S. 800

At the request of Mr. HARKIN, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 800, a bill to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to reauthorize and improve the safe routes to school program.

S. 838

At the request of Mr. TESTER, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 838, a bill to amend the Toxic Substances Control Act to clarify the jurisdiction of the Environmental Protection Agency with respect to certain sporting good articles, and to exempt those articles from a definition under that Act.

S. 906

At the request of Mr. WICKER, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 906, a bill to prohibit taxpayer funded abortions and to provide for conscience protections, and for other purposes.

S. 946

At the request of Mr. BAUCUS, the name of the Senator from New Mexico (Mr. UDALL) was added as a cosponsor of S. 946, a bill to establish an Office of Rural Education Policy in the Department of Education.

S. 954

At the request of Mr. LUGAR, the name of the Senator from Florida (Mr. RUBIO) was added as a cosponsor of S. 954, a bill to promote the strengthening of the Haitian private sector.

S. 979

At the request of Mr. DURBIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 979, a bill to designate as wilderness certain Federal portions of the red rock canyons of the Colorado Plateau and the Great Basin Deserts in the State of Utah for the benefit of present and future generations of people in the United States.

S. 996

At the request of Mr. ROCKEFELLER, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 996, a bill to amend the Internal Revenue Code of 1986 to extend the new markets tax credit through 2016, and for other purposes.

S. 1000

At the request of Mrs. SHAHEEN, the name of the Senator from Delaware (Mr. COONS) was added as a cosponsor of S. 1000, a bill to promote energy savings in residential and commercial buildings and industry, and for other purposes.

S. 1009

At the request of Mr. RUBIO, the names of the Senator from New Hampshire (Ms. AYOTTE), the Senator from Wyoming (Mr. BARRASSO), the Senator from Oklahoma (Mr. COBURN), the Senator from Wisconsin (Mr. JOHNSON), the Senator from Utah (Mr. LEE), the Senator from Louisiana (Mr. VITTER) and the Senator from Kentucky (Mr. PAUL) were added as cosponsors of S. 1009, a bill to rescind certain Federal funds identified by States as unwanted and use the funds to reduce the Federal debt.

S. 1014

At the request of Mrs. FEINSTEIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1014, a bill to provide for additional Federal district judgeships.

S. RES. 180

At the request of Mr. LIEBERMAN, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. Res. 180, a resolution expressing support for peaceful demonstrations and universal freedoms in Syria and condemning the human rights violations by the Assad regime.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS ON MAY 17, 2011

By Mr. INHOFE:

S. 1007. A bill to amend the Internal Revenue Code of 1986 to eliminate the taxable income limit on percentage depletion for oil and natural gas produced from marginal properties; to the Committee on Finance.

Mr. INHOFE. Mr. President, I would like to announce the reintroduction of a bill to amend the Internal Revenue Code to eliminate the taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.

Since 1926 small producers and millions of royalty owners have had the option to utilize percentage depletion to both simplify their accounting methodology and to account for the decline in the value of minerals produced from a property. Percentage depletion is particularly important to America's 611,000 low-volume marginal wells. The average marginal well produces barely 2 barrels per day, yet cumulatively they account for nearly 28 percent of domestic production in the lower 48 States. Since every on-shore natural gas and oil well eventually declines into marginal production, the economic life span and corresponding production of all wells is extended by allowing the use of percentage depletion.

Until 1998, the deduction marginal producers could take from percentage depletion was limited to 100 percent of taxable income from each individual property. Many producers, however, specialize in marginally producing wells and have many properties operating simultaneously. Naturally, some wells in a producer's portfolio are more productive than others. Some would have depletion rates greater than 100 percent of taxable income, while others would have depletion rates lower than the limit. Removing the taxable income limitation allows producers to take percentage depletion deductions on a portfolio-wide basis, which makes their entire operation more efficient.

Since 1998, Congress has understood this fact and has suspended the limitation. Unfortunately, the provision has never been made permanent. It has just been extended year after year as part of the Tax Extenders Package. Since we have had this suspension on the books for more than a decade, I think it is time to give producers the predictability they need by making this common sense tax accounting provision permanent.

