212

Abercrombie
Ackerman
Allen
Andrews
Archer
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Gutknecht
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—10

Barton
Davis (VA)
Ewing
Gilman
Hall (OH)
Jenkins
McIntosh
Smith (WA)
Vento
Wolf

1152

Messrs. HILL of Montana, GREENWOOD, PAUL, METCALF, Mrs. EMERSON, and Messrs. RADANOVICH, SANFORD, and JONES of North Carolina changed their vote from ''no'' to ''aye.''

So the motion to lay on the table House Resolution 568 was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4865, SOCIAL SECURITY BENEFITS TAX RELIEF ACT OF 2000

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 564 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 564

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 4865) to amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits. The bill shall be considered as read for amendment. All points of order against the bill and against its consideration are waived. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Pomeroy of North Dakota or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the legislation before us is a structured rule providing for the consideration of H.R. 4865, the Social Security Benefits Tax Relief Act. The rule provides for 1 hour of debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against the bill and against its consideration.

The rule provides that the amendment recommended by the Committee on Ways and Means, now printed in the bill, shall be considered as adopted. The rule provides for consideration of the amendment in the nature of a substitute, printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from North Dakota (Mr. POMEROY) or his designee, which shall be considered as read and shall be separately debatable for 1 hour, equally divided by the proponent and an opponent. The rule waives all points of order against the amendment in the nature of a substitute.

Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, passage of this rule will allow the House of Representatives to consider important bipartisan legislation to repeal a misguided tax on Social Security benefits. For most of the program's existence, Social Security has been exempt from Federal income tax. But in 1993, as part of the largest tax increase in American history, President Clinton and Vice President GORE proposed a tax increase on Social Security benefits. They claimed this tax would reduce the Federal budget deficit, at which time it was $255 billion.

The controversial Clinton-Gore proposal was vigorously debated in this House of Representatives. Opponents of the plan argued that control of Federal spending, not tax increases, was a better way to reduce the budget deficit. At the end of the debate, the Clinton-Gore proposal was passed by a single vote in the Democrat-controlled House. Not one Republican voted for this proposal. In the Senate, Vice President GORE cast the deciding vote, enabling President Clinton to sign this tax increase on senior citizens into law.

Despite passage of the Clinton-Gore tax increase, budget deficits continued, and the money collected from the Social Security tax increase funded even more government spending, with deficits increasing. In 1994, the Republican Party became the majority party for the House and the Senate for the first time in 50 years. The Republican Congress enacted much-needed tax relief, controlled government spending, and passed the first balanced budget in a generation.

Tax cuts and fiscal responsibility, along with the hard work of the American people, have caused the Federal budget to become balanced faster than was forecast. This year, the Federal budget has a surplus of $233 billion. Even proponents of the 1993 Social Security tax increase should agree it is now time to repeal this tax on senior citizens. Proponents said it was necessary to cut the deficit, and now the deficit is gone.

This Social Security tax is more than unnecessary, it is bad and unwise tax policy. It penalizes seniors who work and discourages Americans from saving. The tax is also unfair. It changes tax policy in the middle of the game, penalizing recipients who based past work and saving decisions on old law.

1200

In essence, this tax on Social Security benefits tells Americans not to save because if they do they will have their benefits of Social Security taxed.

I am troubled that our national savings rate is at an all-time low. In fact, private savings are actually a net negative at this time.

It is clear to me that as long as we have a tax on Social Security and one that does not encourage savings and investment, we are going to have a problem with the national savings rate.

Opponents will argue that this tax is for the rich. This is simply not the case. This tax affects seniors who make more than $25,000 if they are single or $32,000 if they are married. Mr. Speaker, that is not exactly the rich of America. It is called the middle class of America.

Furthermore, these income levels are not indexed for inflation, meaning more and more lower-income people will be impacted by this tax every year.

According to the Congressional Budget Office, 10 million beneficiaries are hit by this tax this year, and more than 17.5 million beneficiaries will be hit in 2010. The average tax this year is $1,180. It will grow to $1,359 in the year 2010.

Opponents will also argue that repealing the Clinton-Gore tax increase on Social Security benefits will weaken Medicare. This is also not the case.

The legislation requires that funds from general revenue will be transferred to offset to the penny the amount being generated by the Social Security tax, thus maintaining Medicare's current financing.

Mr. Speaker, with passage of this underlying legislation, Congress says that Social Security recipients should not be penalized for retirement and savings through an IRA or a 401(k) plan or for taking a part-time job after retiring.

The gentleman from Texas (Chairman ARCHER) from the Committee on Ways and Means aptly stated to us in the Committee on Rules yesterday when he sought this rule, the only people that pay this tax are those who saved during their lifetimes or those who will be working.

Clearly, this is unfair and must be changed.

That is what this debate is about, and that is what this rule is about.

Mr. Speaker, I urge my colleagues to support this rule so that the House may consider this legislation to reduce the unwise tax on our senior citizens, the Social Security benefits tax.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my dear friend, the gentleman from Texas (Mr. SESSIONS), for yielding me the customary half hour.

Mr. Speaker, I would like to begin by thanking my Republican colleagues for making the Pomeroy-Green-Capuano Democratic alternative in order. Because they make their amendment in order, this rule will enable us to choose between helping the very rich and everyone else.

My Republican colleagues have a bill that pretends to help seniors but actually does nothing whatsoever for 80 percent of them. Furthermore, Mr. Speaker, it endangers Medicare.

The average Social Security benefit is $804 per month for individuals and $1,348 for married couples. These people, as well as middle-income Social Security beneficiaries, will get nothing from this Republican bill.

Instead this bill, like so many before, will cut taxes for the richest Americans. In this case it is the richest 20 percent of the Social Security beneficiaries.

