(Mr. BUNNING), the Senator from Nevada (Mr. REID), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. Res. 304, a resolution expressing the sense of the Senate regarding the development of educational programs on veterans' contributions to the country and the designation of the week that includes Veterans Day as ''National Veterans Awareness Week'' for the presentation of such educational programs.

AMENDMENT NO. 3828

At the request of Mr. BINGAMAN, the names of the Senator from Maryland (Ms. MIKULSKI), the Senator from Rhode Island (Mr. REED), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of amendment No. 3828 proposed to H.R. 8, a bill to amend the Internal Revenue Code of 1986 to phaseout the estate and gift taxes over a 10-year period.

SENATE RESOLUTION 336—EXPRESSING THE SENSE OF THE SENATE REGARDING THE CONTRIBUTIONS, SACRIFICIES, AND DISTINGUISHED SERVICE OF AMERICANS EXPOSED TO RADIATION OR RADIOACTIVE MATERIALS AS A RESULT OF SERVICE IN THE ARMED FORCES

Ms. SNOWE (for herself, Mr. MURKOWSKI, and Mr. WELLSTONE) submitted the following resolution, which was considered and agreed to:

S. RES. 336

Whereas the Nation has a responsibility to veterans who are injured, or who incur a disease, while serving in the Armed Forces, including the provision of health care, cash compensation, and other benefits for such disabilities;

Whereas from 1945 to 1963, the United States conducted test explosions of approximately 235 nuclear devices, potentially exposing approximately 220,000 members of the Armed Forces to unknown levels of radiation, and approximately 195,000 members of the Armed Forces have been identified as participants in the occupation of Hiroshima and Nagasaki, Japan, after World War II;

Whereas many of these veterans later claimed that low levels of radiation released during such tests, or exposure to radiation during such occupation, may be a cause of certain medical conditions; and

Whereas Sunday, July 16, 2000, is the 55th anniversary of the first nuclear explosion, the Trinity Shot in New Mexico: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) July 16, 2000, should be designated as a ''National Day of Remembrance'' in order to honor veterans exposed to radiation or radioactive materials during service in the Armed Forces; and

(2) the contributions, sacrifices, and distinguished service on behalf of the United States of the Americans exposed to radiation or radioactive materials while serving in the Armed Forces are worthy of solemn recognition.

AMENDMENTS SUBMITTED

MARRIAGE PENALTY TAX RELIEF ACT

FEINGOLD AMENDMENTS NOS. 3845–3846

Mr. FEINGOLD proposed two amendments to the bill (H.R. 4810) to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001; as follows:

AMENDMENT NO. 3845

Beginning on page 2, line 5, strike all through page 5, line 11, and insert:

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by striking ''$4,400'' in subparagraph (B) and inserting ''$7,500'';

(3) by adding ''or'' at the end of subparagraph (B);

(4) by striking ''$3,000 in the case of'' and all that follows in subparagraph (C) and inserting ''$4,750 in any other case.''; and

(5) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Section 63(c)(4) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(2) Section 63(c)(4)(B) of such Code is amended—

(A) by redesignating clause (ii) as clause (iii); and

(B) by striking clause (i) and inserting:

''(i) 'calendar year 2000' in the case of the dollar amounts contained in paragraph (2),

''(ii) 'calendar year 1987' in the case of the dollar amounts contained in paragraph (5)(A) or subsection (f), and''.

(3) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 3846

At the end of the bill, add the following:

TITLE II—COBRA CONTINUATION COVERAGE

Subtitle A—Tax Credit for Insurance Costs

SEC. 201. CREDIT FOR HEALTH INSURANCE COSTS OF INDIVIDUALS WITH COBRA COVERAGE.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

''SEC. 25B. HEALTH INSURANCE COSTS OF INDIVIDUALS WITH COBRA COVERAGE.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the amount paid during the taxable year for coverage for the taxpayer, his spouse, and dependents under qualified health insurance.

''(b) LIMITATION ON COVERAGE.—Amounts paid for coverage of an individual for any month shall not be taken into account under subsection (a) if, as of the first day of such month, such individual is covered under any medical care program described in—

''(1) title XVIII, XIX, or XXI of the Social Security Act,

''(2) chapter 55 of title 10, United States Code,

''(3) chapter 17 of title 38, United States Code,

''(4) chapter 89 of title 5, United States Code, or

''(5) the Indian Health Care Improvement Act.

''(c) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means health insurance coverage (as defined under section 9832(b)(1)(A)) which constitutes continuation coverage under a group health plan which is required to be provided by Federal law for an individual during the period specified in section 4980B(f)(2)(B).

''(d) SPECIAL RULES.—

''(1) COORDINATION WITH OTHER DEDUCTIONS.—No credit shall be allowed under this section for the taxable year if any amount paid for qualified health insurance is taken into account in determining the deduction allowed for such year under section 213 or 220.

''(2) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.''.

(b) REGULATIONS.—The Secretary of the Treasury shall promulgate such regulations as necessary to carry out the provisions of this section, including reporting requirements for employers.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25A the following new item:

''Sec. 25B. Health insurance costs of individuals with COBRA coverage.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle B—COBRA Protection for Early Retirees

CHAPTER 1—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 211. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 603 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163) is amended by inserting after paragraph (6) the following new paragraph:

''(7) The termination or substantial reduction in benefits (as defined in section 607(7)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 607 of such Act (29 U.S.C. 1167) is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(D) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in section 603(7), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(6) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in section 603(7), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(7) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, July 12, 2000), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of section 602(3).''.

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 602(2)(A) of such Act (29 U.S.C. 1162(2)(A)) is amended—

(1) in clause (ii), by inserting ''or 603(7)'' after ''603(6)'';

(2) in clause (iv), by striking ''or 603(6)'' and inserting '', 603(6), or 603(7)'';

(3) by redesignating clause (iv) as clause (vi);

(4) by redesignating clause (v) as clause (iv) and by moving such clause to immediately follow clause (iii); and

(5) by inserting after such clause (iv) the following new clause:

''(v) SPECIAL RULE FOR CERTAIN BENEFICIARIES IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in section 603(7), in the case of a qualified beneficiary described in section 607(3)(D) who is not the qualified retiree or spouse of such retiree, the later of—

''(I) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(II) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 602(1) of such Act (29 U.S.C. 1162(1)) is amended—

(1) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(2) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of a qualifying event described in section 603(7), in applying the first sentence of subparagraph (A) and the fourth sentence of paragraph (3), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 602(3) of such Act (29 U.S.C. 1162(3)) is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in section 603(7), any reference in subparagraph (A) of this paragraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in paragraph (1)(B)'.''.

(e) NOTICE.—Section 606(a) of such Act (29 U.S.C. 1166) is amended—

(1) in paragraph (4)(A), by striking ''or (6)'' and inserting ''(6), or (7)''; and

(2) by adding at the end the following:

''The notice under paragraph (4) in the case of a qualifying event described in section 603(7) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after July 12, 2000. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

CHAPTER 2—AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 221. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 2203 of the Public Health Service Act (42 U.S.C. 300bb–3) is amended by inserting after paragraph (5) the following new paragraph:

''(6) The termination or substantial reduction in benefits (as defined in section 2208(6)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 2208 of such Act (42 U.S.C. 300bb–8) is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(C) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in section 2203(6), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(5) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in section 2203(6), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(6) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary of Labor and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, July 12, 2000), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of section 2202(3).''.

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 2202(2)(A) of such Act (42 U.S.C. 300bb–2(2)(A)) is amended—

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting after clause (ii) the following new clause:

''(iii) SPECIAL RULE FOR CERTAIN BENEFICIARIES IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in section 2203(6), in the case of a qualified beneficiary described in section 2208(3)(C) who is not the qualified retiree or spouse of such retiree, the later of—

''(I) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(II) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 2202(1) of such Act (42 U.S.C. 300bb–2(1)) is amended—

(1) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(2) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of a qualifying event described in section 2203(6), in applying the first sentence of subparagraph (A) and the fourth sentence of paragraph (3), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary of Labor) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 2202(3) of such Act (42 U.S.C. 300bb–2(3)) is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in section 2203(6), any reference in subparagraph (A) of this paragraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in paragraph (1)(B)'.''.

(e) NOTICE.—Section 2206(a) of such Act (42 U.S.C. 300bb–6(a)) is amended—

(1) in paragraph (4)(A), by striking ''or (4)'' and inserting ''(4), or (6)''; and

(2) by adding at the end the following:

''The notice under paragraph (4) in the case of a qualifying event described in section 2203(6) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after July 12, 2000. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

CHAPTER 3—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 231. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 4980B(f)(3) of the Internal Revenue Code of 1986 is amended by inserting after subparagraph (F) the following new subparagraph:

''(G) The termination or substantial reduction in benefits (as defined in subsection (g)(6)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 4980B(g) of such Code is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(E) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in subsection (f)(3)(G), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(5) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in subsection (f)(3)(G), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(6) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary of Labor and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, July 12, 2000), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of subsection (f)(2)(C).''.

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 4980B(f)(2)(B)(i) of such Code is amended—

(1) in subclause (II), by inserting ''or (3)(G)'' after ''(3)(F)'';

(2) in subclause (IV), by striking ''or (3)(F)'' and inserting '', (3)(F), or (3)(G)'';

(3) by redesignating subclause (IV) as subclause (VI);

(4) by redesignating subclause (V) as subclause (IV) and by moving such clause to immediately follow subclause (III); and

(5) by inserting after such subclause (IV) the following new subclause:

''(V) SPECIAL RULE FOR CERTAIN BENEFICIARIES IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in paragraph (3)(G), in the case of a qualified beneficiary described in subsection (g)(1)(E) who is not the qualified retiree or spouse of such retiree, the later of—

''(a) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(b) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 4980B(f)(2)(A) of such Code is amended—

(1) by striking ''The coverage'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), the coverage''; and

(2) by adding at the end the following:

''(ii) CERTAIN RETIREES.—In the case of a qualifying event described in paragraph (3)(G), in applying the first sentence of clause (i) and the fourth sentence of subparagraph (C), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary of Labor) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 4980B(f)(2)(C) of such Code is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in paragraph (3)(G), any reference in clause (i) of this subparagraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in subparagraph (A)(ii)'.''.

(e) NOTICE.—Section 4980B(f)(6) of such Code is amended—

(1) in subparagraph (D)(i), by striking ''or (F)'' and inserting ''(F), or (G)''; and

(2) by adding at the end the following:

''The notice under subparagraph (D)(i) in the case of a qualifying event described in paragraph (3)(G) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after July 12, 2000. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

HARKIN (AND OTHERS)

AMENDMENT NO. 3847

Mr. HARKIN (for himself, Mr. DASCHLE, Mrs. FEINSTEIN, Mr. KENNEDY, and Mr. REID) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

TITLE ____—PAYCHECK FAIRNESS

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Paycheck Fairness Act''.

SEC. ___02. FINDINGS.

Congress makes the following findings:

(1) Women have entered the workforce in record numbers.

(2) Even in the 1990's, women earn significantly lower pay than men for work on jobs that require equal skill, effort, and responsibility and that are performed under similar working conditions. These pay disparities exist in both the private and governmental sectors. In many instances, the pay disparities can only be due to continued intentional discrimination or the lingering effects of past discrimination.

(3) The existence of such pay disparities—

(A) depresses the wages of working families who rely on the wages of all members of the family to make ends meet;

(B) prevents the optimum utilization of available labor resources;

(C) has been spread and perpetuated, through commerce and the channels and instrumentalities of commerce, among the workers of the several States;

(D) burdens commerce and the free flow of goods in commerce;

(E) constitutes an unfair method of competition in commerce;

(F) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce;

(G) interferes with the orderly and fair marketing of goods in commerce; and

(H) in many instances, may deprive workers of equal protection on the basis of sex in violation of the 5th and 14th amendments.

(4)(A) Artificial barriers to the elimination of discrimination in the payment of wages on the basis of sex continue to exist more than 3 decades after the enactment of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) and the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.).

(B) Elimination of such barriers would have positive effects, including—

(i) providing a solution to problems in the economy created by unfair pay disparities;

(ii) substantially reducing the number of working women earning unfairly low wages, thereby reducing the dependence on public assistance; and

(iii) promoting stable families by enabling all family members to earn a fair rate of pay;

(iv) remedying the effects of past discrimination on the basis of sex and ensuring that in the future workers are afforded equal protection on the basis of sex; and

(v) ensuring equal protection pursuant to Congress' power to enforce the 5th and 14th amendments.

(5) With increased information about the provisions added by the Equal Pay Act of 1963 and wage data, along with more effective remedies, women will be better able to recognize and enforce their rights to equal pay for work on jobs that require equal skill, effort, and responsibility and that are performed under similar working conditions.

(6) Certain employers have already made great strides in eradicating unfair pay disparities in the workplace and their achievements should be recognized.

SEC. ___03. ENHANCED ENFORCEMENT OF EQUAL PAY REQUIREMENTS.

(a) REQUIRED DEMONSTRATION FOR AFFIRMATIVE DEFENSE.—Section 6(d)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)) is amended by striking ''(iv) a differential'' and all that follows through the period and inserting the following: ''(iv) a differential based on a bona fide factor other than sex, such as education, training or experience, except that this clause shall apply only if—

''(I) the employer demonstrates that—

''(aa) such factor—

''(AA) is job-related with respect to the position in question; or

''(BB) furthers a legitimate business purpose, except that this item shall not apply where the employee demonstrates that an alternative employment practice exists that would serve the same business purpose without producing such differential and that the employer has refused to adopt such alternative practice; and

''(bb) such factor was actually applied and used reasonably in light of the asserted justification; and

''(II) upon the employer succeeding under subclause I, the employee fails to demonstrate that the differential produced by the reliance of the employer on such factor is itself the result of discrimination on the basis of sex by the employer.

''An employer that is not otherwise in compliance with this paragraph may not reduce the wages of any employee in order to achieve such compliance.''.

(b) APPLICATION OF PROVISIONS.—Section 6(d)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)) is amended by adding at the end the following: ''The provisions of this subsection shall apply to applicants for employment if such applicants, upon employment by the employer, would be subject to any provisions of this section.''.

(c) ELIMINATION OF ESTABLISHMENT REQUIREMENT.—Section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)) is amended—

(1) by striking '', within any establishment in which such employees are employed,''; and

(2) by striking ''in such establishment'' each place it appears.

(d) NONRETALIATION PROVISION.—Section 15(a)(3) of the Fair Labor Standards Act of 1938 (29 U.S.C. 215(a)(3)) is amended—

(1) by striking ''or has'' each place it appears and inserting ''has''; and

(2) by inserting before the semicolon the following: '', or has inquired about, discussed, or otherwise disclosed the wages of the employee or another employee, or because the employee (or applicant) has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, hearing, or action under section 6(d)''.

(e) ENHANCED PENALTIES.—Section 16(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(b)) is amended—

(1) by inserting after the first sentence the following: ''Any employer who violates section 6(d) shall additionally be liable for such compensatory or punitive damages as may be appropriate, except that the United States shall not be liable for punitive damages.'';

(2) in the sentence beginning ''An action to'', by striking ''either of the preceding sentences'' and inserting ''any of the preceding sentences of this subsection'';

(3) in the sentence beginning ''No employees shall'', by striking ''No employees'' and inserting ''Except with respect to class actions brought to enforce section 6(d), no employee'';

(4) by inserting after the sentence referred to in paragraph (3), the following: ''Notwithstanding any other provision of Federal law, any action brought to enforce section 6(d) may be maintained as a class action as provided by the Federal Rules of Civil Procedure.''; and

(5) in the sentence beginning ''The court in''—

(A) by striking ''in such action'' and inserting ''in any action brought to recover the liability prescribed in any of the preceding sentences of this subsection''; and

(B) by inserting before the period the following: '', including expert fees''.

