Senator BAUCUS, in the agreement we on the table.

Mr. REID. She has waited around here all day to speak on LIHEAP. Why not limit her time to 5 minutes; that should be adequate.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 841), as amended, was agreed to.

The amendment (No. 862) was agreed to.

The amendment (No. 841), as amended, was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TAX RELIEF, SIMPLIFICATION, AND EQUITY ACT OF 2003

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 1308.

The legislative clerk read as follows:

A bill (H.R. 1308) to amend the Internal Revenue Code of 1986 to end certain abusive tax practices, to provide tax relief and simplification, and for other purposes.

AMENDMENT NO. 862

(Purpose: In the nature of a substitute)

Mr. GRASSLEY. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GRASSLEY], for himself, Mrs. LINCOLN, Ms. SNOWE, Mr. BAUCUS, Mr. Voinovich, Ms. Murkowski, Mr. WARNER, Mr. STEVENS, and Ms. LANDRIEU, proposes an amendment numbered 862.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is printed in today's Record under "Text of Amendments."
many of our rural States that is an awful lot when they travel for miles to get from their homes to their jobs. It is so important for all of us to recognize that these taxes these individuals are paying are in equal proportion, many times to many of the other people in different income and tax brackets, but these are taxes that never see cuts. Rarely do we see a cut in a sales tax or in the payroll tax, certainly, or in the State and local sales tax. In the excise taxes? We don’t see cuts in these areas.

Therefore, it is so important that we provide the kind of assistance we can for these working families, to make sure they are going to be able to help stimulate this economy and certainly to help strengthen our country.

The news reports that followed the passage of the tax bill noted that families do receive a check of $400 in July. But they did neglect to mention those 12 million children who would not get those checks so please know that today we are recognizing it is not only an important issue to deal with, providing these 12 million children the kind of resources they need in their families to grow strong, to learn the values that let them to learn, to become good citizens and leaders and workers in this great Nation, but we are also recognizing the fairness of this issue in a timely way.

I encourage my colleagues in the House in that they have that same opportunity to recognize this is a timely issue. If we want these working families to have that same benefit, to be able to receive that tax credit, that child benefit credit in the same timely way that other individuals will receive that tax relief, then we have to do it immediately. We do have to move forward quickly.

I encourage my colleagues in the House to really take to heart the immediate need and help us move it forward quickly. The passage of this provision today is the first step in ensuring those 12 million children will also get that $400 check, or whatever check they are entitled to—and it might be more—in July, at the same time others do. Time is definitely of the essence. I call on the Members of the other body to act quickly on this bill and ensure that all of our working families will benefit.

The uniform definition of the child, as I have mentioned, through Chairman Grassley’s efforts and certainly those of many others, Senator HATCH and Senator BAUCUS, is a great inclusion in this measure.

In short, this is a targeted tax provision to help working families. It is what I have argued since we began this round of tax discussions in January, and I hope we can continue in that vein.

People ask, why is it so important? For me, that question is a very easy one to answer. Nearly half of the taxpayers in Arkansas have adjusted gross incomes of less than $20,000. Arkansas families were among some of the hardest hit when the refundable portion of the child credit was stripped from the bill. That is why it is important to me. It was important enough to bring up this issue and certainly to redress something that did not happen in that original tax reform framework.

Mr. President, 76,000 Arkansas families, 132,000 Arkansas children, were left behind in that final tax bill when it was signed. If that is not reason enough for me to care or to be persistent, I don’t know what is. I appreciate the accolades from my colleagues, but really what is more important—I think it is essential that we recognize, when we take actions such as the recent tax bill, there is a lot of importance in the details. We have to recognize that when we do not pay attention to the details, there are many individuals who get left behind, who are not going to receive those benefits.

This is one of those cases.

...so I say my this is not about trying to create more debt for these children who will also inherit that debt later on; this is about taking something we could have done and we didn’t, taking something we could do to get working families moving forward with the actions that will create that better circumstance for working families.

That is why I have been working so hard these past few weeks—and for the last 3 years—to see what it means to the families in Arkansas.

It is also important for all of us in the Senate, and in the Congress, as we move forward on very important legislation, such as the tax bill that was just signed into law, to put ourselves in the shoes of these families. We talk about raising our children. We talk about raising our children.

We talk about what it takes to create a family atmosphere that is focused on values, that is focused on work, that is focused on compassion and being part of a community, reaching out to one another. It means, too, that each of us has to recognize all of our families are faced with different circumstances, whether it is military personnel stationed in Iraq and leaving a wife and two children at home; whether it is a schoolteacher or a firefighter; whether it is a police officer, many of whom fall into this category that was left out—these who are stationed abroad and protecting our very freedoms. So it is so critical we put ourselves in their shoes and better understand what it is they are doing for their families.

I have a good opportunity because when I take care of my family, I try to stop and think: Are there other mothers out there doing the same thing I am? Is it any different for a mother who is in the Senate than it is for a mother who is making $20,000, when you go to the store and you have to spend that week’s paycheck on blue jeans and tennis shoes, a set of tires to make your automobile safe to get your children to and from school?

There is not a lot of a difference, regardless of who you are. Giving these individuals the ability to take care of those family needs is critical.

We have not even talked about the aspect of how this can be a stimulative partner in what this overall tax bill was meant to do. It was meant to stimulate the economy. Why do we want to stimulate the economy anyway? We want to stimulate the economy because we want to strengthen our country, because we believe in this country and we believe in what makes up this country. There is no better place to look, in order to do that, than the American family.

I encourage my colleagues today for recognizing that there are a world of families out there we can help today—mothers and fathers, working hard, playing by the rules at their jobs. They are not eligible for these credits unless they are working, unless they are bringing home earning, and unless they have children.