The Republican bill repeals part of the 1993 deficit reduction law that raises the threshold for taxation of benefits to 85 percent. The funds raised should go into the Medicare Trust Fund. But this Republican bill will not do that.

My Republican colleagues criticize the Clinton administration for this 1993 deficit reduction measure. But, Mr. Speaker, I would like to remind my colleagues that in 1983 it was none other than Ronald Reagan and George Bush who put this law into being, the previous threshold of taxing 50 percent of the benefits.

So, Mr. Speaker, in addition to being unfair, repealing this provision is unwise. The revenues gained under current law are a dedicated source of revenue for a Medicare program. Over the next 10 years, this provision will raise $117 billion for Medicare.

Mr. Speaker, it is very risky at this time to jeopardize the future security of Medicare, particularly when the risk is taken just to make the rich a little bit richer.

My colleagues may say that we will make up those lost revenues with money from the general fund. But, Mr. Speaker, I have been here long enough to know that today's surplus can very easily end up as tomorrow's deficit and that it is not worth taking the risk of leaving seniors without Medicare coverage.

Mr. Speaker, American seniors want real legislation. American seniors want their Medicare safe, and they do not want the surplus squandered to fund Republican schemes to make the rich richer.

I urge my colleagues to take a good look at this and support the Pomeroy-Green-Capuano substitute.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me the time.

Mr. Speaker, I would like to begin by congratulating my friend, the gentleman from Dallas, Texas (Mr. SESSIONS), for his superb statement in which he gave an account of the testimony that the gentleman from Texas (Chairman ARCHER) delivered before the Committee on Rules on the very important aspects of this measure.

I would also like to compliment my dear friend, the gentleman from South Boston (Mr. MOAKLEY), the ranking minority member of the Committee on Rules, for the first sentence of his statement in which he congratulated us on making sure that the Democratic substitute was in order.

The rest of his statement was baloney; but the first sentence was actually very good, and it should be congratulated.

I would like to say that we are in the midst of doing some very, very important work here. We hear the President say, do not send another risky tax scheme bill or tax cutting binge, as John Podesta called it, they have all these great names for it, do not send all these bills that basically allow the American people to keep more of their hard-earned dollars down to the White House because they will veto it.

And we look at the litany of measures that the President has said that he was going to veto in the past, including that very important Education Flexibility Act and the Teacher Empowerment Act, which take power from Washington, D.C., and turn it back for decision-making at local school boards and in the State legislatures and local governments. The President was going to veto that; and, sure enough, he signed it.

National missile defense is something that we regularly talk about, I am happy to say, in somewhat of a bipartisan way. The President was determined to veto that measure. He said he was absolutely going to veto it. And what did he do? He ended up signing it.

Welfare reform. We all know that he twice vetoed it. And then a virtual identical bill he signed. We are just now seeing the tremendous accounts of those benefits based on the work of our colleague, the gentlewoman from Connecticut (Mrs. JOHNSON), to the welfare reform that has been put into place. We have seen tremendous improvements all the way across the board.

So these are measures which the President said he was going to veto and he signed them.

Similarly, when he said, do not send another tax cutting bill down here because I am going to veto it, I think we have a responsibility to do our work. And this is one of those very, very important measures.

Back in 1993, we saw the arguments made that the way that we could balance the budget would be to impose the largest tax increase in American history. I know my Democratic colleagues like to call this the balanced budget measure.

The fact of the matter is it was the largest tax increase in American history, and it is a measure which did have not one single Republican vote in favor of it, neither the House nor the

Senate. They love to argue that. I am proud of the fact that I did not vote for that bill. And we call it the Gore tax because it was decided by a single vote in the other body and that was the vote that was cast by the Vice President, AL GORE, in favor of the increase.

One of those very important aspects of that massive tax increase bill was the one that said to senior citizens that, if we do not repeal this measure over the next year, 8 million will be paying an additional $1,180 in taxes on their Social Security benefits. We saw this increased from 50 percent to 85 percent.

I will tell my colleagues, as my friend, the gentleman from Dallas, Texas (Mr. SESSIONS), has said in recounting the statement of the chairman of the Committee on Ways and Means before our Committee on Rules, do we not want to encourage people to plan for their retirement? Did we not, with only 24 Members, all Democrats voting against the measure but everyone else supporting it, pass a measure which said that we should increase from $2,000 to $5,000 the contributions to individual retirement accounts, expanded 401(k)s?

These are the things we are trying to do to encourage people to plan for retirement. But what is it we do with the measure we have got here? We say to people they are rewarded if they do not plan for retirement; and they in fact are penalized if they do plan for retirement and have a little bit of success. That is what the Democratic substitute, which I happily made in order, will be considering.

This argument that my friend, the gentleman from South Boston (Mr. MOAKLEY), put out about jeopardizing Medicare and hospital insurance, the Hospital Insurance Fund is protected, and it is guaranteed to be solvent. The provisions that are in our measure are also in the Democratic substitute. So that really is a red herring that has been put out there.

This is a responsible measure. It allows hard-working Americans who have been forced throughout their entire lifetime through no choice of their own to pay into the Social Security system to have a chance to keep some of their own hard-earned money. And we want to encourage people to save for their retirement.

So we are doing the right thing. We have got a surplus. Why do we not do what they said they were going to do when they passed the massive tax increase, balance the budget?

Now that we have done that, let us go ahead and repeal that tax. I suspect we are going to do it in a bipartisan way. Democrats and Republican alike are supportive of this. And at the end of the day, I hope very much that President Clinton will sign the measure.

So I thank my friend for his very, very fine statement and his leadership on this issue.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the courtesy of the gentleman in yielding me the time.