(f) ACTION BY SECRETARY.—Section 16(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(c)) is amended—

(1) in the first sentence—

(A) by inserting ''or, in the case of a violation of section 6(d), additional compensatory or punitive damages,'' before ''and the agreement''; and

(B) by inserting before the period the following: '', or such compensatory or punitive damages, as appropriate'';

(2) in the second sentence, by inserting before the period the following: ''and, in the case of a violation of section 6(d), additional compensatory or punitive damages'';

(3) in the third sentence, by striking ''the first sentence'' and inserting ''the first or second sentence''; and

(4) in the last sentence—

(A) by striking ''commenced in the case'' and inserting ''commenced—

''(1) in the case'';

(B) by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(2) in the case of a class action brought to enforce section 6(d), on the date on which the individual becomes a party plaintiff to the class action''.

SEC. ___04. TRAINING.

The Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs, subject to the availability of funds appropriated under section ___09(b), shall provide training to Commission employees and affected individuals and entities on matters involving discrimination in the payment of wages.

SEC. ___05. RESEARCH, EDUCATION, AND OUTREACH.

The Secretary of Labor shall conduct studies and provide information to employers, labor organizations, and the general public concerning the means available to eliminate pay disparities between men and women, including—

(1) conducting and promoting research to develop the means to correct expeditiously the conditions leading to the pay disparities;

(2) publishing and otherwise making available to employers, labor organizations, professional associations, educational institutions, the media, and the general public the findings resulting from studies and other materials, relating to eliminating the pay disparities;

(3) sponsoring and assisting State and community informational and educational programs;

(4) providing information to employers, labor organizations, professional associations, and other interested persons on the means of eliminating the pay disparities;

(5) recognizing and promoting the achievements of employers, labor organizations, and professional associations that have worked to eliminate the pay disparities; and

(6) convening a national summit to discuss, and consider approaches for rectifying, the pay disparities.

SEC. ___06. TECHNICAL ASSISTANCE AND EMPLOYER RECOGNITION PROGRAM.

(a) GUIDELINES.—

(1) IN GENERAL.—The Secretary of Labor shall develop guidelines to enable employers to evaluate job categories based on objective criteria such as educational requirements, skill requirements, independence, working conditions, and responsibility, including decisionmaking responsibility and de facto supervisory responsibility.

(2) USE.—The guidelines developed under paragraph (1) shall be designed to enable employers voluntarily to compare wages paid for different jobs to determine if the pay scales involved adequately and fairly reflect the educational requirements, skill requirements, independence, working conditions, and responsibility for each such job with the goal of eliminating unfair pay disparities between occupations traditionally dominated by men or women.

(3) PUBLICATION.—The guidelines shall be developed under paragraph (1) and published in the Federal Register not later than 180 days after the date of enactment of this Act.

(b) EMPLOYER RECOGNITION.—

(1) PURPOSE.—It is the purpose of this subsection to emphasize the importance of, encourage the improvement of, and recognize the excellence of employer efforts to pay wages to women that reflect the real value of the contributions of such women to the workplace.

(2) IN GENERAL.—To carry out the purpose of this subsection, the Secretary of Labor shall establish a program under which the Secretary shall provide for the recognition of employers who, pursuant to a voluntary job evaluation conducted by the employer, adjust their wage scales (such adjustments shall not include the lowering of wages paid to men) using the guidelines developed under subsection (a) to ensure that women are paid fairly in comparison to men.

(3) TECHNICAL ASSISTANCE.—The Secretary of Labor may provide technical assistance to assist an employer in carrying out an evaluation under paragraph (2).

(c) REGULATIONS.—The Secretary of Labor shall promulgate such rules and regulations as may be necessary to carry out this section.

SEC. ___07. ESTABLISHMENT OF THE NATIONAL AWARD FOR PAY EQUITY IN THE WORKPLACE.

(a) IN GENERAL.—There is established the Robert Reich National Award for Pay Equity in the Workplace, which shall be evidenced by a medal bearing the inscription ''Robert Reich National Award for Pay Equity in the Workplace''. The medal shall be of such design and materials, and bear such additional inscriptions, as the Secretary of Labor may prescribe.

(b) CRITERIA FOR QUALIFICATION.—To qualify to receive an award under this section a business shall—

(1) submit a written application to the Secretary of Labor, at such time, in such manner, and containing such information as the Secretary may require, including at a minimum information that demonstrates that the business has made substantial effort to eliminate pay disparities between men and women, and deserves special recognition as a consequence; and

(2) meet such additional requirements and specifications as the Secretary of Labor determines to be appropriate.

(c) MAKING AND PRESENTATION OF AWARD.—

(1) AWARD.—After receiving recommendations from the Secretary of Labor, the President or the designated representative of the President shall annually present the award described in subsection (a) to businesses that meet the qualifications described in subsection (b).

(2) PRESENTATION.—The President or the designated representative of the President shall present the award under this section with such ceremonies as the President or the designated representative of the President may determine to be appropriate.

(d) BUSINESS.—In this section, the term ''business'' includes—

(1)(A) a corporation, including a nonprofit corporation;

(B) a partnership;

(C) a professional association;

(D) a labor organization; and

(E) a business entity similar to an entity described in any of subparagraphs (A) through (D);

(2) an entity carrying out an education referral program, a training program, such as an apprenticeship or management training program, or a similar program; and

(3) an entity carrying out a joint program, formed by a combination of any entities described in paragraph (1) or (2).

SEC. ___08. COLLECTION OF PAY INFORMATION BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

Section 709 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–8) is amended by adding at the end the following:

''(f)(1) Not later than 18 months after the date of enactment of this subsection, the Commission shall—

''(A) complete a survey of the data that is currently available to the Federal Government relating to employee pay information for use in the enforcement of Federal laws prohibiting pay discrimination and, in consultation with other relevant Federal agencies, identify additional data collections that will enhance the enforcement of such laws; and

''(B) based on the results of the survey and consultations under subparagraph (A), issue regulations to provide for the collection of pay information data from employers as described by the sex, race, and national origin of employees.

''(2) In implementing paragraph (1), the Commission shall have as its primary consideration the most effective and efficient means for enhancing the enforcement of Federal laws prohibiting pay discrimination. For this purpose, the Commission shall consider factors including the imposition of burdens on employers, the frequency of required reports (including which employers should be required to prepare reports), appropriate protections for maintaining data confidentiality, and the most effective format for the data collection reports.''.

SEC. ___09. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.

KENNEDY (AND ROCKEFELLER) AMENDMENT NO. 3848

Mr. KENNEDY (for himself and Mr. ROCKEFELLER) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

DIVISION ___—FAMILYCARE COVERAGE OF PARENTS UNDER THE MEDICAID PROGRAM AND SCHIP

SEC. 1. FAMILYCARE COVERAGE OF PARENTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) INCENTIVES TO IMPLEMENT FAMILYCARE COVERAGE.—

(1) UNDER MEDICAID.—

(A) ESTABLISHMENT OF NEW OPTIONAL ELIGIBILITY CATEGORY.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(i) by striking ''or'' at the end of subclause (XVI);

(ii) by adding ''or'' at the end of subclause (XVII); and

(iii) by adding at the end the following new subclause:

''(XVIII) who are parents described in subsection (k)(1), but only if the State meets the conditions described in subsection (k)(2);''.

(B) CONDITIONS FOR COVERAGE.—Section 1902 of such Act is further amended by inserting after subsection (j) the following new subsection:

''(k)(1)(A) Parents described in this paragraph are the parents of an individual who is under 19 years of age (or such higher age as the State may have elected under section 1902(l)(1)(D)) and who is eligible for medical assistance under subsection (a)(10)(A), if—

''(i) such parents are not otherwise eligible for such assistance under such subsection; and

''(ii) the income of a family that includes such parents does not exceed an income level specified by the State consistent with paragraph (2)(B).

''(B) In this subsection, the term 'parent' has the meaning given the term 'caretaker' for purposes of carrying out section 1931.

''(2) The conditions for a State to provide medical assistance under subsection (a)(10)(A)(ii)(XVIII) are as follows:

''(A) The State has a State child health plan under title XXI which (whether implemented under such title or under this title)—

''(i) has an income standard that is at least 200 percent of the poverty line for children; and

''(ii) does not limit the acceptance of applications, does not use a waiting list for children who meet eligibility standards to qualify for assistance, and provides benefits to all children in the State who apply for and meet eligibility standards.

''(B) The income level specified under paragraph (1)(A)(ii) for parents in a family may not be less than the income level provided under section 1931 and may not exceed the highest income level applicable to a child in the family under this title. A State may not cover such parents with higher family income without covering parents with a lower family income.

''(3) In the case of a parent described in paragraph (1) who is also the parent of a child who is eligible for child health assistance under title XXI, the State may elect (on a uniform basis) to cover all such parents under section 2111 or under subsection (a)(10)(A).''.

(C) ENHANCED MATCHING FUNDS AVAILABLE.—Section 1905 of such Act (42 U.S.C. 1396d) is amended—

(i) in the fourth sentence of subsection (b), by striking ''or subsection (u)(3)'' and inserting '', (u)(3), or (u)(4)''; and

(ii) in subsection (u)—

(I) by redesignating paragraph (4) as paragraph (5), and

(II) by inserting after paragraph (3) the following new paragraph:

''(4) For purposes of subsection (b), the expenditures described in this paragraph are expenditures for medical assistance made available under section 1902(a)(10)(A)(ii)(XVIII) for parents described in section 1902(k)(1) in a family the income of which exceeds the income level applicable under section 1931 to a family of the size involved as of January 1, 2000.''.

(2) UNDER SCHIP.—

(A) FAMILYCARE COVERAGE.—Title XXI of such Act is amended by adding at the end the following new section:

''SEC. 2111. OPTIONAL FAMILYCARE COVERAGE OF PARENTS OF TARGETED LOW-INCOME CHILDREN.

''(a) OPTIONAL COVERAGE.—Notwithstanding any other provision of this title, a State child health plan may provide for coverage, through an amendment to its State child health plan under section 2102, of FamilyCare assistance for targeted low-income parents in accordance with this section, but only if the State meets the conditions described in section 1902(k)(2).

''(b) DEFINITIONS.—For purposes of this section:

''(1) FAMILYCARE ASSISTANCE.—The term 'FamilyCare assistance' has the meaning given the term child health assistance in section 2110(a) as if any reference to targeted low-income children were a reference to targeted low-income parents.

''(2) TARGETED LOW-INCOME PARENT.—The term 'targeted low-income parent' has the meaning given the term targeted low-income child in section 2110(b) as if any reference to a child were deemed a reference to a parent (as defined in paragraph (3)) of the child; except that in applying such section—

''(A) there shall be substituted for the income limit described in paragraph (1)(B)(ii)(I) the applicable income limit in effect for a targeted low-income child;

''(B) in paragraph (1)(B)(ii)(II), January 1, 2000, shall be substituted for June 1, 1997; and

''(C) in paragraph (3), January 1, 2000, shall be substituted for July 1, 1997.

''(3) PARENT.—The term 'parent' has the meaning given the term 'caretaker' for purposes of carrying out section 1931.

''(c) REFERENCES TO TERMS AND SPECIAL RULES.—In the case of, and with respect to, a State providing for coverage of FamilyCare assistance to targeted low-income parents under subsection (a), the following special rules apply:

''(1) Any reference in this title (other than subsection (b)) to a targeted low-income child is deemed to include a reference to a targeted low-income parent.

''(2) Any such reference to child health assistance with respect to such parents is deemed a reference to FamilyCare assistance.

''(3) In applying section 2103(e)(3)(B) in the case of a family provided coverage under this section, the limitation on total annual aggregate cost-sharing shall be applied to the entire family.

''(4) In applying section 2110(b)(4), any reference to 'section 1902(l)(2) or 1905(n)(2) (as selected by a State)' is deemed a reference to the income level applicable to parents under section 1931.''.

(B) ADDITION OF FAMILYCARE ALLOTMENT.—

(i) IN GENERAL.—Section 2104 of such Act (42 U.S.C. 1397dd) is amended—

(I) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by striking ''subsection (e)'' and ''subsection (f)'' each place it appears in such subsections and inserting ''subsection (f)'' and ''subsection (g)'', respectively; and

(II) by inserting after subsection (d) the following new subsection:

''(d) ADDITIONAL FAMILYCARE ALLOTMENTS.—

''(1) APPROPRIATION; TOTAL ALLOTMENT.—For the purpose of providing FamilyCare allotments to States under this subsection, there is appropriated, out of any money in the Treasury not otherwise appropriated—

''(A) for fiscal year 2002, $2,000,000,000;
''(B) for fiscal year 2003, $2,000,000,000;
''(C) for fiscal year 2004, $3,000,000,000;
''(D) for fiscal year 2005, $3,000,000,000;
''(E) for fiscal year 2006, $6,000,000,000;
''(F) for fiscal year 2007, $7,000,000,000;
''(G) for fiscal year 2008, $8,000,000,000;
''(H) for fiscal year 2009, $9,000,000,000;
''(I) for fiscal year 2010, $10,000,000,000; and
''(J) for fiscal year 2011 and each fiscal year thereafter, the amount of the allotment provided under this paragraph for the preceding fiscal year increased by the same percentage as the percentage increase in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average) for such preceding fiscal year.''.

''(2) STATE ALLOTMENTS.—

''(A) IN GENERAL.—In addition to the allotments otherwise provided under subsections (b) and (c), subject to paragraph (4), of the amount available for the FamilyCare allotment under paragraph (1) for a fiscal year, reduced by the amount of allotments made under paragraph (3) for the fiscal year, the Secretary shall allot to each State (other than a State described in such paragraph) with a State child health plan approved under this title and which has elected to provide coverage under this section the same proportion as the proportion of the State's allotment under section 2104(b) (determined without regard to section 2104(f)) to the total amount of the allotments under such section.

''(B) UNUSED ALLOTMENTS.—Any unused allotments under subparagraph (A) shall be subject to redistribution in the same manner as that provided under section 2104(f)).

''(3) ALLOTMENTS TO TERRITORIES.—Of the amount available for the FamilyCare allotment under paragraph (1) for a fiscal year, subject to paragraph (4), the Secretary shall consult with members of Congress, representatives of commonwealths and territories, experts, and others, to determine appropriate allotments for each of the commonwealths and territories described in section 2104(c)(3) with a State child health plan approved under this title that has elected to provide coverage under this section.

''(4) CERTAIN MEDICAID EXPENDITURES COUNTED AGAINST INDIVIDUAL STATE FAMILYCARE ALLOTMENTS.—The amount of the allotment otherwise provided to a State under paragraph (2) or (3) for a fiscal year (before fiscal year 2006) shall be reduced by the amount (if any) of the payments made to that State under section 1903(a) for expenditures claimed by the State during such fiscal year that is attributable to the provision of medical assistance to a parent described in section 1902(k)(1) for which payment is made under section 1903(a)(1) on the basis of an enhanced FMAP under the fourth sentence of section 1905(b).''.