At a time when our unemployment rate is at 9 percent, we need to be doing everything we can to encourage economic growth. The energy industry is a major contributor to our economy, and it has a lot of room to grow. The Congressional Research Service recently released a report that says the United States has the most energy potential under its soil than any other country on earth. Hiding beneath our soil are jobs, wealth, and lower deficits. We should allow this sector to grow. This is a common sense, easy way to do this, so I urge swift passage.

By Mr. INHOFE:

S. 1008. A bill to amend the Internal Revenue Code of 1986 to permanently extend the depreciation rules for property used predominantly within an Indian reservation; to the Committee on Finance.

Mr. INHOFE. Mr. President, I would like to bring to your attention a bill I am reintroducing that would make permanent the current tax provision that allows capital assets on Indian lands to be depreciated on an accelerated schedule.

For many years, the Federal tax code has provided an incentive for businesses to invest in operations on Indian reservations and lands across the country. According to the law, businesses that purchase capital equipment and use it on Indian lands will be able to depreciate it, on average, more than 40 percent faster than would otherwise be allowed.

This tax provision is important to Oklahoma because of our longstanding history and unique relationship with Indian tribes. In light of the weak and ongoing economic recovery, we need to be doing all that we can to encourage businesses to reinvest in and expand their operations. This alone is what will create sustainable job growth.

The accelerated depreciation schedule helps do that by giving businesses the opportunity to recover investment dollars in capital assets more rapidly. This frees up capital and allows companies to reinvest that money more quickly than would have otherwise been possible. This is money that would have been tied up in the value of their capital assets, things like buildings, equipment, and machinery.

According to the Oklahoma Department of Commerce, 96 companies in Oklahoma announced $1.7 billion of investments during the 2009–2010 period, creating an estimated 10,500 jobs. The trickledown effect of these investments is strong: 12,000 additional jobs and additional capital stock investments of over $200 million. Companies enjoyed at least $50 million in economic incentives as a direct result of the accelerated depreciation schedule.

The Oklahoma Department of Commerce has also reported that many companies attribute this provision as a key reason for relocating to and expanding within the State. One Oklahoma food processing plant manager recently stated that the credit was a significant factor in the company's decision to expand. Had the credit not been there, the business may not have expanded, and the unemployment rate would be worse than it is today.

The accelerated schedule is currently allowed, but the law states that it will expire at the end of this year. While the provision has typically been renewed each year, many business leaders have expressed concern that it is not permanent. I can understand why. As a former businessman myself, I understand the problem of unpredictability. More and more, unpredictability is the most serious concern I hear of from Oklahoma's business leaders. They are frustrated that many government policies, ranging from environmental regulations to the tax code, are changing so dramatically that they have no way of estimating how the new regulations will impact their businesses. How do you expect anyone to make investment decisions in that kind of environment? Businesses need stability, and this is particularly true during times of economic weakness. We in Congress should take this point seriously, and we can take a step in the right direction by making permanent this important tax provision. I urge swift passage.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KOHL (for himself and Mr. ENZI):

S. 1020. A bill to amend the Internal Revenue Code of 1986 to modify the rules relating to loans made from a qualified employer plan, and for other purposes; to the Committee on Finance.

Mr. KOHL. Mr. President, today I am introducing the Savings Enhancement by Alleviating Leakage in 401(k) Savings Act of 2011, otherwise known as the SEAL 401(k) Savings Act. This bill, which I introduce together with my friend Senator MIKE ENZI, will reduce leakage from retirement plans and help ensure that retirement savings in defined contribution plans last throughout retirement.

With the recent shift from defined benefit retirement savings plans to 401(k)-type defined contribution plans, many Americans are now responsible for making the proactive decision to save for their retirement. These decisions include how much to save and where to invest their savings. Meanwhile, they also must resist the urge to tap into their savings in times of hardship through withdrawals and loans.

During these difficult economic times, we are increasingly seeing 401(k) funds being treated as rainy day funds, as participants take out withdrawals and loans. According to a recent study by Aon Hewitt, as of the end of 2010, about 28 percent of active participants in defined contribution plans had an outstanding loan. This is a record high. Withdrawals from defined contribution plans also have increased since the 2008 financial crisis. This leakage from these plans can significantly reduce workers' savings and put their retirement security at risk.