Mr. Speaker, as we were listening to the selective memory of history, we would not have a surplus today to be dealing with if we had not had some very difficult budget cutting and tax increasing under both George ''Read My Lips'' Bush and President Clinton. But those difficult decisions were made to try and put us in a position of fiscal responsibility.

Now, under the Republican scheme of a tax cut du jour, we are slowly seeing this fiscal responsibility chipped away. The most recent one under the proposal before us today would cost $113 billion over the next 10 years from the Medicare Trust Fund, a trust fund that does not have adequate money to deal with it over time despite the fact we are going to double the number of senior citizens drawing upon it over the course of the next 30 years.

These are the folks that passed a budget resolution that talks about budget austerity. And then we watch day after day, week after week as they ignore that budget resolution and move off into the ether fiscal land.

But I am less concerned about individual cuts. I am happy to consider adjustments for people who need it in terms of cutting taxes, making budget adjustments. But my question is, when are we going to listen to the people who need help the most?

We have heard about the so-called inheritance tax, the death tax chipping away. They make adjustments for 47,000 American families who are at the top end of the spectrum, but they refuse to have meaningful relief for the one-third of the senior citizens without prescription drug benefits who are now paying the highest prices in the world.

If we are going to talk about people who are having their estates chipped away, let us talk about the 300,000 senior citizens who are now in nursing homes who are having their estates chipped away to deal with the $2,000 minimum.

1215

If you want to help somebody, let us get our priorities straight, not have a continual series of proposals to help the people who are least in need and you continue to ignore those people who need help the most. I strongly urge that we redirect our priority, and before we do more tax cutting du jour for the most privileged, that we might do something for the people who need it the most.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

As usual in this great body we have people who represent the tax collectors. We have just heard witness of the importance of being a tax collector and how the Federal Government has to have this money. We also have advocates like the gentleman from California (Mr. DREIER), who represent the taxpayer, the middle class of this country who pay the taxes who are trying to get back what is owed them.

Mr. Speaker, I yield such time as he may consume to the gentleman from The Woodlands, Texas (Mr. BRADY), who represents the taxpayer also.

Mr. BRADY of Texas. Mr. Speaker, I want to thank the gentleman from Texas for his leadership on this important issue.

This is not very complex, Mr. Speaker. This is about certain principles. All the bills that we vote on here in Washington, it is not about Hollywood, it is not about white papers and policy positions. To my way of thinking, we are talking about real people and what type of signal we send them in everything we do here in Washington. This is legislation where again we send a signal to people.

In Washington, we like to discourage people from doing the right thing. For some reason we have got a tax code that punishes people who do the right thing. People who go to school to get a job and a skill, those who marry, those who work hard, maybe invest some money for their own retirement, who put their money together perhaps and with their spouse work hard to have a small business, people who save for retirement who have a dream that someday their kids will go to college and they will get everyone settled in and they will have some time for themselves after all these years. Those are the people that we tax the highest and regulate the most. We discourage them from doing the right thing.

My fear is that people are going to stop doing things that they are punished for. Young people are smart these days. They figure out that if government is going to take care of me, why should I go that extra mile? Why should I work hard? Why should I save? Why should I dream about a retirement? Because Uncle Sam is going to take care of me. We all know that is not the case anymore. We know that it always comes back to you and me and our actions. That determines our type of life.

What we are doing here today is encouraging people to save. We are encouraging people to dream about their retirement and to save for it. And if they have invested at this point in their life and they are either elderly or they are widowed, they do not have the spouse that has been with them so long, or perhaps they are disabled, what we are saying here is we do not think it is right and we do not think it is fair to tax people because they have saved, because they have put money away, because maybe they started a small business or maybe they kept their family farm going.

By the way, we are not taxing them to put that money back into Social Security. Absolutely not. We are diverting it for other uses, some of it to Medicare, most of it diverted to other uses up here.

So you have got to ask, will there be an impact from this? Will there be a

cost from this repeal? Absolutely. We cannot afford more $900 hammers. Maybe we will not be able to afford the 450th different education program. Maybe we will have to have one less. Maybe we cannot have as many different agencies that all do exactly the same thing and do not talk to each other. There will be a cost to it because you have to do this responsibly.

From my way of thinking, setting a priority on seniors, on the disabled, on widows, on survivors who have worked hard to do the right thing is the right thing to do for America.

Just to make a point, people tell you that this is taxing and a repeal for the wealthy. Only in Washington are you wealthy if you make $30,000 or so a year. $30,000 does not go very far these days. You look at, especially seniors, a lot of them are raising their grandchildren these days. People start families earlier. It is not unusual to have them in college. Look at all the costs of living anymore. Only in Washington would we tell you that you are wealthy and rich if you have saved and make about $30,000 a year. That is wrong. We know in the real world that people need every help they can to make ends meet every month.

This repeal is the right thing to do for America. It is right on principle and encourages the things that help build America and help all of us try to reach our dream in retirement.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

The current speaker talked about $30,000 is not a lot of money. We know that. The Democratic alternative exempts a couple of $100,000 or less. We are raising it from $30,000 to $100,000.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. GREEN), coauthor of the amendment.

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, I rise in support of the rule and thank my colleagues on the Committee on Rules, both the Democrats and Republicans, for providing an opportunity to have an alternative to the Social Security tax cut. I have to admit, though, only in Washington-speak would the 1993 tax be called the Clinton-Gore tax and yet the 1983 tax that was 50 percent is not called the Reagan-Bush tax. Mr. Speaker, I think our folks are smart enough to understand that.

The argument, our Committee on Ways and Means chairman said yesterday, at the Committee on Rules is so correct, the argument we have is, We have a surplus; let's provide some tax cuts. Now that we have that surplus, let's do that. Well, that is great. The problem is this bill does not do that.