(ii) CONFORMING AMENDMENTS.—Such section is further amended—

(I) in subsection (a), by inserting ''subject to subsection (e),'' after ''under this section,''; and

(II) in subsection (b)(1), by striking ''subsection (d)'' and inserting ''subsections (d) and (e)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection apply to items and services furnished on or after October 1, 2000.

(b) RULES FOR IMPLEMENTATION BEGINNING WITH FISCAL YEAR 2006.—

(1) FAIL-SAFE ELIGIBILITY UNDER MEDICAID.—Section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)) is amended—

(A) by striking ''or'' at the end of subclause (VI);

(B) by adding ''or'' at the end of subclause (VII); and

(C) by adding at the end the following new subclause:

''(VIII) an individual who would be a parent described in subsection (k)(1) if the income level specified in subsection (k)(2)(B) were equal to at least 100 percent of the poverty line referred to in such subsection,''.

(2) EXPANSION OF AVAILABILITY OF ENHANCED MATCH UNDER MEDICAID.—Paragraph (4) of section 1905(u) of such Act (42 U.S.C. 1396d(u)), as inserted by subsection (a)(1)(C)(ii)(II), is amended—

(A) by inserting before the period at the end the following: ''or in a family the income of which exceeds 100 percent of the poverty line applicable to a family of the size involved or made available under section 1902(a)(10)(A)(i)(VIII)''; and

(B) by designating the matter beginning ''made available'' as subparagraph (A) with an appropriate indentation, by striking the period at the end and inserting ''; and'', and by adding at the end the following new subparagraph:

''(B) made available to any child who is eligible for assistance under section 1902(a)(10)(A) and the income of whose family exceeds the minimum income level required under subsection 1902(l)(2) for a child of the age involved.''.

(3) ELIMINATION OF SCHIP ALLOTMENT OFFSET FOR FAMILYCARE ASSISTANCE PROVIDED TO PARENTS BELOW POVERTY.—Section 2104(d) of such Act (42 U.S.C. 1397dd(d)) is amended by inserting before the period at the end the following: '', except that no such reduction shall be made with respect to medical assistance provided under section 1902(a)(10)(A)(ii)(XVIII) or 1902(a)(10)(A)(i)(VIII) with respect to a parent whose family income does not exceed 100 percent of the poverty line''.

(4) EFFECTIVE DATE.—The amendments made by this subsection apply as of October 1, 2005, to fiscal years beginning on or after such date and to expenditures under the State plan on and after such date.

(c) MAKING SCHIP BASE ALLOTMENTS PERMANENT.—Section 2104(a) of such Act (42 U.S.C. 1397dd(a)) is amended—

(1) by striking ''and'' at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(11) for fiscal year 2008 and each fiscal year thereafter, the amount of the allotment provided under this subsection for the preceding fiscal year increased by the same percentage as the percentage increase in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average) for such preceding fiscal year.''.

(d) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY CATEGORIES.— Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended, in the matter before paragraph (1)—

(A) by striking ''or'' at the end of clause (xi);

(B) by inserting ''or'' at the end of clause (xii); and

(C) by inserting after clause (xii) the following new clause:

''(xiii) who are parents described (or treated as if described) in section 1902(k)(1),''.

(2) INCOME LIMITATIONS.—Section 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4)) is amended—

(A) by inserting ''1902(a)(10)(A)(i)(VIII),'' after ''1902(a)(10)(A)(i)(VII),''; and

(B) by inserting ''1902(a)(10)(A)(ii)(XVII), 1902(a)(10)(A)(ii)(XVIII),'' before ''or 1905(p)(1)''.

SEC. 2. AUTOMATIC ENROLLMENT OF CHILDREN BORN TO SCHIP PARENTS.

Section 2102(b)(1) of the Social Security Act (42 U.S.C. 1397bb(b)(1)) is amended by adding at the end the following new subparagraph:

''(C) AUTOMATIC ELIGIBILITY OF CHILDREN BORN TO A PARENT BEING PROVIDED FAMILYCARE.—Such eligibility standards shall provide for automatic coverage of a child born to a parent who is provided familycare assistance under section 2111 in the same manner as medical assistance would be provided under section 1902(e)(4) to a child described in such section.''.

SEC. 3. OPTIONAL COVERAGE OF CHILDREN THROUGH AGE 20 UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) MEDICAID.—

(1) IN GENERAL.—Section 1902(l)(1)(D) of the Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is amended by inserting ''(or, at the election of a State, 20 or 21 years of age)'' after ''19 years of age''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1902(e)(3)(A) of such Act (42 U.S.C. 1396a(e)(3)(A)) is amended by inserting ''(or 1 year less than the age the State has elected under subsection (l)(1)(D))'' after ''18 years of age''.

(B) Section 1902(e)(12) of such Act (42 U.S.C. 1396a(e)(12)) is amended by inserting ''or such higher age as the State has elected under subsection (l)(1)(D)'' after ''19 years of age''.

(C) Section 1902(l)(5) of such Act (42 U.S.C. 1396a(l)(5)), as added by section 4(a), is amended by inserting ''(or such higher age as the State has elected under paragraph (1)(D))'' after ''19 years of age''.

(D) Section 1920A(b)(1) of such Act (42 U.S.C. 1396r–1a(b)(1)) is amended by inserting ''or such higher age as the State has elected under section 1902(l)(1)(D)'' after ''19 years of age''.

(E) Section 1928(h)(1) of such Act (42 U.S.C. 1396s(h)(1)) is amended by inserting ''or 1 year less than the age the State has elected under section 1902(l)(1)(D)'' before the period at the end.

(F) Section 1932(a)(2)(A) of such Act (42 U.S.C. 1396u–2(a)(2)(A)) is amended by inserting ''(or such higher age as the State has elected under section 1902(l)(1)(D))'' after ''19 years of age''.

(b) SCHIP.—Section 2110(c)(1) of such Act (42 U.S.C. 1397jj(c)(1)) is amended by inserting ''(or such higher age as the State has elected under section 1902(l)(1)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000, and apply to medical assistance and child health assistance provided on or after such date.

SEC. 4. APPLICATION OF SIMPLIFIED SCHIP PROCEDURES UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1902(l) of the Social Security Act (42 U.S.C. 1396a(l)) is amended—

(1) in paragraph (3), by inserting ''subject to paragraph (5)'', after ''Notwithstanding subsection (a)(17),''; and

(2) by adding at the end the following new paragraph:

''(5) With respect to determining the eligibility of individuals under 19 years of age for medical assistance under subsection (a)(10)(A), notwithstanding any other provision of this title, if the State has established a State child health plan under title XXI—

''(A) the State may not apply a resource standard if the State does not apply such a standard under such child health plan;

''(B) the State shall use same simplified eligibility form (including, if applicable, permitting application other than in person) as the State uses under such State child health plan; and

''(C) the State shall provide for redeterminations of eligibility using the same forms and frequency as the State uses for redeterminations of eligibility under such State child health plan.''.

(b) USE OF UNIFORM APPLICATION AND COORDINATED ENROLLMENT PROCESS.—

(1) SCHIP PROGRAM.—Section 2102 (42 U.S.C. 1397bb) is amended by adding at the end the following new subsection:

''(d) DEVELOPMENT AND USE OF UNIFORM APPLICATION FORMS AND COORDINATED ENROLLMENT PROCESS.—A State child health plan shall provide, by not later than the first day of the first month that begins more than 6 months after the date of the enactment of this subsection, for—

''(1) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for benefits under this title and also under title XIX; and

''(2) an enrollment process that is coordinated with that under title XIX so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XIX.''.

(2) MEDICAID CONFORMING AMENDMENT.—

(A) IN GENERAL.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(i) in paragraph (64), by striking ''and'' at the end;

(ii) by striking the period at the end of paragraph (65) and inserting ''; and'', and

(iii) by inserting after paragraph (65) the following new paragraph:

''(66) provide, by not later than the first day of the first month that begins more than 6 months after the date of the enactment of this paragraph, in the case of a State with a State child health plan under title XXI for—

''(A) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for benefits under this title and also under title XXI; and

''(B) establishment and operation of an enrollment process that is coordinated with that under title XXI so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XXI.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) apply to calendar quarters beginning more than 6 months after the date of the enactment of this Act.

(b) ADDITIONAL ENTITIES QUALIFIED TO DETERMINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-INCOME CHILDREN.—

(1) IN GENERAL.—Section 1920A(b)(3)(A)(i) of such Act (42 U.S.C. 1396r–1a(b)(3)(A)(i)) is amended—

(A) by striking ''or (II)'' and inserting '', (II)''; and

(B) by inserting ''eligibility of a child for medical assistance under the State plan under this title, or eligibility of a child for child health assistance under the program funded under title XXI, (III) is an elementary school or secondary school, as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), an elementary or secondary school operated or supported by the Bureau of Indian Affairs, a State child support enforcement agency, a child care resource and referral agency, an organization that is providing emergency food and shelter under a grant under the Stewart B. McKinney Homeless Assistance Act, or a State office or entity involved in enrollment in the program under this title, under part A of title IV, under title XXI, or that determines eligibility for any assistance or benefits provided under any program of public or assisted housing that receives Federal funds, including the program under section 8 or any other section of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), or (IV) any other entity the State so deems, as approved by the Secretary'' before the semicolon.

(2) TECHNICAL AMENDMENTS.—Section 1920A of such Act (42 U.S.C. 1396r-1a) is amended—

(A) in subsection (b)(3)(A)(ii), by striking ''paragraph (1)(A)'' and inserting ''paragraph (2)(A)''; and

(B) in subsection (c)(2), in the matter preceding subparagraph (A), by striking ''subsection (b)(1)(A)'' and inserting ''subsection (b)(2)(A)''.

(c) ELIMINATION OF FUNDING OFFSET FOR EXERCISE OF PRESUMPTIVE ELIGIBILITY OPTION.—

(1) IN GENERAL.—Section 2104(d) of such Act (42 U.S.C. 1397dd(d)) is amended by striking ''the sum of—'' and all that follows through ''(2)'' and conforming the margins of all that remains accordingly.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) is effective as if included in the enactment of the Balanced Budget Act of 1997.

(d) USE OF SCHOOL LUNCH INFORMATION IN ELIGIBILITY DETERMINATIONS.—Section 9(b)(2)(C)(iii) of the National School Lunch Act (42 U.S.C. 1758(b)(2)(C)(iii)) is amended—

(1) in subclause (II), by striking ''and'' at the end;

(2) in subclause (III), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(IV) the agency administering a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or a State child health plan under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purpose of identifying children eligible for benefits under, and enrolling children in, any such plan, except that this subclause shall apply with respect to the agency from which the information would be obtained only if the State and the agency so elect.''.

(e) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR SCHIP AND MEDICAID BENEFITS FOR CHILDREN LOSING MEDICAID OR SCHIP ELIGIBILITY.—

(1) LOSS OF MEDICAID ELIGIBILITY.—Section 1902(a)(66) (42 U.S.C. 1396a(a)(66)), as inserted by subsection (b)(2), is amended—

(A) by striking ''and'' at the end of subparagraph (B),

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(D) the automatic assessment, in the case of a child who loses eligibility for medical assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for benefits under title XXI and, if so eligible, automatic enrollment under such title without the need for a new application.''.

(2) LOSS OF SCHIP ELIGIBILITY.—Section 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

''(D) that there is an automatic assessment, in the case of a child who loses eligibility for child health assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for medical assistance under title XIX and, if so eligible, there is automatic enrollment under such title without the need for a new application;''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) apply to children who lose eligibility under the medicaid program under title XIX, or under a State child health insurance plan under title XXI, respectively, of the Social Security Act on or after the date that is 30 days after the date of enactment of this Act.

SEC. 5. MAKING WELFARE-TO-WORK TRANSITION UNDER THE MEDICAID PROGRAM PERMANENT.

Subsection (f) of section 1925 of the Social Security Act (42 U.S.C. 1396r–6) is repealed.

SEC. 6. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) MEDICAID PROGRAM.—Section 1903(v) of the Social Security Act (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (4)''; and

(2) by adding at the end the following new paragraph:

''(4)(A) A State may elect (in a plan amendment under this title and notwithstanding any provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to the contrary) to waive the application of sections 401(a), 402(b), 403, and 421 of such Act with respect to eligibility for medical assistance under this title of aliens who are lawfully present in the United States (as defined by the Secretary and including battered aliens described in section 431(c) of such Act), within any or all (or any combination) of eligibility categories, other than the category of aliens described in subparagraph (C).

''(B) For purposes of applying section 213A of the Immigration and Nationality Act, the term 'means-tested public benefits' does not include medical assistance provided to a category of aliens pursuant to a State election and waiver described in subparagraph (A).

''(C) The category of aliens described in this subparagraph is disabled or blind aliens who became disabled or blind before the date of entry into the United States.

''(D) If a State makes an election and waiver under subparagraph (A) with respect to the category of children, the State is deemed to have made such an election and waiver with respect to such category for purposes of its State child health plan under title XXI.''.

(b) SCHIP.—Section 2107(e)(1) of such Act (42 U.S.C. 1397gg(e)(1)) is amended by adding at the end the following new subparagraph:

''(D) Section 1903(v)(4)(D) (relating to optional coverage of categories of permanent resident alien children).''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000, and apply to medical assistance and child health assistance furnished on or after such date.

SEC. 7. FUNDING.

Notwithstanding any other provision of law, the Federal outlays necessary to carry out this division and the amendments made by this division to titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq,; 1397aa et seq.) shall not cause an on-budget deficit.

BROWNBACK AMENDMENT NO. 3849

Mr. BROWNBACK proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

TITLE VI—TAX RELIEF FOR FARMERS

SEC. 601. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

''SEC. 468C. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming

business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm, Fishing, and Ranch Risk Management Account (hereinafter referred to as the 'FFARRM Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

''(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) ELIGIBLE FARMING BUSINESS.—The term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(2) COMMERCIAL FISHING.—The term 'commercial fishing' has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FFARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FFARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''.

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

''(4) a FFARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following:

''(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''.

(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''.

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''.

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

''(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.''.

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following:

''(E) a FFARRM Account described in section 468C(d),''.

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D)

and (E), respectively, and by inserting after subparagraph (B) the following:

''(C) section 468C(g) (relating to FFARRM Accounts),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

''Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 602. WRITTEN AGREEMENT RELATING TO EXCLUSION OF CERTAIN FARM RENTAL INCOME FROM NET EARNINGS FROM SELF-EMPLOYMENT.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1)(A) (relating to net earnings from self-employment) is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1)(A) of the Social Security Act is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 603. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SEC. 604. EXEMPTION OF AGRICULTURAL BONDS FROM STATE VOLUME CAP.

(a) IN GENERAL.—Section 146(g) (relating to exception for certain bonds) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by inserting after paragraph (4) the following:

''(5) any qualified small issue bond described in section 144(a)(12)(B)(ii).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of enactment of this Act.

SEC. 605. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

''(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

''(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

''(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 2000.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 do not apply to any amount received or accrued after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2001.

SEC. 606. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

''(i) paragraph (3)(B) shall not apply, and

''(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

''(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. 607. INCOME AVERAGING FOR FARMERS AND FISHERMEN NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS AND FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax.''.

(b) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(1) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business,''.