To determine how to best tackle the issue of leakage from retirement plans, the Special Committee on Aging, of which I chair, held a hearing in July 2008 entitled, ''Saving Smartly for Retirement: Are Americans Being Encouraged to Break Open the Piggy Bank?.'' The Committee also requested a GAO report entitled, ''401(k) Plans: Policy Changes Could Reduce the Long-term Effects of Leakage on Workers' Retirement Savings,'' which was released in August 2009.

The SEAL 401(k) Savings Act builds on the recommendations the Committee received from witnesses during our hearing and from the GAO and would reduce leakage and increase retirement savings. First, the bill would extend the time workers have to repay loans. When an employee with a 401(k) plan loan loses his job, he generally is put to the choice of defaulting on his outstanding loan and incurring tax penalties or immediately repaying the entire outstanding loan balance. Paying back a loan after just losing your job can be difficult so our bill would give people more time.

While having access to a loan in an emergency is an important feature for many participants, a 401(k) savings account should not be used as a piggy bank for revolving loans. Also, the administrative burden of managing multiple loans for a few individuals can increase the costs for all workers in a plan. The SEAL Act reduces the overall number of loans that participants can take to three at one time. Currently employers determine the number of loans available, and many employers, like the Federal Thrift Savings Program, have chosen to restrict the number of loans to reduce leakage and overall cost.

The bill also would allow 401(k) participants to continue to make additional contributions during the 6 months following a hardship withdrawal. Currently, after an employee takes a withdrawal from a 401(k) plan due to a hardship, he or she is prohibited from making contributions to the plan and all other plans maintained by the employer for at least six months. This loss of both employee contributions and company matching contributions during this period can exacerbate the long-term negative effects on retirement savings.

Finally, the bill would ban products that promote leakage, such as the 401(k) debit card. By offering a 401(k) debit card, plans send the message that it is okay to use your retirement savings for every day purchases, despite the fact that the high fees associated with its use will drastically diminish their savings.

I look forward to working with my colleagues to pass this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1020

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Savings Enhancement by Alleviating Leakage in 401(k) Savings Act of 2011'' or the ''SEAL 401(k) Savings Act''.

SEC. 2. EXTENDED ROLLOVER PERIOD FOR THE ROLLOVER OF PLAN LOAN OFFSET AMOUNTS IN CERTAIN CASES.

(a) IN GENERAL.—Paragraph (3) of section 402(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) ROLLOVER OF CERTAIN PLAN LOAN OFFSET AMOUNTS.—

''(i) IN GENERAL.—In the case of a qualified plan loan offset amount, paragraph (1) shall not apply to any transfer of such amount made after the due date (including extensions) for filing the return of tax for the taxable year in which such amount is treated as distributed from a qualified employer plan.

''(ii) QUALIFIED PLAN LOAN OFFSET AMOUNT.—For purposes of this subparagraph, the term 'qualified plan loan offset amount' means a plan loan offset amount which is treated as distributed from a qualified employer plan to a participant or beneficiary solely by reason of—

''(I) the termination of the qualified employer plan, or

''(II) the failure to meet the repayment terms of the loan from such plan because of the separation from service of the participant (whether due to layoff, cessation of business, termination of employment, or otherwise).

''(iii) PLAN LOAN OFFSET AMOUNT.—For purposes of clause (ii), the term 'plan loan offset amount' means the amount by which the participant's accrued benefit under the plan is reduced in order to repay a loan from the plan.

''(iv) LIMITATION.—This subparagraph shall not apply to any plan loan offset amount unless such plan loan offset amount relates to a loan to which section 72(p)(1) does not apply by reason of section 72(p)(2).

''(v) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' has the meaning given such term by section 72(p)(4).''.

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 402(c)(3) of the Internal Revenue Code of 1986 is amended by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''.

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

SEC. 3. MODIFICATION OF RULES GOVERNING HARDSHIP DISTRIBUTIONS.

Not later than 1 year after the date of the enactment of this Act, the Secretary of the