What this bill does is it takes the money out of the Medicare trust fund and it says, over the next year, we will try to put it back in, but each Congress is going to make that decision. That is why the substitute is the best way to go.

There are a number of reasons for that. The Republican bill is financially irresponsible. It takes money away from the Medicare trust fund, and it does not give any assurances that that money that it takes out will be put back. The Democratic substitute we have is more cost effective. It costs about $46 billion less than the Republican bill; but what it does is actually, as my ranking member on the Committee on Rules said, it raises the amount from $30,000 to $80,000 for individuals and from $44,000 to $100,000 for couples. We are taking away those low tax brackets for seniors and that is great. But my Republican colleagues never talk about the 50 percent that they are still going to be paying.

The Democratic substitute is more responsible. It provides a targeted tax cut to those who need it most, and it does not bust the Federal budget like a lot of their tax cuts do. It is a financially responsible middle ground.

The so-called surplus mentioned by the Republicans is based on current law, not the billions that we have seen pass this House over the last number of months. My concern is that this year's surplus is already spent with the current Republican spending rates. The Democratic substitute protects Social Security and Medicare. It does not pretend to give seniors one thing out of one pocket and take it away from them in the other.

We prohibit the use of the Social Security trust surplus for this tax cut. So oftentimes in Washington we do that. We use Social Security money to pay for lots of things, including tax cuts. The other thing it does is it makes sure that that money will go to Medicare. It will go to the Medicare trust fund.

I want a tax cut. All of us want a tax cut. But let us not punish the seniors who depend on Medicare. I have to admit to my colleague from Texas, I do not represent any tax collectors. He probably represents more IRS employees than I do. He has a higher income district. I represent lots of taxpayers, but there are also a lot of people who depend on Medicare to make sure they can survive.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

For the record I would like to point out to the gentleman, my friend from Texas, that the report that the Committee on Ways and Means worked off of, a report that the Committee on Rules relied upon, and I would like to read from that in a letter that came directly to Chairman ARCHER from the Congressional Budget Office. It says: ''Under current law, the revenues affected by the bill are credited to Medicare's hospital insurance trust fund. The bill would maintain those intergovernmental transfers which would have no net effect on the budget.''

The gentleman from Texas implied that there would be a problem where we would not fully fund the programs. The money will be taken directly out of general revenues. This is a projection that will go until 2024. As the speaker is well aware, this Republican Congress has passed a law in our budget which would do away with the debt of this country, we are going to pay down the debt by the year 2012.

We believe that this is a responsible way to address the problems of this country. We simply do not believe that people who are senior citizens should have to wait 20 more years until they have an opportunity to receive this opportunity to put more money in their pockets. We believe in what we are doing. This is a bipartisan bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. I thank my friend from Massachusetts for yielding me this time.

Mr. Speaker, I rise today in opposition to the bill before us today and in strong support of the substitute being offered on our side. Mr. Speaker, here we are in Washington in the middle of July, but one would think with the legislation before us that it is the middle of the winter because we have been hit with a veritable blizzard of large tax-cutting measures, the closer we get to election day. My constituents in western Wisconsin, honestly know a snowjob when they see it. Unfortunately, I think this is just another of a series of election-year politics, playing politics with future budget surpluses, because that is what this debate is really about, what is the best priority use of future budget surpluses if, in fact, they do materialize.

There is a clear difference between the two parties on this. I came to Washington, Mr. Speaker, with a lot of concern in regards to the $5.7 trillion national debt. I am the father of two little boys who are just 4 and 2, and I refuse to support policies that are going to make it more difficult for us to eliminate this legacy of debt that we are due to pass on to future generations unless we have the courage to resist large tax cuts now and use the money for debt reduction and shoring up Social Security and Medicare.

The series of tax cuts when you put them all together would virtually consume every last cent of projected budget surpluses if in fact they materialize at all. There is no guarantee that they will. But let us talk for a minute about the policy implications of these series of tax cuts, and who better to listen from than the Chairman of the Federal Reserve Board, Chairman Greenspan. This is basic Macroeconomics 101. He has been telling us consistently in his testimony, large tax cuts now are bad economic policy because it will overstimulate the economy and force the Federal Reserve to increase interest rates to slow the economy down. That would be detrimental to all citizens

who need to make home, car, credit card, student loan or other payments. It will also make it more worthy to invest in new capital and create more jobs.

Here are just a couple of statements that Chairman Greenspan said: ''Saving the surpluses if politically feasible is in my judgment the most important fiscal measure we can take at this time to foster continued improvements in productivity.''

Another one: ''We probably would be better off holding off on a tax cut immediately, largely because it is apparent that the surpluses are doing a great deal of good to the economy.''

Perhaps most importantly, Chairman Greenspan said this: ''Lawmakers are counting on unpredictable economic trends to continue producing the budget surpluses they need to pay for their tax cuts. The long-term forecasts are often inaccurate and lead to vast errors in predicting budget deficits and surpluses. You should not commit contingent potential resources to irreversible uses.''

That is exactly what we are doing in these series of tax cuts when you look at them all together. Go slow. We can provide modest tax relief for families who need it but we need to do it in a fiscally responsible way. Let us not bank our future on projected surpluses that may never materialize.

Let me be clear: the House leadership has embarked on a series of tax cuts that will obliterate a surplus that is the hard-won product of nearly 8 years of fiscal discipline.

Taken all the tax cuts offered in this session, over two trillion dollars, they will consume virtually the entire projected budget surplus in the next 10 years and then explode in the second 10 years. Now is not the time to abandon responsible budgeting by spending money before it even comes in the door.