(2) DEFINITION OF ELECTED FARM INCOME.—

(A) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business'' after ''farming business'' both places it occurs.

(3) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 608. REPEAL OF MODIFICATION OF INSTALLMENT METHOD.

(a) IN GENERAL.—Subsection (a) of section 536 of the Ticket to Work and Work Incentives Improvement Act of 1999 (relating to modification of installment method and repeal of installment method for accrual method taxpayers) is repealed effective with respect to sales and other dispositions occurring on or after the date of the enactment of such Act.

(b) APPLICABILITY.—The Internal Revenue Code of 1986 shall be applied and administered as if such subsection (and the amendments made by such subsection) had not been enacted.

SEC. 609. COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules) is amended by adding at the end the following:

''(k) COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.—For purposes of section 521 and this subchapter, 'marketing the products of members or other producers' includes feeding the products of members or other producers to cattle, hogs, fish, chickens, or other animals and selling the resulting animals or animal products.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 610. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

''(iii) SPECIAL RULE FOR 1998 AND 1999.—Notwithstanding clause (ii), an election for any taxable year ending prior to the date of the enactment of the Death Tax Elimination Act of 2000 may be made at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return of the taxpayer for such taxable year (determined without regard to extensions) by filing an amended return for such year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage

dividends for the taxable year described in subparagraph (A) are included in gross income, and

''(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

''(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

''(i) such reduction, over

''(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G.''.

(b) IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.—

(1) SMALL ETHANOL PRODUCER CREDIT NOT A PASSIVE ACTIVITY CREDIT.—Clause (i) of section 469(d)(2)(A) is amended by striking ''subpart D'' and inserting ''subpart D, other than section 40(a)(3),''.

(2) ALLOWING CREDIT AGAINST MINIMUM TAX.—

(A) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR SMALL ETHANOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In the case of the small ethanol producer credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) subparagraphs (A) and (B) thereof shall not apply, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

''(B) SMALL ETHANOL PRODUCER CREDIT.—For purposes of this subsection, the term 'small ethanol producer credit' means the credit allowable under subsection (a) by reason of section 40(a)(3).''.

(B) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting ''or the small ethanol producer credit'' after ''employment credit''.

(3) SMALL ETHANOL PRODUCER CREDIT NOT ADDED BACK TO INCOME UNDER SECTION 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

''SEC. 87. ALCOHOL FUEL CREDIT.

''Gross income includes an amount equal to the sum of—

''(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

''(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).''.

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following:

''(k) CROSS REFERENCE.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(d) (6).''

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (b) of this section shall apply to taxable years ending after the date of enactment.

(2) PROVISIONS AFFECTING COOPERATIVES AND THEIR PATRONS.—The amendments made by subsections (a) and (c), and the amendments made by paragraphs (2) and (3) of subsection (b), shall apply to taxable years beginning after December 31, 1997.

DURBIN AMENDMENT NO. 3850

Mr. REID (for Mr. DURBIN) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. ___. DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(*l*)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''.

(c) EFFECTIVE DATE.—The amendment made by this section applies to taxable years beginning after December 31, 2000.

BOND AMENDMENT NO. 3851

Mr. ROTH. (for Mr. BOND) proposed an amendment to amendment No. 3850 previously proposed by Mr. REID (for Mr. DURBIN) to the bill, H.R. 4810, supra; as follows:

Strike all after the first word, and insert the following:

1. SHORT TITLE.

This Act may be cited as the ''Self-Employed Health Insurance Fairness Act of 1999''.

SEC. . DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''

(b) CLARIFICATION OF LIMITATIONS ON OTHER COVERAGE.—The first sentence of section 162(l)(2)(B) of the Internal Revenue Code of 1986 is amended to read as follows: ''Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any subsidized health plan maintained by any employer (other than an employer described in section 401(c)(4)) of the taxpayer or the spouse of the taxpayer.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

DURBIN AMENDMENT NO. 3852

Mr. REID (for Mr. DURBIN) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. ___. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following:

''SEC. 45D. EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

''(1) IN GENERAL.—Except as provided in paragraph (2), the applicable percentage is equal to—

''(A) 25 percent in the case of self-only coverage, and

''(B) 35 percent in the case of family coverage (as defined in section 220(c)(5)).

''(2) FIRST YEAR COVERAGE.—

''(A) IN GENERAL.—In the case of first year coverage, paragraph (1) shall be applied by substituting '60 percent' for '25 percent' and '70 percent' for '35 percent'.

''(B) FIRST YEAR COVERAGE.—For purposes of subparagraph (A), the term 'first year coverage' means the first taxable year in which the small employer pays qualified employee health insurance expenses but only if such small employer did not provide health insurance coverage for any qualified employee during the 2 taxable years immediately preceding the taxable year.

''(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

''(1) $1,800 in the case of self-only coverage, and

''(2) $4,000 in the case of family coverage (as so defined).

''(d) DEFINITIONS.—For purposes of this section—

''(1) SMALL EMPLOYER.—

''(A) IN GENERAL.—The term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of 9 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

''(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

''(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by section 9832(b)(1).

''(3) QUALIFIED EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $16,000.

''(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term 'employee'—

''(i) shall not include an employee within the meaning of section 401(c)(1), and

''(ii) shall include a leased employee within the meaning of section 414(n).

''(C) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

''(D) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2000, the $16,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) 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 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following:

''(13) the employee health insurance expenses credit determined under section 45D.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF SECTION 45D CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Sec. 45D. Employee health insurance expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

ROBB (AND OTHERS) AMENDMENT NO. 3853

Mr. REID (for Mr. ROBB (for himself, Mr. GRAHAM, and Mr. KENNEDY) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, insert the following:

SEC. ___. EFFECTIVE DATE.

Notwithstanding any other provision of this Act or amendment made by this Act, no such provision or amendment shall take effect until legislation has been enacted that provides a voluntary, affordable outpatient Medicare prescription drug benefit to all Medicare beneficiaries that guarantees meaningful, stable coverage, including stop-loss and low-income protections.

TORRICELLI (AND REED) AMENDMENT NO. 3854

Mr. REED (for Mr. TORRICELLI and Mr. REED) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

SEC. 7. INCREASED LEAD POISONING SCREENINGS AND TREATMENTS UNDER THE MEDICAID PROGRAM.

(a) REPORTING REQUIREMENT.—Section 1902(a)(43)(D) of the Social Security Act (42 U.S.C. 1396a(a)(43)(D)) is amended—

(1) in clause (iii), by striking ''and'' at the end;

(2) in clause (iv), by striking the semicolon and inserting '', and''; and

(3) by adding at the end the following:

''(v) the number of children who are under the age of 3 and enrolled in the State plan and the number of those children who have received a blood lead screening test;''.

(b) MANDATORY SCREENING REQUIREMENTS.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (64), by striking ''and'' at the end;

(2) in paragraph (65), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (65) the following:

''(66) provide that each contract entered into between the State and an entity (including a health insuring organization and a medicaid managed care organization) that is responsible for the provision (directly or through arrangements with providers of services) of medical assistance under the State plan shall provide for—

''(A) compliance with mandatory blood lead screening requirements that are consistent with prevailing guidelines of the Centers for Disease Control and Prevention for such screening; and

''(B) coverage of qualified lead treatment services described in section 1905(x) including diagnosis, treatment, and follow-up furnished for children with elevated blood lead levels in accordance with prevailing guidelines of the Centers for Disease Control and Prevention.''.

(c) REIMBURSEMENT FOR TREATMENT OF CHILDREN WITH ELEVATED BLOOD LEAD LEVELS.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (a)—

(A) in paragraph (26), by striking ''and'' at the end;

(B) by redesignating paragraph (27) as paragraph (28); and

(C) by inserting after paragraph (26) the following:

''(27) qualified lead treatment services (as defined in subsection (x)); and''; and

(2) by adding at the end the following:

''(x)(1) In this subsection:

''(A) The term 'qualified lead treatment services' means the following:

''(i) Lead-related medical management, as defined in subparagraph (B).

''(ii) Lead-related case management, as defined in subparagraph (C), for a child described in paragraph (2).

''(iii) Lead-related anticipatory guidance, as defined in subparagraph (D), provided as part of—

''(I) prenatal services;

''(II) early and periodic screening, diagnostic, and treatment services (EPSDT) services described in subsection (r) and available under subsection (a)(4)(B) (including as described and available under implementing regulations and guidelines) to individuals enrolled in the State plan under this title who have not attained age 21; and

''(III) routine pediatric preventive services.

''(B) The term 'lead-related medical management' means the provision and coordination of the diagnostic, treatment, and follow-up services provided for a child diagnosed with an elevated blood lead level (EBLL) that includes—

''(i) a clinical assessment, including a physical examination and medically indicated tests (in addition to diagnostic blood lead level tests) and other diagnostic procedures to determine the child's developmental, neurological, nutritional, and hearing status, and the extent, duration, and possible source of the child's exposure to lead;

''(ii) repeat blood lead level tests furnished when medically indicated for purposes of monitoring the blood lead concentrations in the child;

''(iii) pharmaceutical services, including chelation agents and other drugs, vitamins, and minerals prescribed for treatment of an EBLL;

''(iv) medically indicated inpatient services including pediatric intensive care and emergency services;

''(v) medical nutrition therapy when medically indicated by a nutritional assessment, that shall be furnished by a dietitian or other nutrition specialist who is authorized to provide such services under State law;

''(vi) referral—

''(I) when indicated by a nutritional assessment, to the State agency or contractor administering the program of assistance under the special supplemental food program for women, infants and children (WIC) under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) and coordination of clinical management with that program; and

''(II) when indicated by a clinical or developmental assessment, to the State agency responsible for early intervention and special education programs under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.); and

''(vii) environmental investigation, as defined in subparagraph (E).

''(C) The term 'lead-related case management' means the coordination, provision, and oversight of the nonmedical services for a child with an EBLL necessary to achieve reductions in the child's blood lead levels, improve the child's nutrition, and secure needed resources and services to protect the child by a case manager trained to develop and oversee a multi-disciplinary plan for a child with an EBLL or by a childhood lead poisoning prevention program, as defined by the Secretary. Such services include—

''(i) assessing the child's environmental, nutritional, housing, family, and insurance status and identifying the family's immediate needs to reduce lead exposure through an initial home visit;

''(ii) developing a multidisciplinary case management plan of action that addresses the provision and coordination of each of the following classes of services as appropriate—

''(I) whether or not such services are covered under the State plan under this title;

''(II) lead-related medical management of an EBLL (including environmental investigation);

''(III) nutrition services;

''(IV) family lead education;

''(V) housing;

''(VI) early intervention services;

''(VII) social services; and

''(VIII) other services or programs that are indicated by the child's clinical status and environmental, social, educational, housing, and other needs;

''(iii) assisting the child (and the child's family) in gaining access to covered and non-covered services in the case management plan developed under clause (ii);

''(iv) providing technical assistance to the provider that is furnishing lead-related medical management for the child; and

''(v) implementation and coordination of the case management plan developed under clause (ii) through home visits, family lead education, and referrals.

''(D) The term 'lead-related anticipatory guidance' means education and information for families of children and pregnant women enrolled in the State plan under this title about prevention of childhood lead poisoning that addresses the following topics:

''(i) The importance of lead screening tests and where and how to obtain such tests.

''(ii) Identifying lead hazards in the home.

''(iii) Specialized cleaning, home maintenance, nutritional, and other measures to minimize the risk of childhood lead poisoning.

''(iv) The rights of families under the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.).

''(E) The term 'environmental investigation' means the process of determining the source of a child's exposure to lead by an individual that is certified or registered to perform such investigations under State or local law, including the collection and analysis of information and environmental samples from a child's living environment. For purposes of this subparagraph, a child's living environment includes the child's residence or residences, residences of frequently visited caretakers, relatives, and playmates, and the child's day care site. Such investigations shall be conducted in accordance with the standards of the Department of Housing and Urban Development for the evaluation and control of lead-based paint hazards in housing and in compliance with State and local health agency standards for environmental investigation and reporting.

''(2) For purposes of paragraph (1)(A)(ii), a child described in this paragraph is a child who—

''(A) has attained 6 months but has not attained 6 years of age; and

''(B) has been identified as having a blood lead level that equals or exceeds 20 micrograms per deciliter (or after 2 consecutive tests, equals or exceeds 15 micrograms per deciliter, or the applicable number of micrograms designated for such tests under prevailing guidelines of the Centers for Disease Control and Prevention).''.

(d) ENHANCED MATCH FOR DATA COMMUNICATIONS SYSTEM.—Section 1903(a)(3) of the Social Security Act (42 U.S.C. 1396b(a)(3)) is amended—

(1) in subparagraph (D), by striking ''plus'' at the end and inserting ''and''; and

(2) by inserting after subparagraph (D), the following:

''(E)(i) 90 percent of so much of the sums expended during such quarter as are attributable to the design, development, or installation of an information retrieval system that may be easily accessed and used by other federally-funded means-tested public benefit programs to determine whether a child is enrolled in the State plan under this title and whether an enrolled child has received mandatory early and periodic screening, diagnostic, and treatment services, as described in section 1905(r); and

''(ii) 75 percent of so much of the sums expended during such quarter as are attributable to the operation of a system (whether such system is operated directly by the State or by another person under a contract with the State) of the type described in clause (i); plus''.

(e) REPORT.—The Secretary of Health and Human Services, acting through the Administrator of the Health Care Financing Administration, annually shall report to Congress on the number of children enrolled in the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) who have received a blood lead screening test during the prior fiscal year, noting the percentage that such children represent as compared to all children enrolled in that program.

(f) RULE OF CONSTRUCTION.—Nothing in this section or in any amendment made by this section shall be construed as prohibiting the Secretary of Health and Human Services or the State agency administering the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) from using funds provided under title XIX of that Act to reimburse a State or entity for expenditures for medically necessary activities in the home of a lead-poisoned child to prevent additional exposure to lead, including specialized cleaning of lead-contaminated dust, emergency relocation, safe repair of peeling paint, dust control, and other activities that reduce lead exposure.

TORRICELLI AMENDMENTS NOS. 3855–3857

Mr. REED (for Mr. TORRICELLI) proposed three amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3855

At the end of the bill, add the following:

SEC. 7. WAIVER OF 24-MONTH WAITING PERIOD FOR MEDICARE COVERAGE OF INDIVIDUALS DISABLED WITH AMYOTROPHIC LATERAL SCLEROSIS (ALS).

(a) IN GENERAL.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended—

(1) by redesignating subsection (h) as subsection (j) and by moving such subsection to the end of the section; and

(2) by inserting after subsection (g) the following:

''(h) For purposes of applying this section in the case of an individual medically determined to have amyotrophic lateral sclerosis (ALS), the following special rules apply:

''(1) Subsection (b) shall be applied as if there were no requirement for any entitlement to benefits, or status, for a period longer than 1 month.

''(2) The entitlement under such subsection shall begin with the first month (rather than twenty-fifth month) of entitlement or status.

''(3) Subsection (f) shall not be applied.''.

(b) CONFORMING AMENDMENT.—Section 1837 of such Act (42 U.S.C. 1395p) is amended by adding at the end the following:

''(j) In applying this section in the case of an individual who is entitled to benefits under part A pursuant to the operation of section 226(h), the following special rules apply:

''(1) The initial enrollment period under subsection (d) shall begin on the first day of the first month in which the individual satisfies the requirement of section 1836(1).