Further, this bill will leave fewer resources for other priorities within the Medicare Program, including extending the solvency of the Medicare trust fund, creating a Medicare prescription drug coverage benefit, investing in education, and providing relief to rural hospitals and other health care providers.

I support the substitute to H.R. 4865. This substitute is fiscally responsible and will provide tax relief for middle income seniors who need the most assistance. Rather than eliminating the tax for all seniors, this proposal sustains the tax on Social Security benefits for individuals who earn more than $80,000 and for couples earning more than $100,000, roughly 95 percent of all seniors are covered under the alternative. Furthermore, this substitute will only go into effect those years in which there is enough of an on-budget surplus to replace lost revenues.

I have always felt that if projected budget surpluses do in fact materialize, we have a number of existing obligations that we must meet, such as paying off our $5.7 trillion national debt, shoring up Social Security and modernizing Medicare with a prescription drug benefit and investing in education. These should be our top national priorities before we pass large tax cuts that will benefit the most wealthy and consume the entire projected budget surplus that may or may not materialize.

If those commitments are given their due priority, then fiscally responsible tax relief can be provided to those struggling families trying to make ends meet. We must not enact risky tax cuts today that will result in harming our seniors and our children tomorrow.

Mr. Speaker, I urge my colleagues to vote against this final bill. America's seniors are depending on us to balance the needs for tax relief with the need for Medicare solvency. We can do both in a fiscally responsible way.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO), the cosponsor of the amendment.

Mr. CAPUANO. Mr. Speaker, I rise first of all to thank the Committee on Rules for making the Democratic substitute in order. I appreciate their ability and their willingness to at least let us have a moment of time. I guess I want to just talk about a couple of things. First of all, I would like to point out what I think are the two most important differences between the substitute and the main bill. Certainly it is a matter of priorities. We do believe that if tax cuts are going to go in, they should go to those who need it the most.

I do not think anyone can argue that people making over $100,000, of which every Member of this House is one, including myself, that anyone can argue that that is anything other than well off and that they do not need the extra help.

1230

That is number one; that is a philosophical issue. But I understand people can disagree on that.

The second one that they cannot disagree on that has been called a red herring but it certainly is not, the difference between the Democratic proposal and the Republican proposal is that under current law and what we want to keep are the monies going to Medicare from this tax are from a dedicated revenue stream.

Under the proposal as before us, without the substitute, it is simply a political promise, that we promise we will keep doing this.

Well, I hate to say it, but I do not think most Americans trust us all that much, and I for one, would like to make sure that my mother, my wife and my children do not have to rely on the promises of future politicians. I want to make sure that they can rely on a dedicated revenue stream to make sure that Medicare is sound and healthy for the future. That is the main difference.

The other thing I want to point out, as boldly as I can, and I know it has been mentioned by many people before, but this proposal, neither the Democrat nor the Republican proposal touches line 20(b) on the IRS tax form. Line 20(b) will be there today and will be there tomorrow regardless of what passes, regardless of what the President does, because this proposal does not touch the 1983 law that started taxing Social Security that was passed with 97 Members of a Republican team in favor. Many of those 97 Members are still here today. They voted for that 1983 proposal.

Under today's rules, we should have taken the whole thing, scrapped it, had an honest discussion of what we can afford in tax cuts, targeted those tax cuts who could use it and simplify the entire form. We did not do that. We took a simple political approach to simply say cut taxes, which we are not doing, every senior citizen who is currently taxed under the law that is being proposed to be repealed today will be paying taxes next year, regardless of what the vote is here today.

Line 20(b) will still be there. They will have a few less dollars being taxed, but they will still have to go through the worksheet on page 25 of their instruction booklet, which is complicated as heck, and I challenge anyone here to try to walk through that worksheet, not even part of the form, it is a worksheet, try to do it without professional tax help.

That is why I rise today for the Democratic proposal, and that is why I repeat myself again. I thank the Committee on Rules for giving this a chance.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY), the ranking member, for yielding me the time.

Mr. Speaker, I rise in opposition to the rule. Yesterday, myself and three other Members of Congress, the gentlewoman from Missouri (Mrs. EMERSON), the gentleman from New Jersey (Mr. ANDREWS), and the gentleman from Texas (Mr. HALL), all proposed an amendment to this bill. If we are going to spend money, if we are going to reduce taxes, we ought to put in a repair for the notch babies. Those are the individuals in our society that are going to be forgotten. If this bill is passed today in its present context, the money that would be there to fix the notch-baby problem will be gone forever.

I hear my friends on each side talking about whether we are going to give a tax cut to people making millions of dollars in retirement or we are going to reduce it and put a cap on it. I say we have got 3½ million Americans that are 74 years of age to 84 years of age, more than 90 percent of them never meet the beginning cap of taxation. These individuals have been denied more than a thousand dollars a year for many years. If we pass this legislation today, the surplus that everybody talks about, and which has been spent for 2 months in double time so it is questionable whether any surplus is there at all, will be gone. The potential fix of the notch-baby problem will be, as a former commissioner of Social Security, as someone in the Reagan administration told me and Members of Congress when we met with them, fixed by attrition. We are going to wait until they die, and we will not have to fix it.

The message of this Republican Congress to those notch babies should be clear, they will not and do not intend to fix the notch-baby problem. Therefore, those 3½ million Americans that are 74 years of age to 84 years of age, all of which need this money, have been denied this money for 20 years, will now lose it. And the problem will be solved by attrition until they die.

Mr. Speaker, this is ridiculous. It is political, and I urge all my colleagues to vote against the rule and against the proposition to be cutting taxes before we fix fundamental problems with Social Security and Medicare.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as usual, we have a disagreement in Washington, the people who caused the debt and the deficit of this country are now trying to cover their holes that they have left in the past.

Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. LINDER), my colleague on the Committee on Rules.

Mr. LINDER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding me the time.

Mr. Speaker, I do not expect to convince the gentleman from Pennsylvania (Mr. KANJORSKI) what the truth is about the notch. We all hear about it all every time we do town hall meetings, and we hear about it just after some organization in this town that is raising money that sends letters to everyone born between the years of 1917 and 1921 is saying you are being deprived of your due benefit, if you will send me $10, I will fix it.

Mr. Speaker, I have been here for 7½ years and not one of those organizations has appealed to me to fix it. So I decided to find out what it really was. In 1972, Wilbur Mills is running for President, and he promised to increase the benefits on Social Security by 20 percent. His presidency went down in the Tidal Basin, and Nixon picked it up and he promised it, and they had a huge adjustment in 1972.

They started with people born in 1910 because they were 62 years old and eligible that year for the benefit. In 1977, they discovered they made a huge mistake. They made a calculation error that was going to bankrupt Social Security, and they had to crank it back to an honest formula.

They decided to leave people born between the ages of 1910 and 1916 alone, and those born from 1917 to 1921, 5 years, 1917, 1918, 1919, 1920, 1921, were rolled back a little bit each year for 5 years until they got fairly close to what should have been the right formula, and then they were on the cost-of-living adjustments, the COLAS, for thereafter.

The fact is, that group of people called the notch babies, my mother is one, get a higher benefit, compared to what they paid in under the formula, than those born after them, it is not that they get less. It is that they get more, but they do not get as much as the error made for those born between the ages of 1910 and 1916.

It was a bank error in their favor, and they kept the cash. So any time you hear somebody stand up and talk about the notch babies, understand one thing, that a fund-raising operation in Washington, D.C. looking for high salaries for its managers has just sent out a scary letter to those born in those areas and looking for money to pay their salaries, never do they come to us, never has one single person come to our office and said help us fix the notch.

It does not exist, and the demagoguery we just heard on this issue is an example of scariness.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, it has been interesting listening to the debate, the speech and debate clause of the Constitution has been stretched to its limit this morning. But let me just say something, it is definitive that people born between 1917 and 1926 receive less money than those who were born between 1911 and 1916, and it can be over $200 less.

We are talking about people who are between 74 years of age and 84 years of age. We are talking about people who fought World War II. They are the people that are struggling today to decide whether they are going to be able to buy their medication. They are cutting their pills in half. We have been fighting to give them a serious Medicare drug benefit, all we are saying is let us have a hearing on this matter.

The gentleman from Georgia (Mr. LINDER) had an opinion on the matter, the gentleman from Pennsylvania, my predecessor, and some other Republicans had a different opinion. Let us have a discussion on it. The reality is whether or not there is a notch, whether we need to repair the notch, let us let those people between 74 and 84 know who stands with them and who stands against them, so when they go to the polls, they know who they are going to vote to.

They know whether or not someone wants to fix something that has been done or not. Let us talk about the people who are in the notch. Let them know who is for them and who is not. This rule does not allow that to occur.

Let us talk about historical revisionism. I remember driving in my car when I heard Ronald Reagan make a comment that he was going to decrease taxes; he was going to increase defense spending; and he was going to balance the budget. We all know what happened. In fact, he did decrease taxes. He did increase defense spending. And we went $1 trillion in debt to $5 trillion in debt.

Through the entire history of our Nation, from the American revolution, through two World Wars, through a great Depression, through Vietnam, through the Civil War, we had $1 trillion in public debt. And after 12 years of Bush and Reagan, we had that quadrupled.

They are talking about going back to those times today. This is it, a bad bill. It is a bad rule, and the Members should vote against it.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT), the chief deputy whip.

Mr. BLUNT. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS), my friend, for yielding the time to me.

Mr. Speaker, I must admit I came to the floor partly because I was confused by the debate. This is eliminating a tax on people who receive Social Security. That is what this is about. This tax was not on the books before 1993. It is not a tax that people used to pay. It is eliminating a tax for people who draw Social Security.

I came to the floor, as soon as I got here, I heard that the surplus was gone. The deficit in 1995 was $200 billion. The surplus, using those same bookkeeping rules, that we have even moved beyond those rules and do not use those rules any more, is about $250 billion, that is a $500 billion, half a trillion dollar turnaround. We need to rectify these unfair things that have been added to the Tax Code.

We do not need to take this as an excuse to come up with new government programs. We need to figure out how to do our business, the business of government, with the least tax dollars possible. And we certainly do not need to take those tax dollars from people who are drawing Social Security, from people, who, until 1993, did not pay this tax, a tax that is now paid by 10 million Americans, over the next decade that number will grow to 17½ million Americans who receive Social Security will pay this tax that we could eliminate today.

We could begin the process today in the House by eliminating this tax. This is a ticking time bomb. We hear our friends talk about the fact that this tax is only paid by the wealthy. Wealthy, or if you are retired, I guess if you make more than $34,000, you are wealthy and that should be penalized, if you have worked your lifetime, if you have saved money, if you have worked for a pension, and if you make more than $34,000, we are wealthy and should be taxed, if you accept that logic.

People who worked for that pension, who saved that money, who draw Social Security should not be hit with this tax. This is not an amount of money that is adjusted to inflation, and so each year more and more people are hit by a number that has less and less buying power. We can solve this problem today. We can help seniors on fixed incomes who managed to have a decent income, who would not have paid this tax before 1993, in a way that they do not pay this tax in the future.

I support the rule. I support the bill. I am for a long-term discussion of the

problems that relate to Social Security. We can solve those, but let us not solve them by saying that that should be paid for by people on Social Security paying a tax that is extreme and unfair.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SPRATT), the ranking member on the Committee on the Budget.