''(2) In applying subsection (g)(1), the initial enrollment period shall begin on the first day of the first month of entitlement to disability insurance benefits referred to in such subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning after the date of the enactment of this Act.

AMENDMENT NO. 3856

At the end, add the following:

SEC. ___. MODIFICATIONS TO DISASTER CASUALTY LOSS DEDUCTION.

(a) LOWER ADJUSTED GROSS INCOME THRESHOLD.—Paragraph (2) of section 165(h) of the Internal Revenue Code of 1986 (relating to treatment of casualty gains and losses) is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—If the personal casualty losses for any taxable year exceed the personal casualty gains for such taxable year, such losses shall be allowed for the taxable year only to the extent of the sum of—

''(i) the amount of the personal casualty gains for the taxable year, plus

''(ii) so much of such excess attributable to losses described in subsection (i) as exceeds 5 percent of the adjusted gross income of the individual (determined without regard to any deduction allowable under subsection (c)(3))'', plus

''(iii) so much of such excess attributable to losses not described in subsection (i) as exceeds 10 percent of the adjusted gross income of the individual.

For purposes of this subparagraph, personal casualty losses attributable to losses not described in subsection (i) shall be considered before such losses attributable to losses described in subsection (i).'', and

(2) by striking ''10 PERCENT'' in the heading and inserting ''PERCENTAGE''.

(b) ABOVE-THE-LINE DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (17) the following:

''(18) CERTAIN DISASTER LOSSES.—The deduction allowed by section 165(c)(3) to the extent attributable to losses described in section 165(i).''

(c) ELECTION TO TAKE DISASTER LOSS DEDUCTION FOR PRECEDING OR SUCCEEDING 2 YEARS.—Paragraph (1) of section 165(i) of the Internal Revenue Code of 1986 (relating to disaster losses) is amended—

(1) by inserting ''or succeeding'' after ''preceding'', and

(2) by inserting ''OR SUCCEEDING'' after ''PRECEDING'' in the heading.

(d) ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of 1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to losses sustained in taxable years beginning after December 31, 1998.

AMENDMENT NO. 3857

At the end, add the following:

SEC. ___. ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.

(a) IN GENERAL.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of

1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses sustained in taxable years beginning after December 31, 1998.

LAUTENBERG AMENDMENT NO. 3858

Mr. REID (for Mr. LAUTENBERG) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. 7. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following new subpart:

''Subpart H—Nonrefundable Credit for Holders of Qualified Amtrak Bonds

''Sec. 54. Credit to holders of qualified Amtrak bonds.

''SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified Amtrak bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year the amount determined under subsection (b).

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified Amtrak bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified Amtrak bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this part (other than this subpart and subpart C).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(d) QUALIFIED AMTRAK BOND.—For purposes of this part—

''(1) IN GENERAL.—The term 'qualified Amtrak bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the proceeds of such issue are—

''(i) to be used for any qualified project, or

''(ii) to be pledged to secure payments and other obligations incurred by the National Railroad Passenger Corporation in connection with any qualified project,

''(B) the bond is issued by the National Railroad Passenger Corporation,

''(C) the issuer—

''(i) designates such bond for purposes of this section,

''(ii) certifies that it meets the State contribution requirement of paragraph (2) with respect to such project, and

''(iii) certifies that it has obtained the written approval of the Secretary of Transportation for such project,

''(D) the term of each bond which is part of such issue does not exceed 20 years, and

''(E) the payment of principal with respect to such bond is guaranteed by the National Railroad Passenger Corporation.

''(2) STATE CONTRIBUTION REQUIREMENT.—

''(A) IN GENERAL.—For purposes of paragraph (1)(C)(ii), the State contribution requirement of this paragraph is met with respect to any qualified project if the National Railroad Passenger Corporation has a written binding commitment from 1 or more States to make matching contributions not later than the date of issuance of the issue of not less than 20 percent of the cost of the qualified project.

''(B) USE OF STATE MATCHING CONTRIBUTIONS.—The matching contributions described in subparagraph (A) with respect to each qualified project shall be used—

''(i) in the case of an amount equal to 20 percent of the cost of such project, to redeem bonds which are a part of the issue with respect to such project, and

''(ii) in the case of any remaining amount, at the election of the National Railroad Passenger Corporation and the contributing State—

''(I) to fund the qualified project, or

''(II) to redeem such bonds, or

''(III) for the purposes of subclauses (I) and (II).

''(3) QUALIFIED PROJECT.—The term 'qualified project' means—

''(A) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,

''(B) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements for the improvement of train speeds or safety (or both) on the high-speed rail corridors designated under section 104(d)(2) of title 23, United States Code, and

''(C) with respect to not more than 10 percent of the net proceeds of an issue, the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements for non-designated high-speed rail corridors, including station rehabilitation, track or signal improvements, or the elimination of grade crossings.

''(4) TEMPORARY PERIOD EXCEPTION.—A bond shall not be treated as failing to meet the requirement of paragraph (1)(A) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a reasonable temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

''(e) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—There is a qualified Amtrak bond limitation for each fiscal year. Such limitation is—

''(A) $1,000,000,000 for each of the fiscal years 2001 through 2010, and

''(B) zero after 2010.

''(2) CARRYOVER OF UNUSED LIMITATION.—If for any fiscal year—

''(A) the limitation amount under paragraph (1), exceeds

''(B) the amount of bonds issued during such year which are designated under subsection (d)(1)(C)(i),

the limitation amount under paragraph (1) for the following fiscal year shall be increased by the amount of such excess.

''(f) OTHER DEFINITIONS.—For purposes of this subpart—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term includes the last day on which the bond is outstanding.

''(3) STATE.—The term 'State' includes the District of Columbia.

''(g) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(h) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified Amtrak bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(i) USE OF TRUST ACCOUNT.—

''(1) IN GENERAL.—The amount of any matching contribution with respect to a qualified project described in subsection (d)(2)(B)(i) or (d)(2)(B)(ii)(II) and the temporary period investment earnings on proceeds of the issue with respect to such project described in subsection (d)(4), and any earnings thereon, shall be held in a trust account by a trustee independent of the National Railroad Passenger Corporation to be used to redeem bonds which are part of such issue.

''(2) USE OF REMAINING FUNDS IN TRUST ACCOUNT.—Upon the repayment of the principal of all qualified Amtrak bonds issued under this section, any remaining funds in the trust account described in paragraph (1) shall be available to the trustee described in paragraph (1) to meet any remaining obligations under any guaranteed investment contract used to secure earnings sufficient to repay the principal of such bonds. Any remaining balance in such trust account shall be paid to the United States to be used to redeem public-debt obligations.

''(j) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this

section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(k) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified Amtrak bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified Amtrak bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

''(l) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified Amtrak bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(m) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

''(n) REPORTING.—Issuers of qualified Amtrak bonds shall submit reports similar to the reports required under section 149(e).''

(b) REPORTING.—Subsection (d) of section 6049 of the Internal Revenue Code of 1986 (relating to returns regarding payments of interest) is amended by adding at the end the following:

''(8) REPORTING OF CREDIT ON QUALIFIED AMTRAK BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54(j) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(f)(2)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''

(c) CLERICAL AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Subpart H. Nonrefundable Credit for Holders of Qualified Amtrak Bonds.''

(2) Section 6401(b)(1) of such Code is amended by striking ''and G'' and inserting ''G, and H''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after September 30, 2000.

CLELAND AMENDMENTS NOS. 3859–3860

Mr. REID (for Mr. CLELAND) proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3859

At the end, add the following:

SEC. ___. EXCLUSION OF UNITED STATES SAVINGS BOND INCOME FROM GROSS INCOME IF USED TO PAY LONG-TERM CARE EXPENSES.

(a) IN GENERAL.—Subsection (a) of section 135 of the Internal Revenue Code of 1986 (relating to income from United States savings bonds used to pay higher education tuition and fees) is amended to read as follows:

''(a) EXCLUSION.—

''(1) GENERAL RULE.—In the case of an individual who pays qualified expenses during the taxable year, no amount shall be includible in gross income by reason of the redemption during such year of any qualified United States savings bond.

''(2) QUALIFIED EXPENSES.—For purposes of this section, the term 'qualified expenses' means—

''(A) qualified higher education expenses, and

''(B) eligible long-term care expenses.''.

(b) LIMITATION WHERE REDEMPTION PROCEEDS EXCEED QUALIFIED EXPENSES.—Section 135(b)(1) of the Internal Revenue Code of 1986 (relating to limitation where redemption proceeds exceed higher education expenses) is amended—

(1) by striking ''higher education'' in subparagraph (A)(ii), and

(2) by striking ''HIGHER EDUCATION'' in the heading thereof.

(c) ELIGIBLE LONG-TERM CARE EXPENSES.—Section 135(c) of the Internal Revenue Code of 1986 (relating to definitions) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) ELIGIBLE LONG-TERM CARE EXPENSES.—The term 'eligible long-term care expenses' means qualified long-term care expenses (as defined in section 7702B(c)) and eligible long-term care premiums (as defined in section 213(d)(10)) of—

''(A) the taxpayer,

''(B) the taxpayer's spouse, or

''(C) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151.''.

(d) ADJUSTMENTS.—Section 135(d) of the Internal Revenue Code of 1986 (relating to special rules) is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

''(3) ELIGIBLE LONG-TERM CARE EXPENSE ADJUSTMENTS.—The amount of eligible long-term care expenses otherwise taken into account under subsection (a) with respect to an individual shall be reduced (before the application of subsection (b)) by the sum of—

''(A) any amount paid for qualified long-term care services (as defined in section 7702B(c)) provided to such individual and described in section 213(d)(11), plus

''(B) any amount received by the taxpayer or the taxpayer's spouse or dependents for the payment of eligible long-term care expenses which is excludable from gross income.''.

(e) COORDINATION WITH DEDUCTIONS.—

(1) Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) is amended by adding at the end the following new subsection:

''(f) COORDINATION WITH SAVINGS BOND INCOME USED FOR EXPENSES.—Any expense taken into account in determining the exclusion under section 135 shall not be treated as an expense paid for medical care.''.

(2) Section 162(l) of such Code (relating to special rules for health insurance costs of self-employed individuals) is amended by adding at the end the following new paragraph:

''(6) COORDINATION WITH SAVINGS BOND INCOME USED FOR EXPENSES.—Any expense taken into account in determining the exclusion under section 135 shall not be treated as an expense paid for medical care.''.

(f) CLERICAL AMENDMENTS.—

(1) The heading for section 135 of the Internal Revenue Code of 1986 is amended by inserting ''and long-term care expenses'' after ''fees''.

(2) The item relating to section 135 in the table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting ''and long-term care expenses'' after ''fees''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 3860

At the end, add the following:

SEC. ___. ENHANCED DEDUCTION FOR CORPORATE DONATIONS OF COMPUTER TECHNOLOGY TO PUBLIC LIBRARIES AND COMMUNITY CENTERS.

(a) EXPANSION OF COMPUTER TECHNOLOGY DONATIONS TO PUBLIC LIBRARIES AND COMMUNITY CENTERS.—

(1) IN GENERAL.—Paragraph (6) of section 170(e) of the Internal Revenue Code of 1986 (relating to special rule for contributions of computer technology and equipment for elementary or secondary school purposes) is amended by striking ''qualified elementary or secondary educational contribution'' each place it occurs in the headings and text and inserting ''qualified computer contribution''.

(2) EXPANSION OF ELIGIBLE DONEES.—Subclause (II) of section 170(e)(6)(B)(i) of such Code (relating to qualified elementary or secondary educational contribution) is amended by striking ''or'' at the end of subclause (I) and by inserting after subclause (II) the following new subclauses:

''(III) a public library (within the meaning of section 213(2)(A) of the Library Services and Technology Act (20 U.S.C. 9122(2)(A)), as in effect on the date of the enactment of the Community Technology Assistance Act, established and maintained by an entity described in subsection (c)(1), or

''(IV) a nonprofit or governmental community center, including any center within which an after-school or employment training program is operated,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 170(e)(6)((B)(iv) of the Internal Revenue Code of 1986 is amended by striking ''in any grades K–12''.

(2) The heading of paragraph (6) of section 170(e) of such Code is amended by striking ''ELEMENTARY OR SECONDARY SCHOOL PURPOSES'' and inserting ''EDUCATIONAL PURPOSES''.

(c) EXTENSION OF DEDUCTION.—Section 170(e)(6)(F) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking ''December 31, 2000'' and inserting ''December 31, 2005''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2000.

GRAMS AMENDMENT NO. 3861

Mr. ROTH (for Mr. GRAMS) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

ABRAHAM AMENDMENT NO. 3862

Mr. ROTH (for Mr. ABRAHAM) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the Act, add the following:

TITLE VI—MISCELLANEOUS

SEC. 601. SENSE OF THE SENATE REGARDING COVERAGE OF PRESCRIPTION DRUGS UNDER THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Projected on-budget surpluses for the next 10 years total $1,900,000,000,000, according to the President's mid-session review.

(2) Eliminating the death tax would reduce revenues by $104,000,000,000 over 10 years, leaving on-budget surpluses of $1,800,000,000,000.

(3) The medicare program established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) faces the dual problem of inadequate coverage of prescription drugs and rapid escalation of program costs with the retirement of the baby boom generation.

(4) The concurrent resolution on the budget for fiscal year 2001 provides $40,000,000,000 for prescription drug coverage in the context of a reform plan that improves the long-term outlook for the medicare program.

(5) The Committee on Finance of the Senate currently is working in a bipartisan manner on reporting legislation that will reform the medicare program and provide a prescription drug benefit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) on-budget surpluses are sufficient to both repeal the death tax and improve coverage of prescription drugs under the medicare program and Congress should do both this year; and

(2) the Senate should pass adequately funded legislation that can effectively—

(A) expand access to outpatient prescription drugs;

(B) modernize the medicare benefit package;

(C) make structural improvements to improve the long term solvency of the medicare program;

(D) reduce medicare beneficiaries' out-of-pocket prescription drug costs, placing the highest priority on helping the elderly with the greatest need; and

(E) give the elderly access to the same discounted rates on prescription drugs as those available to Americans enrolled in private insurance plans.

MOYNIHAN AMENDMENT NO. 3863

Mr. MOYNIHAN proposed an amendment to the bill, H.R. 4810, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. COMBINED RETURN TO WHICH UNMARRIED RATES APPLY.

(a) IN GENERAL.—Subpart B of part II of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to income tax returns) is amended by inserting after section 6013 the following new section:

"SEC. 6013A. COMBINED RETURN WITH SEPARATE RATES.

"(a) GENERAL RULE.—A husband and wife may make a combined return of income taxes under subtitle A under which—

"(1) a separate taxable income is determined for each spouse by applying the rules provided in this section, and

"(2) the tax imposed by section 1 is the aggregate amount resulting from applying the separate rates set forth in section 1(c) to each such taxable income.

"(b) TREATMENT OF INCOME.—For purposes of this section—

"(1) earned income (within the meaning of section 911(d)), and any income received as a pension or annuity which arises from an employer-employee relationship, shall be treated as the income of the spouse who rendered the services,

"(2) income from property shall be divided between the spouses in accordance with their respective ownership rights in such property (equally in the case of property held jointly by the spouses), and

"(3) any exclusion from income shall be allowable to the spouse with respect to whom the income would be otherwise includible.

"(c) TREATMENT OF DEDUCTIONS.—For purposes of this section—

"(1) except as otherwise provided in this subsection, the deductions described in section 62(a) shall be allowed to the spouse treated as having the income to which such deductions relate,

"(2) the deductions allowable by section 151(b) (relating to personal exemptions for taxpayer and spouse) shall be determined by allocating 1 personal exemption to each spouse,

"(3) section 63 shall be applied as if such spouses were not married, except that the election whether or not to itemize deductions shall be made jointly by both spouses and apply to each, and

"(4) each spouse's share of all other deductions shall be determined by multiplying the aggregate amount thereof by the fraction—

"(A) the numerator of which is such spouse's gross income, and

"(B) the denominator of which is the combined gross incomes of the 2 spouses.

Any fraction determined under paragraph (4) shall be rounded to the nearest percentage point.

"(d) TREATMENT OF CREDITS.—For purposes of this section—

"(1) IN GENERAL.—Except as provided in paragraph (2), each spouse's share of credits allowed to both spouses shall be determined by multiplying the aggregate amount of the credits by the fraction determined under subsection (c)(4).

"(2) EARNED INCOME CREDIT.—The earned income credit under section 32 shall be determined as if each spouse were a separate taxpayer, except that—

"(A) the earned income and the modified adjusted gross income of each spouse shall be determined under the rules of subsections (b), (c), and (e), and

"(B) qualifying children shall be allocated between spouses proportionate to the earned income of each spouse (rounded to the nearest whole number).

"(e) SPECIAL RULES REGARDING INCOME LIMITATIONS.—

"(1) EXCLUSIONS AND DEDUCTIONS.—For purposes of making a determination under subsection (b) or (c), any eligibility limitation with respect to each spouse shall be determined by taking into account the limitation applicable to a single individual.

"(2) CREDITS.—For purposes of making a determination under subsection (d)(1), in no event shall an eligibility limitation for any credit allowable to both spouses be less than twice such limitation applicable to a single individual.

"(f) SPECIAL RULES FOR ALTERNATIVE MINIMUM TAX.—If a husband and wife elect the application of this section—

"(1) the tax imposed by section 55 shall be computed separately for each spouse, and

"(2) for purposes of applying section 55—

"(A) the rules under this section for allocating items of income, deduction, and credit shall apply, and

"(B) the exemption amount for each spouse shall be the amount determined under section 55(d)(1)(B).

"(g) TREATMENT AS JOINT RETURN.—Except as otherwise provided in this section or in the regulations prescribed hereunder, for purposes of this title (other than sections 1 and 63(c)) a combined return under this section shall be treated as a joint return.

"(h) LIMITATIONS.—

"(1) PHASE-IN OF BENEFIT.—

"(A) IN GENERAL.—In the case of any taxable year beginning before January 1, 2004, the tax imposed by section 1 or 55 shall in no event be less than the sum of—

"(i) the tax determined after the application of this section, plus

"(ii) the applicable percentage of the excess of—

"(I) the tax determined without the application of this section, over

"(II) the amount determined under clause (i).

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002	50
2003	10.

"(2) LIMITATION OF BENEFIT BASED ON COMBINED ADJUSTED GROSS INCOME.—With respect to spouses electing the treatment of this section for any taxable year, the tax under section 1 or 55 shall be increased by an amount which bears the same ratio to the excess of the tax determined without the application of this section over the tax determined after the application of this section as the ratio (but not over 100 percent) of the excess of the combined adjusted gross income of the spouses over $100,000 bears to $50,000.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this section.".

(b) UNMARRIED RATE MADE APPLICABLE.—So much of subsection (c) of section 1 of the Internal Revenue Code of 1986 as precedes the table is amended to read as follows:

"(c) SEPARATE OR UNMARRIED RETURN RATE.—There is hereby imposed on the taxable income of every individual (other than a married individual (as defined in section 7703) filing a return which is not a combined return under section 6013A, a surviving spouse as defined in section 2(a), or a head of household as defined in section 2(b)) a tax determined in accordance with the following table:".

(c) PENALTY FOR SUBSTANTIAL UNDERSTATEMENT OF INCOME FROM PROPERTY.—Section 6662 of the Internal Revenue Code of 1986 (relating to imposition of accuracy-related penalty) is amended—

(1) by adding at the end of subsection (b) the following:

"(6) Any substantial understatement of income from property under section 6013A.", and

(2) by adding at the end the following new subsection:

''(i) SUBSTANTIAL UNDERSTATEMENT OF INCOME FROM PROPERTY UNDER SECTION 6013A.—For purposes of this section, there is a substantial understatement of income from property under section 6013A if—

''(1) the spouses electing the treatment of such section for any taxable year transfer property from 1 spouse to the other spouse in such year,

''(2) such transfer results in reduced tax liability under such section, and

''(3) the significant purpose of such transfer is the avoidance or evasion of Federal income tax.''.

(d) PROTECTION OF SOCIAL SECURITY AND MEDICARE TRUST FUNDS.—

(1) IN GENERAL.—Nothing in this section shall be construed to alter or amend the Social Security Act (or any regulation promulgated under that Act).

(2) TRANSFERS.—

(A) ESTIMATE OF SECRETARY.—The Secretary of the Treasury shall annually estimate the impact that the enactment of this section has on the income and balances of the trust funds established under sections 201 and 1817 of the Social Security Act (42 U.S.C. 401 and 1395i).

(B) TRANSFER OF FUNDS.—If, under subparagraph (A), the Secretary of the Treasury estimates that the enactment of this section has a negative impact on the income and balances of such trust funds, the Secretary shall transfer, not less frequently than quarterly, from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of such trust funds are not reduced as a result of the enactment of this section.

(e) CLERICAL AMENDMENT.—The table of sections for subpart B of part II of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6013 the following:

''Sec. 6013A. Combined return with separate rates.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(g) SUNSET PROVISION.—The amendments made by this Act shall not apply to any taxable year beginning after December 31, 2004.

ROTH AMENDMENTS NO. 3864–3865

Mr. ROTH proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3864

On page 8, strike lines 6 through 14.

AMENDMENT NO. 3865

On page 9, strike lines 23 through 25.

REID AMENDMENT NO. 3866

Mr. REID proposed an amendment to amendment No. 3861 previously proposed by Mr. ROTH (for Mr. GRAMS) to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3866

At the end of the amendment add the following:

FINDINGS

The Grams Social Security amendment includes a general fund transfer to the Medicare HI Trust Fund of $113 billion over the next 10 years.

Without a general fund transfer to the HI trust fund, the Grams Amendment would cause Medicare to become insolvent 5 years earlier than is expected today.

It is appropriate to protect the Medicare program and ensure its quality and viability by transferring monies from the general fund to the Medicare HI trust fund.

The adoption of the Grams Social Security amendment has put a majority of the Senate on record in favor of a general fund transfer to the HI trust fund.

Today, the Medicare HI Trust Fund is expected to become insolvent in 2025.

The $113 billion the Grams amendment transfers to the HI trust fund to maintain Medicare's solvency is the same amount that the President has proposed to extend its solvency to 2030.

SENSE OF THE SENATE

It is the sense of the Senate that the general fund transfer mechanism included in the Grams Social Security amendment should be used to extend the life the Medicare trust fund through 2030, to ensure that Medicare remains a strong health insurance program for our nation's seniors and that its payments to health providers remain adequate.

GRAMS AMENDMENT NO. 3867

Mr. ROTH (for Mr. GRAMS) proposed an amendment to amendment No. 3861 previously proposed by Mr. ROTH (for Mr. GRAMS) to the bill, H.R. 4810, supra; as follows:

Strike all after the first word and add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

This section shall become effective 1 day after enactment of this Act.

STEVENS AMENDMENT NOS. 3868–3873

Mr. ROTH (for Mr. STEVENS) proposed six amendments to bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3868

At the appropriate place insert the following new section:

''SEC. . ALASKA EXEMPTION FROM DYEING REQUIREMENTS.

(a) EXCEPT TO DYEING REQUIREMENTS FOR ION EXEMPT DIESEL FUEL AND KEROSENE.—Paragraph (1) section 4082(c) (relating to exception to dyeing requirements) is amended to read as follows:

''(1) removed, entered, or sold in the State of Alaska for ultimate sale or use in such State, and''.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to fuel removed, entered, or sold on or after the date of the enactment of this Act.

AMENDMENT NO. 3869

At the appropriate place insert the following new section:

''SEC. . TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIALITY LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section. The preceding sentence shall not apply for purposes of applying subsection (b)(1)(A) to a plan which is not a multiemployee plan.''

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(c) APPLICATION OF SPECIAL EARLY RETIREMENT RULES.—Section 415(b)(2)(F) (relating to plans maintained by governments and tax-exempt organizations) is amended—

(1) by inserting ''a multiemployer plan (within the meaning of section 414(f)),'' after ''section 414(d),'', and

(2) by striking the heading and inserting:

''(F) SPECIAL EARLY RETIREMENT RULES FOR CERTAIN PLANS—''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.'.

AMENDMENT NO. 3870

At the appropriate place insert the following new section:

SEC. . CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

''(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $7,500 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

''(2) AMOUNT DESCRIBED.—

''(A) IN GENERAL.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities.

''(B) WHALING EXPENSES.—For purposes of subparagraph (A), the term 'whaling expenses' includes expenses for—

''(i) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

''(ii) the supplying of food for the crew and other provisions for carrying out such activities, and

''(iii) storage and distribution of the catch from such activities.

''(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.''

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 3871

At the appropriate place insert the following new sections:

SEC. . TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) MODIFICATION OF TAX RATE.—Section 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(i) In lieu of the tax imposed by subsection (c), there is hereby imposed on any electing Settlement Trust (as defined in section 646(e)(2)) a tax at the rate of 15% on its taxable income (as defined in section 646(d)), except that if such trust has a net capital gain for any taxable year, a tax shall be imposed on such net capital gain at the rate of tax that would apply to such net capital gain if the taxpayer were an individual subject to a tax on ordinary income at a rate of 15%.''

(b) SPECIAL RULES RELATING TO TAXATION OF ALASKA NATIVE SETTLEMENT TRUSTS.—Subpart A of Part I of subchapter J of Chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following

''SEC. 646 TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

''(a) IN GENERAL.—Except as otherwise provided in this section, the provisions of this subchapter and section 1(c) shall apply to all settlement trusts organized under the Alaska Native Claims Settlement Act (''Claims Act'')).

''(b) ONE-TIME ELECTION.

''(1) EFFECT.—In the case of an electing Settlement Trust, then except as set forth in this section—

''(A) section 1(i), and not section 1(e), shall apply to such trust;

''(B) no amount shall be includible in the gross income of any person by reason of a contribution to such trust; and

''(C) the beneficiaries of such trust shall be subject to tax on the distributions by such trust only as set forth in paragraph (2).

''(2) TAX TREATMENT OF DISTRIBUTIONS TO BENEFICIARIES BY ELECTING SETTLEMENT TRUSTS.—

''(A) distributions by an electing Settlement Trust shall be taxed as follows:

''(i) Any distributions by such trust, up to the amount for such taxable year of such trust's taxable income plus any amount of income excluded from the income of the trust by section 103, shall be excluded from the gross income of the recipient beneficiaries;

''(ii) Next, any distributions by such trust during the taxable year that are not excluded from the recipient beneficiaries' income pursuant to clause (i) shall nonetheless be excluded from the gross income of the recipient beneficiaries. The maximum exclusion under this clause shall be equal to the amount during all years in which an election under this subsection has been in effect of such trust's taxable income plus any amount of income excluded from the income of the trust by section 103, reduced by any amounts which have previously been excluded from the recipient beneficiaries's income under this clause or clause (i);

''(iii) The remaining distributions by the Trust during the taxable year which are not excluded from the beneficiaries' income pursuant to clause (i) or (ii) shall be deemed for all purposes of this title to be treated as distributions by the sponsoring Native Corporation during such taxable year upon its stock and taxable to the recipient beneficiaries to the extend provided in Subchapter C of Subtitle A.

''(3) TIME AND METHOD OF ELECTION.—An election under this subsection shall be made—

''(A) before the due date (including extensions) for filing the Settlement Trust's return of tax for the first taxable year of such trust ending after the date of enactment of this subsection, and

''(B) by attaching to such return of tax a statement specifically providing for such election.

''(4) PERIOD ELECTION IN EFFECT.—Except as provided in subsection (c), an election under this subsection—

''(A) shall apply to the 1st taxable year described in subparagraph (3)(A) and all subsequent taxable years, and

''(B) may not be revoked once it is made.

''(c) SPECIAL RULES WHERE TRANSFER RESTRICTIONS MODIFIED.—

''(1) TRANSFER OF BENEFICIAL INTERESTS.—If the beneficial interests in an electing Settlement Trust may at any time be disposed of in a manner which would not be permitted by section 7(h) of the Claims Act (43 U.S.C. 1606(h)) if such beneficial interest were Settlement Common Stock.—

''(A) no election may be made under subsection (b) with respect to such trust, and

''(B) if an election under subsection (b) is in effect as of such time.—

''(i) such election is revoked as of the 1st day of the taxable year following the taxable year in which such disposition is first permitted, and

''(ii) there is hereby imposed on such Alaska Native Settlement Trust in lieu of any other taxes for such taxable year a tax equal to the product of the fair market value of the assets held by such trust as of the close of the taxable year in which such disposition is first permitted and the highest rate of tax under section 1(e) for such taxable year.

''(2) STOCK IN CORPORATION.—If—

''(A) the Settlement Common Stock in the sponsoring Native Corporation may be disposed of in any manner not permitted by section 7(h) of the Claims Act, and

''(B) at any time such disposition is first permitted, the sponsoring Native Corporation transfers assets to such Settlement Trust,

subparagraph (1)(B) shall be applied to such trust in the same manner as if the trust permitted dispositions of beneficial interests in the trust other than would be permitted under section 7(h) of the Claims Act if such beneficial interests were Settlement Common Stock.

''(3) ADMINISTRATIVE PROGRAMS.—For purposes of Subtitle F, the tax imposed by clause (ii) of subparagraph (1)(B) shall be treated as an excise tax with respect to which the deficiency procedures of such subtitle apply.

''(d) TAXABLE INCOME.—For purposes of this Title, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

''(e) DEFINITIONS.—For purposes of this section, section 1(i) and section 6041,—

''(1) NATIVE CORPORATION.—The term ''Native Corporation'' has the meaning given such term by section 3(m) of the Claims Act (43 U.S.C. 1602(m))

''(2) SPONSORING NATIVE CORPORATION.—The term ''sponsoring Native Corporation'' means the respective Native Corporation that transferred assets to an electing Settlement Trust.

''(3) SETTLEMENT TRUST.—The term 'Settlement Trust' means a trust which constitutes a settlement trust under section 39 of the Claims Act (43 U.S.C. 1629e).

''(4) ELECTING SETTLEMENT TRUST.—The term 'electing Settlement Trust' means a Settlement Trust that has made the election described in subsection (b).

''(5) SETTLEMENT COMMON STOCK.—The term 'Settlement Common Stock' has the meaning given such term by section 3(p) of the Claims Act (43 U.S.C. 1602(p)).''