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, there has been a lot of reference today to the Clinton budget act in 1993. It was preceded by the Bush budget summit in 1990. On that occasion, when that budget summit agreement, which laid the first level of foundation for the successes we have now seen in the budget, in 1990, when it first came to the floor, only 47 Republicans voted for it, even though their President was a signatory to it and helped negotiate it.

1245

Three years later, because of recession, the deficit had not gone down. It was $290 billion, a record high, and headed up on September 30, 1992. That was the level of the deficit when Bill Clinton came to office on January 20, 1993. On his desk lay an economic report to the President, George Bush, that said over the next 5 years the deficit would hover in that range and exceed $300 billion by 1998.

Well, we got to 1998 and got to 2000, and we did not have those horrendous deficits; and there is a reason, because in 1993 we came over here and stepped up to the problem. There was some features to the package that we passed in 1993 I did not like, they were unpopular to vote for; but, nevertheless, they account for the fact that we now do not have huge deficits, but we have enormous surpluses. Indeed, CBO last reported that we could expect a surplus this year of $219 billion, a swing from $290 billion in deficit, in the red in 1992, to $219 billion this September 30. That is nothing short of phenomenal.

One of the reasons we are out here today to oppose this particular provision, though I will vote to raise the level of the threshold at which this tax is applicable, we are out here to oppose it because we do not want to see our hard-won successes, this huge phenomenal turnaround, obliterated, blown away because nobody is keeping tabs on the budget, because we really do not have, for all practical purposes, a budget.

We have got a table right here that the Committee on the Budget has made up of where we stand at this point in time; and let me walk you through it, because this ought to be the backdrop for today's debate. This is what really concerns us. This is why we are out here in the well of the House taking an unpopular stand for something that is right.

CBO last said in July that the surplus over the next 10 years would be $2.173 trillion. Both sides have agreed that the surplus that accumulates in the Medicaid-HI trust fund over that period of time ought to be backed out and treated separately, just as Social Security is. When you deduct that $361 billion, you are down to a surplus of about $1.8 trillion.

The tax cuts passed thus far, including the one on the floor today, come to a total of $739 billion over 10 years, revenues that will be deducted from the surplus, if indeed they are passed. That is just this year, tax cuts passed by this House this year, $739 billion, including the tax cut today.

Future tax cuts that we can say with certainty will be enacted at one time or another, if not this year. One is the AMT, the alternative minimum tax. We all know that it is drawn in such a way, passed in 1986, that the income threshold is not indexed. Consequently, in the future years, in the very near future, more and more middle-income families for whom this tax was never intended are going to be hit by the AMT, and we will respond. We will change the AMT. So we have taken the AMT correction that you had, the Republicans had in their tax bill last year.

We have also factored in tax provisions in the code, concessions, deductions, credits, preferences, that we know are very popular. They have a short time frame, they are not permanent, and we are assuming that they will be renewed in the future, as they always have been in the past. That is $183 billion of known tax increases in the very near future. That is the tax cut activity, $900 billion that you can easily account for that comes off that surplus of $1.8 trillion.

Look what we have done in spending. If you just take appropriations, considering the fact we have not put a new ceiling on appropriations in any of our budgets, and assume that discretionary spending will increase at a half percent above the rate of inflation, which is a lot less than it has increased in the last 3 years or since 1995, just a half percent, that is $284 billion.

If you assume the mandatory spending increases that have been passed to date, excluding prescription drugs, will become law, that is $54 billion, already passed by this House. If we take the Republican prescription drug bill, their bill, which I do not think you would recant now, CBO's cost estimate of it over 10 years is $159 billion. If we assume that there will be additional farm assistance in the future, as there has been in the past, over the next 10 years I think most people on the Committee on Agriculture would say $65 billion for likely increases and farm protection, given the situation in the farm community, is modest.

Finally, if you put in the Medicare provider restorations, corrections to the Balanced Budget Act of 1997 for providers, hospitals, doctors, who are saying they have been cut to the bone by this bill, both sides are now supporting restoration, that is $40 billion. If you adjust that service $376 billion, guess what? You come to a total of $2.261 trillion. That means you are $88 billion in deficit.

That is what I have come to the well of the House to do today, to take away the punch bowl. Everybody got excited by this big surplus. The party is over. We are already in deficit if we pass this bill. That is the warning I am issuing right now.

Mr. MOAKLEY. Mr. Speaker, I yield 6½ minutes to the gentleman from North Dakota (Mr. POMEROY) to close debate on our side.

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I am honored that the ranking member is allowing me to close on behalf of the minority, and I am honored to follow the comments of my friend and colleague, the gentleman from South Carolina (Mr. SPRATT), who has laid out in detail why we believe the plans, the spending and tax plans of the majority, have already placed this into a deficit situation before 10 years are up, take the country's largest surplus ever and put us back into a deficit situation.

That has direct bearing on the issue before us, because under the majority's proposed bill to be considered today, general fund transfers are required to keep the Medicare Trust Fund whole.

What if there are no general fund revenues left? This chart summarizes the detailed information the gentleman from South Carolina (Mr. SPRATT) just covered. As it makes clear, there is a significant question whether general fund revenues will be available; and if they are not available, the Medicare Trust Fund takes a hit.

The substitute offered by the minority in the upcoming debate ensures that the Medicare Trust Fund will be made whole, will be held harmless, by requiring an advance certification before that tax cut takes effect in any given year that there are ample revenues to go into the Medicare Trust Fund to compensate for the revenues lost with the tax reduction.

It is absolutely critical, I think we can all agree, with Medicare already slated for solvency trouble, not to make that problem worse. The plan by the majority jeopardizes the Medicare Trust Fund. The Democrat substitute preserves the trust fund by requiring the advance certification, so vitally important to make sure we maintain solvency.

The Democrat substitute, and I am grateful for the Committee on Rules making it in order, also provides tax relief for 95 percent of the people. As cosponsor of the substitute, in conjunction with the gentleman from Texas (Mr. GREEN) and the gentleman from Massachusetts (Mr. CAPUANO), we have advanced what we believe is a much better way to go as we look at this Social Security tax issue.

Under our bill, we would safeguard the Medicare Trust Fund, as I have just

mentioned, but provide very meaningful tax relief. Under our bill, income for taxation of the Social Security check would be reduced from 85 to 50 percent to households earning up to $100,000 and individuals earning up to $80,000. That means someone on Social Security has their Social Security check and an additional $80,000 for an individual, $100,000 for a couple.

One-third of all people on Social Security today live on their Social Security check. Two-thirds have the Social Security check for most of their income. We are talking about the most affluent 5 percent, the only group that would be excluded from the tax cut offered by the minority.

Now, some might say, why do you not give it to everybody? After all, the most affluent need the break too. We do not think they need the break as badly as we need to apply these revenues in other areas, and we save by our approach, by capping it at the $100,000 per household, we save $40 billion over a 10-year period of time. Just think what you can do to enhance prescription drugs for seniors with $40 billion.

So it is a matter of who needs these resources first, the very most affluent households, as advanced by the majority, or those other households that cannot afford their prescription drug medicine that might benefit from reallocation of those dollars in that area.

So basically that is the choice between the two approaches. The majority approach offers tax relief; the minority approach offers tax relief. The majority approach fails to protect the Medicare Trust Fund; the minority approach protects the Medicare Trust Fund. The majority passes on a significant tax break to the most affluent households in this country; the minority substitute advances meaningful tax relief for 95 percent of the Social Security recipients in this country, leaving only those households earning $100,000 or more in outside income to continue to have 85 percent of their Social Security income considered for taxation.

All in all, as you look at the issue, I think you will have to conclude that there are two ways to approach tax relief in this area, and the Democrat approach, with its protection for the trust fund, with its granting of tax relief to all but the most affluent 5 percent in this country, with the preservation of the $40 billion saved thereby for application on critical priorities like Medicare prescription drug coverage, the Democrat substitute is the better way to go.

Mr. SESSIONS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to close on behalf of the Republican Party today and thank my colleagues for their vigorous debate on behalf of an issue that is important to seniors in our country.

I am always amazed to see that the party that put the tax on people, on senior citizens of this country, is now trying to defend that tax and say, well, they have to make sure that they have this money so that we do not go into deficit spending.

The fact of the matter is, Mr. Speaker, there will be two bills that will be voted on today: one which is the substitute which was described by the gentleman from North Dakota (Mr. POMEROY), which is an opportunity to have every single Member of this House of Representatives vote today.

Then there will be a second bill, the real bill, the one that does the right thing, the one that is the very same or similar that was just passed in the Senate, where Senator FEINSTEIN, Senator CONRAD, Senator DORGAN, and Senator JOHNSON all voted this last week on the Republican plan, a plan that does the real thing, the plan that says that the average tax of $1,180 that is paid this year, that is going to grow to $1,359 for the average senior citizen in the year 2010, is simply wrong.

We believe it is wrong for people to be taxed at an 85 percent rate for income above $34,000 for senior citizens and $44,000 for couples. We believe that the real bill that will be on the floor today that will pass will be the Republican plan, which is the one that says we do not believe that the burden should be placed on the senior citizens of our country.

We do not believe, as Republicans, that Social Security should be taxed at all. Of course we are different. The difference between the Republican Party and the Democrat Party can once again be seen today. One side is for the taxing of senior citizens, the other is we want to do away with taxes on Social Security.

Mr. Speaker, I am proud of the Republican Party. I am proud of the differences we offer for senior citizens.

Mr. Speaker, I urge my colleagues to vote for this fair rule. I urge my colleagues to weigh and consider the two bills before us, and I urge support of the Republican bill.

Mr. FOLEY. Mr. Speaker, I rise in support of the rule on H.R. 4865, the Social Security Benefits Tax Relief Act. This bill repeals the unfair and punitive tax increase on America's Social Security recipients. This tax increase was included in the Clinton/Gore 1993 Budget Bill, a bill I am happy to say did not receive a single Republican vote in either the House or Senate.

The federal government this year is expected to run a $233 billion surplus. There is absolutely no reason to continue punishing our senior citizens by confiscating their hard earned Social Security benefits.

The 1993 tax increase raised the portion of Social Security benefits subject to income tax from 50 percent to 85 percent for millions of American retirees.

Taxing any portion of Social Security benefits is unfair and immoral. Taxpayers not only pay Social Security taxes from their wages but also are obligated to count as income for tax purposes the wages they never see that have been paid into Social Security. In other words, their wages earned over lifetime and paid into Social Security are taxed twice. This is unconscionable.

The other side is going to tell you that this proposal will destroy the Medicare Hospital Insurance Trust Fund. Nothing could be further from the truth. It is true that these taxes are directed to the Medicare Part A Trust Fund. However, this bill will transfer funds from the general fund to the trust fund to make up for any shortfall from repealing this onerous tax.

Mr. Speaker, let's repeal this unfair tax. It never should have been instituted and its demise is long overdue.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The Chair advises that Members should avoid personal references to Members of the Senate, other than as sponsors of measures.

The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

1300

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4516, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2001

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 565 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 565

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4516) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2001, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 565 is a rule providing for consideration of H.R. 4516, the conference report for the Legislative Branch Appropriations bill for fiscal year 2001. The rule waives all points