(c) REPORTING.—Section 6041 of such Code is amended by adding at the end the following new subsection:

''(f) APPLICATION TO CERTAIN ALASKA NATIVE SETTLEMENT TRUSTS.—In lieu of all other rules (whether imposed by statute, regulation or otherwise) that require a trust to report to its beneficiaries and the Commissioner concerning distributable share information, the rules of this subsection shall apply to an electing Settlement Trust (as defined in section 646(e)(4)). An electing Settlement Trust is not required to include with its return of income or send to its beneficiaries statements that identify the amounts distributed to specific beneficiaries. An electing Settlement Trust shall instead include with its own return of income a statement as to the total amount of its distributions during such taxable year, the amount of such distributions which are excludable from the recipient beneficiaries' gross income pursuant to section 646, and the amount, if any, of its distributions during such year which were deemed to have been made by the sponsoring Native Corporation (as such term is defined in section 646(e)(2)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of electing Settlement Trusts, their beneficiaries, and sponsoring Native Corporations ending after the date of the enactment of this Act and to contributions made to electing Settlement Trusts during such year and thereafter.

AMENDMENT NO. 3872

At the appropriate place insert the following new section:

SEC. .—TAX TREATMENT OF PASSENGERS FILLING EMPTY SEATS ON NONCOMMERCIAL AIRPLANES.

(a) Subsection (j) of section 132 of the Internal Revenue Code of 1986 (relating to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

''(9) SPECIAL RULE FOR CERTAIN NONCOMMERCIAL AIR TRANSPORTATION.—Notwithstanding any other provision of this section, the term ''no-additional-cost service'' includes the value of transportation provided to any person on a noncommercially operated aircraft if—

''(A) such transportation is provided on a flight made in the ordinary course of the trade or business of the taxpayer owning or leasing such aircraft for use in such trade or business,

''(B) the flight on which the transportation is provided would have been made whether or not such person was transported on the flight, and

''(C) no substantial additional cost is incurred in providing such transportation to such person.

For purposes of this paragraph, an aircraft is noncommercially operated if transportation thereon is not provided or made available to the general public by purchase of a ticket or other fare.''

(b) EFFECTIVE DATE.—The amendment made by Section 1 shall take effect on January 1, 2001.

AMENDMENT NO. 3873

At the appropriate place insert the following new section:

"SEC. . INCOME AVERAGING FOR FISHERMEN WITHOUT INCREASING ALTERNATIVE MINIMUM TAX LIABILITY AND FISHERMEN RISK MANAGEMENT ACCOUNTS.

(a)(1) INCOME AVERAGING FOR FISHERMEN WITHOUT INCREASING ALTERNATIVE MINIMUM TAX LIABILITY.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of fishing income) shall not apply in computing the regular tax.''.

(2) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(A) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business,''.

(B) DEFINITION OF ELECTED FARM INCOME.—

(i) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(ii) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business' after ''farming business'' both places it occurs.

(C) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing (as defined in section 3 of the Magnuson-Stevens Fisher Conservation and Management Act (16 U.S.C. 1802, P.L. 94–265 as amended).)''.

(b) FISHERMEN RISK MANAGEMENT ACCOUNTS.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

"SEC. 468C. FISHING RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible commercial fishing activity, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year Fishing Risk Management Account (hereinafter referred to as the 'FisheRMen Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FisheRMen Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible commercial fishing activity.

''(2) DISTRIBUTIONS.—Distributions from a FisheRMen Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) COMMERCIAL FISHING ACTIVITY.—The term 'commercial fishing activity' has the meaning given the term 'commercial fishing' by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802, P.L. 94–265 as amended) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FISHERMEN ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FisheRMen Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FisheRMen Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) Any amount distributed from a FisheRMen Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible commercial fishing activities), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FisheRMen Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) Tax on deposits in account which are not distributed within 5 years.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualaified balance in any FisheRMen Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The precedidng sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FisheRMen Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible commercial fishing activity, there shall be deemed distribued from the FisheRMen Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualaification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible commercial fishing activity.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FisheRMen Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL—For purposes of this section, the term 'individual' shall not include an estate or trust

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FisheRMen Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.'.

''(c) CONFORMITY WITH EXISTING PROVISIONS AND CLERICAL AMENDMENT.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking 'or' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

''(4) a FisheRMen Account (within the meaning of section 468C(d)), or''.

''(2) Section 4973 is amended by adding at the end the following:

''(g) EXCESS CONTRIBUTIONS TO FISHERMEN ACCOUNTS.—For purposes of this section, in the case of a FisheRMen Account (within the meaning of section 468C(d)), the term excess contributions' means the amount by which the amount contributed for the taxable year

to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FisheRMen Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.'.

''(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''.

''(4) The table of sections for chapter 43, is amended by striking the item relating to section 4973 and inserting the following:

''Sec, 4973. Excess contributions to certain accounts, annuities, etc.''.

(5) TAX ON PROHIBITED TRANSACTIONS.—Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

''(6) SPECIAL RULE FOR FISHERMEN ACCOUNTS.—A person for whose benefit a FisheRMen Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section), if, with respect to such transaction, the account ceases to be a FisheRMen Account by reason of the application of section 469C(f)(3)(A) to such account.'. (2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) and (G), respectively, and by inserting after subparagraph (D) the following:

''(E) a FisheRMen Account described in section 468C(d),''.

(6) FAILURE TO PROVIDE REPORTS ON FISHERMEN ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraph (D) and (E), respectively,and by inserting after subparagraph (B) the following:

''(C) section 468C(g) (relating to FisheRMen Accounts),''.

''(7) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

''SEC. 468C. FISHING RISK MANAGEMENT ACCOUNTS.''.

''(d) EFFECTIVE DATE.—The changes made by this section shall apply to taxable years beginning after December 31, 2000.

BURNS (AND OTHERS) AMENDMENT NO. 3874

Mr. BURNS (for himself, Mr. ABRAHAM, Mr. HATCH, Mr. CRAIG, Mr. KYL, Mr. BENNETT, Mr. FRIST, and Mr. GRAMM) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the appropriate place, insert the following:

SEC. . REPEAL OF MODIFICATION OF INSTALLMENT METHOD.

(a) IN GENERAL.—Subsection (a) of section 536 of the Ticket to Work and Work Incentives Improvement Act of 1999 (relating to modification of installment method and repeal of installment method for accrual method taxpayers) is repealed effective with respect to sales and other dispositions occurring on or after the date of enactment of such Act.

(b) APPLICABILITY.—The Internal Revenue Code of 1986 should be applied and administered as if such subsection (and the amendments made by such subsection) had not been enacted.

HOLLINGS AMENDMENT NO. 3875

Mr. REID (for Mr. HOLLINGS) proposed an amendment to the bill, H.R. 4810, supra; as follows:

Strike beginning with ''Marriage Tax Relief Reconciliation Act of 2000'' through the end of the bill.

DODD AMENDMENT NO. 3876

Mr. REID (for Mr. DODD) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

TITLE II—DEPENDENT CARE TAX CREDIT

SEC. 201. EXPANSION OF DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 21(a) (relating to expenses for household and dependent care services necessary for gainful employment) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent (40 percent for taxable years beginning after December 31, 2002, and before January 1, 2005) reduced (but not below 20 percent) by 1 percentage point for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $30,000.''

(b) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Notwithstanding subsection (d), in the case of any taxpayer with one or more qualifying individuals described in subsection (b)(1)(A) under the age of 1 at any time during the taxable year, such taxpayer shall be deemed to have employment-related expenses with respect to not more than 2 of such qualifying individuals in an amount equal to the greater of—

''(A) the amount of employment-related expenses incurred for such qualifying individuals for the taxable year (determined under this section without regard to this paragraph), or

''(B) $41.67 for each month in such taxable year during which each such qualifying individual is under the age of 1.''.

(c) INFLATION ADJUSTMENT OF DOLLAR AMOUNTS.—

(1) Section 21 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the $30,000 amount contained in subsection (a), the $2,400 amount in subsection (c), and the $41.67 amount in subsection (e)(11) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

If the increase determined under the preceding sentence is not a multiple of $50 ($5 in the case of the amount in subsection (e)(11)), such amount shall be rounded to the next lowest multiple thereof.''

(2) Paragraph (2) of section 21(c) is amended by striking ''$4,800'' and inserting ''twice the dollar amount applicable under paragraph (1)''.

(3) Paragraph (2) of section 21(d) is amended by striking ''less than—'' and all that follows through the end of the first sentence and inserting ''less than ½ of the amount which applies under subsection (c) to the taxpayer for the taxable year.''

(d) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—Subsection (e) of section 21 is amended by adding at the end the following new paragraph:

''(12) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—In the case of a taxpayer—

''(A) who does not satisfy the household maintenance test of subsection (a) for any period, but

''(B) whose principal place of abode for such period is also the principal place of abode of any qualifying individual,

then such taxpayer shall be treated as satisfying such test for such period but the amount of credit allowable under this section with respect to such individual shall be determined by allowing only ½ of the limitation under subsection (c) for each full month that the requirement of subparagraph (B) is met.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE III—EXPANSION OF ADOPTION CREDIT

SEC. 301. EXPANSION OF ADOPTION CREDIT.

(a) SPECIAL NEEDS ADOPTION.—

(1) CREDIT AMOUNT.—Paragraph (1) of section 23(a) (relating to allowance of credit) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

''(A) in the case of a special needs adoption, $10,000, or

''(B) in the case of any other adoption, the amount of the qualified adoption expenses paid or incurred by the taxpayer.''.

(2) YEAR CREDIT ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

''In the case of a special needs adoption, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.''.

(3) DOLLAR LIMITATION.—Section 23(b)(1) is amended—

(A) by striking ''subsection (a)'' and inserting ''subsection (a)(1)(B)'', and

(B) by striking ''($6,000, in the case of a child with special needs)''.

(4) DEFINITION OF SPECIAL NEEDS ADOPTION.—Section 23(d) (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) SPECIAL NEEDS ADOPTION.—The term 'special needs adoption' means the final adoption of an individual during the taxable year who is an eligible child and who is a child with special needs.''.

(5) DEFINITION OF CHILD WITH SPECIAL NEEDS.—Section 23(d)(3) (defining child with special needs) is amended to read as follows:

''(3) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if a State has determined that the child's ethnic background, age, membership in a minority or sibling groups, medical condition or physical impairment, or emotional handicap makes some form of adoption assistance necessary.''.

(b) INCREASE IN INCOME LIMITATIONS.—Section 23(b)(2) (relating to income limitation) is amended—

(1) in subparagraph (A)—

(A) by striking ''$75,000'' and inserting ''$63,550 ($105,950 in the case of a joint return)'', and

(B) by striking ''$40,000'' and inserting ''the applicable amount'', and

(2) by adding at the end the following new subparagraph:

''(C) APPLICABLE AMOUNT.—For purposes of subparagraph (A), the applicable amount, with respect to any taxpayer, for the taxable

year shall be an amount equal to the excess of—

''(i) the maximum taxable income amount for the 31 percent bracket under the table contained in section 1 relating to such taxpayer and in effect for the taxable year, over

''(ii) the dollar amount in effect with respect to the taxpayer for the taxable year under subparagraph (A)(i).

''(D) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a taxable year beginning after 2001, each dollar amount under subparagraph (A)(i) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.''.

(c) ADOPTION CREDIT MADE PERMANENT.—Subclauses (A) and (B) of section 23(d)(2) (defining eligible child) are amended to read as follows:

''(A) who has not attained age 18, or

''(B) who is physically or mentally incapable of caring for himself.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 23(a)(2) is amended by striking ''(1)'' and inserting ''(1)(B)''.

(2) Section 23(b)(3) is amended by striking ''(a)'' each place it appears and inserting ''(a)(1)(B)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE IV—INCENTIVES FOR EMPLOYER-PROVIDED CHILD CARE

SEC. 401. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) 25 percent of the qualified child care expenditures, and

''(2) 10 percent of the qualified child care resource and referral expenditures,

of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(i) to acquire, construct, rehabilitate, or expand property—

''(I) which is to be used as part of an eligible qualified child care facility of the taxpayer,

''(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(ii) for the operating costs of an eligible qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation, or

''(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care expenditure' shall not include any amount expended in relation to any child care services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) ELIGIBLE QUALIFIED CHILD CARE FACILITY.—A qualified child care facility shall be treated as an eligible qualified child care facility with respect to the taxpayer if—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer, and

''(iii) at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(C) APPLICATION OF SUBPARAGRAPH (B).—In the case of a new facility, the facility shall be treated as meeting the requirement of subparagraph (B)(iii) if not later than 2 years after placing such facility in service at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(3) QUALIFIED CHILD CARE RESOURCE AND REFERRAL EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care resource and referral expenditure' means any amount paid or incurred under a contract to provide child care resource and referral services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care resource and referral expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care resource and referral expenditure' shall not include any amount expended in relation to any child care resource and referral services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any eligible qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	The applicable recapture percentage is:
Year 1	100
Year 2	80
Year 3	60
Year 4	40
Year 5	20
Years 6 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the eligible qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as an eligible qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in an eligible qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following new paragraph:

''(13) the employer-provided child care credit determined under section 45D.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

DORGAN AMENDMENT NO. 3877

Mr. DORGAN proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. 7. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) of the Internal Revenue Code of 1986 (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SEC. 8. EXPANSION OF EXPENSING TREATMENT FOR SMALL BUSINESSES.

(a) ACCELERATION OF INCREASE IN DOLLAR LIMIT.—Section 179(b)(1) of the Internal Revenue Code of 1986 (relating to dollar limits on expensing treatment) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EXPENSING AVAILABLE FOR ALL TANGIBLE DEPRECIABLE PROPERTY.—Section 179(d)(1) of the Internal Revenue Code of 1986 (defining section 179 property) is amended by striking ''which is section 1245 property (as defined in section 1245(a)(3)) and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 9. EXCLUSION OF GAIN FROM SALE OF CERTAIN FARMLAND.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by adding after section 121 the following new section:

''SEC. 121A. EXCLUSION OF GAIN FROM SALE OF QUALIFIED FARM PROPERTY.

''(a) EXCLUSION.—In the case of a natural person, gross income shall not include gain from the sale or exchange of qualified farm property.

''(b) LIMITATION ON AMOUNT OF EXCLUSION.—

''(1) IN GENERAL.—The amount of gain excluded from gross income under subsection (a) with respect to any taxable year shall not exceed $500,000 ($250,000 in the case of a married individual filing a separate return), reduced by the aggregate amount of gain excluded under subsection (a) for all preceding taxable years.

''(2) SPECIAL RULE FOR JOINT RETURNS.—The amount of the exclusion under subsection (a) on a joint return for any taxable year shall be allocated equally between the spouses for purposes of applying the limitation under paragraph (1) for any succeeding taxable year.

''(c) QUALIFIED FARM PROPERTY.—

''(1) QUALIFIED FARM PROPERTY.—For purposes of this section, the term 'qualified farm property' means real property located in the United States if, during periods aggregating 3 years or more of the 5-year period ending on the date of the sale or exchange of such real property—

''(A) such real property was used as a farm for farming purposes by the taxpayer or a member of the family of the taxpayer, and

''(B) there was material participation by the taxpayer (or such a member) in the operation of the farm.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'member of the family', 'farm', and 'farming purposes' have the respective meanings given such terms by paragraphs (2), (4), and (5) of section 2032A(e).

''(3) SPECIAL RULES.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 2032A(b) and paragraphs (3) and (6) of section 2032A(e) shall apply.

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsection (e) and subsection (f) of section 121 shall apply.''

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding after the item relating to section 121 the following new item:

''Sec. 121A. Exclusion of gain from sale of qualified farm property.''

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to any sale or exchange on or after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 10. FULL DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

COMPETITIVE MARKET SUPERVISION ACT

COLLINS AMENDMENT NO. 3878

(Ordered to be referred to the Committee on Banking, Housing, and Urban Affairs.)

Ms. COLLINS submitted an amendment intended to be proposed by her to the bill (S. 2107) to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes; as follows:

At the appropriate place, insert the following (and amend the table of contents accordingly):

SEC. ___. MICROCAP FRAUD PREVENTION.

(a) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—Section 15(b)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)(4)) is amended—

(1) by striking subparagraph (F) and inserting the following:

''(F) is subject to any order of the Commission barring or suspending the right of the person to be associated with a broker or dealer;'';

(2) in subparagraph (G)—

(A) in clause (i), by striking ''has omitted'' and all that follows through the semicolon and inserting ''omitted to state in any such application, report, or proceeding any material fact that is required to be stated therein;'';

(B) in clause (ii)—

(i) by striking ''transactions in securities,'' and inserting ''securities, banking, insurance,''; and

(ii) by adding ''or'' at the end; and

(C) in clause (iii)—

(i) by inserting ''other'' after ''violation by any'';

(ii) by striking ''empowering a foreign financial regulatory authority regarding transactions in securities,'' and inserting ''regarding securities, banking, insurance,'';

(iii) by striking ''has been found, by a foreign financial regulatory authority,''; and

(iv) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(H) is subject to any order of a State securities commission (or any agency or office performing like functions), State authority that supervises or examines financial institutions, State insurance commission (or any agency or office performing like functions), or an appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) that—

''(i) bars such person from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, or banking; or

''(ii) constitutes a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.''.

(b) AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940.—Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended—

(1) in subsection (e), by striking paragraphs (7) and (8) and inserting the following:

''(7) is subject to any order of the Commission barring or suspending the right of the person to be associated with an investment adviser;

''(8) has been found by a foreign financial regulatory authority to have—

''(A) made or caused to be made in any application for registration or report required to be filed with, or in any proceeding before, that foreign financial regulatory authority, any statement that was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or omitted to state in any application or report filed with, or in any proceeding before, that foreign financial regulatory authority any material fact that is required to be stated in the application, report, or proceeding;

''(B) violated any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade; or

''(C) aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade, or failed reasonably to supervise, with a view to preventing violations of any such statute or regulation, another person who commits such a violation, if the other person is subject to its supervision; or

''(9) is subject to any order of a State securities commission (or any agency or office performing like functions), State authority that supervises or examines financial institutions, State insurance commission (or any agency or office performing like functions), or an appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) that—

''(A) bars such investment adviser or person from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, or banking; or

''(B) constitutes a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.''; and

(2) in subsection (f)—

(A) by striking ''(6), or (8)'' and inserting ''(6), (8), or (9)''; and

(B) by striking ''paragraph (2)'' and inserting ''paragraph (2) or (3)''.

(c) AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940.—Section 9(b) of the Investment Company Act of 1940 (15 U.S.C. 80a–9(b)) is amended—

(1) in paragraph (4), by striking subparagraphs (A) through (C) and inserting the following:

''(A) made or caused to be made in any application for registration or report required to be filed with, or in any proceeding before, that foreign financial regulatory authority, any statement that was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or omitted to state in any application or report filed with, or in any proceeding before, that foreign financial regulatory authority any material fact that is required to be stated in the application, report, or proceeding;

''(B) violated any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade; or

''(C) aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade;'';

(2) in paragraph (5), by striking ''or'' at the end; and

(3) in paragraph (6), by striking the period at the end and inserting the following: ''; or

''(7) is subject to any order of a State securities commission (or any agency or office performing like functions), State authority that supervises or examines financial institutions, State insurance commission (or any agency or office performing like functions), or an appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) that—

''(A) bars such person from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, or banking; or

''(B) constitutes a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.''.

(d) CONFORMING AMENDMENTS.—

(1) MUNICIPAL SECURITIES DEALERS.—Section 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–4(c)) is amended—

(A) in paragraph (2), by striking ''act or omission'' and all that follows through the period and inserting ''act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4), has been convicted of any offense specified in section 15(b)(4)(B) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in section 15(b)(4)(C).''; and

(B) in paragraph (4), in the first sentence, by striking ''any act or omission'' and all that follows through the period and inserting ''or omitted any act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4), has been convicted of any offense specified in section 15(b)(4)(B) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in section 15(b)(4)(C).''.

(2) GOVERNMENT SECURITIES BROKERS AND DEALERS.—Section 15C(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(c)(1)) is amended—

(A) in subparagraph (A), by striking ''or omission enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting '', or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''; and

(B) in subparagraph (C), by striking ''or omission enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting '', or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''.

(3) CLEARING AGENCIES.—Section 17A(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78q–1(c)) is amended—

(A) in paragraph (3)(A), by striking ''any act enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting ''any act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''; and

(B) in paragraph (4)(C), in the first sentence, by striking ''any act enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting ''any act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''.

(4) STATUTORY DISQUALIFICATIONS.—Section 3(a)(39) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(39)) is amended—

(A) in subparagraph (B)(i), by striking ''order to'' and inserting ''order of''; and

(B) in subparagraph (F)—

(i) by striking ''any act enumerated in subparagraph (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting ''any act, or is subject to an order or finding, enumerated in subparagraph (D), (E), (G), or (H) of section 15(b)(4)'';

(ii) by striking ''subparagraph (B) of such paragraph (4)'' and inserting ''section 15(b)(4)(B)''; and

(iii) by striking ''subparagraph (C) of such paragraph (4)'' and inserting ''section 15(b)(4)(C)''.

(e) BROADENING OF PENNY STOCK BAR.—Section 15(b)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)(6)) is amended—

(1) in subparagraph (A)—

(A) by striking ''of any penny stock'' and inserting ''of any noncovered security'';

(B) by striking ''of penny stock'' and inserting ''of any noncovered security''; and

(C) in clause (i), by striking ''or omission enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of this subsection'' and inserting '', or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of paragraph (4)'';

(2) in subparagraph (B)—

(A) by striking ''an offering of penny stock'' each place it appears and inserting ''any securities offering''; and

(B) in clause (iii), by striking ''such a person'' and inserting ''a person as to whom an order under section 21(d)(5) or subparagraph (A) of this paragraph is in effect''; and

(3) by striking subparagraph (C) and inserting the following:

''(C) For purposes of this paragraph—

''(i) the term 'noncovered security' means any security other than those described in paragraphs (1) and (2) of section 18(b) of the Securities Act of 1933; and

''(ii) the term 'participation in an offering of noncovered securities'—

''(I) means acting as a promoter, finder, consultant, or agent, or engaging in activities with a broker, dealer, or issuer for purposes of the issuance of or trading in any noncovered security, or inducing or attempting to induce the purchase or sale of any noncovered security;

''(II) includes other activities that the Commission specifies by rule or regulation; and

''(III) excludes any person or class of persons, in whole or in part, conditionally or unconditionally, that the Commission, by rule, regulation, or order, may exclude.''.

(f) COURT AUTHORITY TO PROHIBIT OFFERINGS OF NONCOVERED SECURITIES.—Section 21(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended by adding at the end the following:

''(5) COURT AUTHORITY TO PROHIBIT PERSONS FROM PARTICIPATING IN OFFERING OF NONCOVERED SECURITIES.—

''(A) IN GENERAL.—In any proceeding under paragraph (1), the court may prohibit, conditionally or unconditionally, and permanently or for such period of time as it shall determine, any person that violated section 10(b) or the rules or regulations issued thereunder in connection with any transaction in any noncovered security from participating in an offering of a noncovered security.

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'noncovered security' means any security other than those described in paragraphs (1) and (2) of section 18(b) of the Securities Act of 1933; and

''(ii) the term 'participation in an offering of noncovered securities'—

''(I) means acting as a promoter, finder, consultant, or agent, or engaging in activities with a broker, dealer, or issuer for purposes of the issuance of or trading in any noncovered security, or inducing or attempting to induce the purchase or sale of any noncovered security;

''(II) includes other activities that the Commission specifies by rule or regulation; and

''(III) excludes any person or class of persons, in whole or in part, conditionally or unconditionally, that the Commission, by rule, regulation, or order, may exempt.''.

(g) BROADENING OF OFFICER AND DIRECTOR BAR.—Section 21(d)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(2)) is amended—

(1) by striking ''of this title or that'' and inserting '', that''; and

(2) by striking ''of this title if'' and inserting '', or the securities of which are quoted in any quotation medium, if''.

(h) VIOLATIONS OF COURT ORDERED BARS.—

(1) IN GENERAL.—Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended by adding at the end the following:

''(i) BAR ON PARTICIPATION.—It shall be unlawful for any person, against which an order under paragraph (2) or (5) of subsection (d) is in effect, to serve as officer, director, or participant in any offering involving a noncovered security (as defined in subsection (d)(5)(B)) in contravention of such order.''.

(2) CONFORMING AMENDMENT.—Section 21(d)(3)(D) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(D)) is amended by inserting ''or relating to a violation of subsection (i) of this section,'' before ''each separate''.

MARRIAGE PENALTY TAX RELIEF ACT

WELLSTONE AMENDMENTS NOS. 3879–3880

Mr. REID (for Mr. WELLSTONE) proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3879

At the end, add the following:

SEC. ___. SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE PAYMENTS RESULTING FROM THE BALANCED BUDGET ACT.

(a) FINDINGS.—The Senate finds the following:

(1) Since its passage, the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251) has drastically cut payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in the areas of hospital services, home health sevices, skilled nursing facility services, and other services.

(2) While the reductions were originally estimated at around $100,000,000,000 over 5 years, recent figures put the actual cuts in payments under the medicare program at over $200,000,000,000.

(3) These cuts are not without consequence, and have caused medicare beneficiaries with medically complex needs to face increased difficulty in accessing skilled nursing care. Furthermore, in a recent study on home health care, nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(4) In the area of hospital care, a 4 percentage point drop in rural hospitals' inpatient margins continues a dangerous trend that threatens access to health care in rural America.

(5) With passage of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–372), as enacted into law by section 1000(a)(6) of Public Law 106–113, Congress and the President took positive steps toward fixing some of the Balanced Budget Act of 1997's unintended consequences, but this relief was limited to just 10 percent of the actual cuts in payments to provider caused by the Balanced Budget Act of 1997.

(6) Expeditious action is required to provide relief to medicare beneficiaries and health care providers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) by the end of the 106th Congress, Congress should revisit and restore a substantial portion of the reductions in payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to providers caused by enactment of the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251); and

(2) if Congress fails to restore a substantial portion of the reductions in payments under the medicare program to health care providers caused by enactment of the Balanced Budget Act of 1997, then Congress should pass legislation that directs the Secretary of Health and Human Services to administer title XVIII of the Social Security Act as if a 1-year moratorium for fiscal year 2001 were placed on all reductions in payments to health care providers that were a result of the Balanced Budget Act of 1997.

AMENDMENT NO. 3880

At the end, add the following:

SEC. ___. SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE PAYMENTS RESULTING FROM THE BALANCED BUDGET ACT OF 1997.

(a) FINDINGS.—The Senate finds the following:

(1) Since its passage, the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251) has drastically cut payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in the areas of hospital services, home health sevices, skilled nursing facility services, and other services.

(2) While the reductions were originally estimated at around $100,000,000,000 over 5 years, recent figures put the actual cuts in payments under the medicare program at over $200,000,000,000.

(3) These cuts are not without consequence, and have caused medicare beneficiaries with medically complex needs to face increased difficulty in accessing skilled nursing care. Furthermore, in a recent study on home health care, nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(4) In the area of hospital care, a 4 percentage point drop in rural hospitals' inpatient margins continues a dangerous trend that threatens access to health care in rural America.

(5) With passage of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–372), as enacted into law by section 1000(a)(6) of Public Law 106–113, Congress and the President took positive steps toward fixing some of the Balanced Budget Act of 1997's unintended consequences, but this relief was limited to just 10 percent of the actual cuts in payments to provider caused by the Balanced Budget Act of 1997.

(6) Expeditious action is required to provide relief to medicare beneficiaries and health care providers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that by the end of the 106th Congress, Congress should revisit and restore a substantial portion of the reductions in payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to providers caused by enactment of the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251).

LOTT AMENDMENTS NOS. 3881–3882

Mr. NICKLES (for Mr. LOTT) proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3881

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Marriage Tax Relief Reconciliation Act of 2000''.

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by adding ''or'' at the end of subparagraph (B);

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.''; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income amount in the 15-percent rate bracket, the minimum and maximum taxable income amounts in the 28-percent rate bracket, and the minimum taxable income amount in the 31-percent rate bracket in the table contained in subsection (a) shall be the applicable percentage of the comparable taxable income amounts in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable

percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0.

''(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS;'' before ''ADJUSTMENTS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 32(b) of the Internal Revenue Code of 1986 (relating to percentages and amounts) is amended—

(1) by striking ''AMOUNTS.—The earned'' and inserting ''AMOUNTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the earned''; and

(2) by adding at the end the following new subparagraph:

''(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,500.''.

(b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of section 32(j) of such Code (relating to inflation adjustments) is amended to read as follows:

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

''(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

''(ii) in the case of the $2,500 amount in subsection (b)(2)(B), by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) of such section 1.''.

(c) ROUNDING.—Section 32(j)(2)(A) of such Code (relating to rounding) is amended by striking ''subsection (b)(2)'' and inserting ''subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 5. PRESERVE FAMILY TAX CREDITS FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on tax liability; definition of tax liability) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(3) Section 904 of such Code is amended by striking subsection (h) and by redesignating subsections (i), (j), and (k) as subsections (h), (i), and (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 6. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all amendments made by this Act which are in effect on September 30, 2005, shall cease to apply as of the close of September 30, 2005.

(b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUBSEQUENT LEGISLATION.—The amendments made by sections 2, 3, 4, and 5 of this Act shall not apply to any taxable year beginning after December 31, 2004.

AMENDMENT NO. 3882

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Marriage Tax Relief Reconciliation Act of 2000''.

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by adding ''or'' at the end of subparagraph (B);

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.''; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:Q02

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income amount in the 15-percent rate bracket, the minimum and maximum taxable income amounts in the 28-percent rate bracket, and the minimum taxable income amount in the 31-percent rate bracket in the table contained in subsection (a) shall be the applicable percentage of the comparable taxable income amounts in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0.

''(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS;'' before ''ADJUSTMENTS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 4. PRESERVE FAMILY TAX CREDITS FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on tax liability; definition of tax liability) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(3) Section 904 of such Code is amended by striking subsection (h) and by redesignating subsections (i), (j), and (k) as subsections (h), (i), and (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 5. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all amendments made by this Act which are in effect on September 30, 2005, shall cease to apply as of the close of September 30, 2005.

(b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUBSEQUENT LEGISLATION.—The amendments made by sections 2, 3, and 4 of this Act shall not apply to any taxable year beginning after December 31, 2004.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Thursday, July 20, 2000, at 10 a.m. in room 485 of the Russell Senate Building to conduct a hearing on the S. 2688, the native American Languages Act Amendments Act of 2000.

Those wishing additional information may contact committee staff at 202/224–2251.