There is a whole group of individuals we could help here by giving them the opportunity to give something back to the country that is in need of this economy. Who else is going to be there to purchase the majority of items that will spur our economy and spur those companies that need to be driven?

In conclusion, I applaud all of my colleagues. This has been a unified effort among many people to try to do the right thing. I think, after all, that is what we are here in the Senate to do—the right thing on behalf of the working families of this great Nation. Thank you, Mr. President.

The PRESIDENT PRO Tempore. Who yields time?

Mr. GRASSLEY. Mr. President, I yield the Senator from Oklahoma 5 minutes.

The PRESIDENT PRO Tempore. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I am going to vote against this amendment.

I want to state a few things. I would like to correct the Record and state a few things I have here that we say this provision was left out of the tax bill and it therefore left low-income people without any benefits from President Bush’s tax cut. That is factually inaccurate. The fact is that in the year 2001 we passed a tax bill, and many of the people who complained mostly about this provision voted against the 2001 bill and the 2003 bill. Now they come back and say: You didn’t do enough in this one category.

We did a lot for low-income people. We reduced the tax rate from 15 percent to 10 percent. And we did it retroactively, well after we passed the bill.
We reduced that rate by a third—15 percent to 10 percent—and did it retroactively. We reduced every other rate on the books by 1 percentage point. I just mention that. We did a lot.

We increased the standard deduction by 20 percent. We increased the child tax credit from $500 to $1,000. It was $600. In the 2003 bill which the President just signed, we made it $1,000. That benefits families. It disproportionately benefits low-income people. We took millions of people off the tax rolls. They didn’t have to pay taxes as a result of the fact that we reduced rates. And we passed tax credits. After we passed tax credits, millions of people who were taxpayers were no longer taxpayers.

Then we get into the issue of refundability. We already have an unearned income tax credit, which is one of the most plagued, inaccurate programs we have in the Federal Government. It is about a $30 billion-a-year program. Its error rate is in the 20–some-odd percent range. About a fourth of it is in error. There is a lot of fraud. There are a lot of inaccuracies. People claim children they don’t have so they can get a bigger refund. Maybe some of it was inaccurate and maybe some if it was on purpose.

Some people say the Bush tax cut didn’t benefit low-income families. That is factually incorrect. Let me give you an example. Before the Bush tax cut, if you had a low-income couple and both made minimum wage with a combined income of $21,000, they had a standard deduction of $7,900; their taxable income is $850 at 15 percent tax; their income tax was $128; and for their able income is $850 at 15 percent tax; the lower 50 percent of the income tax bracket pay 5 percent of the tax. Yet some people say that is not progressive enough; that we need to have Uncle Sam write bigger checks to people even in multiples of their payroll taxes and income taxes combined—not equal to, not balancing out payroll taxes, but we want to write them in multiples.

Part of this amendment says let us increase the refundability far in excess of payroll and income taxes. I don’t support that theory. That was in fact in the 2001 bill. Part of the tax bill we agreed to said we would have a percent—lower 20–some-odd percent. And, oh yes, in the year 2005, we would make that 15 percent.

The amendment on which we are going to vote would accelerate that reduction to 15 percent immediately. That would probably happen. It could have happened. It actually passed the Finance Committee and passed the floor of the Senate. Had we had greater support for the bill, it could have been in the conference report.

I hope before final passage, we can make the child credit permanent. I hope when the bill comes back from conference, we will make permanent a $1,010 tax credit for all individuals. Then we can make this change in addition.

I ask unanimous consent that the information titled “Family of Four With Two Minimum Wage Workers” be printed in the RECORD, along with the “Child Credit/EIC Effect on Tax Burden” information.

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

![Table]

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<tr>
<td>Payroll tax</td>
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<tr>
<td>Net Refund in Excess of All Taxes</td>
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1 Percent.

Staff estimates based on 2003 tax parameters, June 4, 2003.
The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. I yield the Senator from Texas 2 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I am certainly going to support this bill and this vehicle. But I did hold it up for a few hours because I am concerned that we are not able to put marriage penalty relief in a permanent position on this bill. However, I have an agreement with the majority leader that he will bring it up this year. Working with the distinguished chairman of the committee, and hopefully with the ranking member, we must fix the marriage penalty.

What we have today is a situation in which we relieve the marriage penalty for 2 years, then for 4 years it comes back, then 2 years later it goes away, and then it comes back for good. This is outrageous. Our married couples do not need a rubber band; they need a Band-Aid. They need to be able to know that when they get married, it is not going to cost them $1,200 a year.

Two Navy lieutenants will lose more than $1,500 a year if the marriage penalty goes away in 2 years; two Army warrant officers will lose $852 a year. This is not right. I have the commitment from leadership that we will take up and fix this year that fixes this inequity, and I hope there will be a bipartisan effort. We cannot let people be unsure about their marriage penalty relief.

I thank the distinguished chairman of the Finance Committee and ask him if he will work with me to ensure that we take this up this year so we can get on and fix the child tax credit. Next on the agenda I hope will be marriage penalty relief.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I was a party to the conversation with the majority leader and the Senator from Texas. She has accurately stated what was discussed at that meeting. I will try my darnedest to fulfill it.

Mrs. HUTCHISON. Thank you, Mr. President. I appreciate it very much. We will have marriage penalty relief permanent this year. And we will have child tax credit relief permanent, I hope, in the very near future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield the Senator from Maine 2 minutes.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I thank Chairman GRASSLEY for all of his efforts and endeavors to move quickly to address this omission in the growth package that passed the U.S. Congress recently. I appreciate the fact that he has worked hard to assist us in reaching an agreement on this vital issue.

I also express my appreciation to the Senator from Montana, Mr. BAUCUS, in making the difference in bridging all of the efforts to reach this decision today in passing this legislation.

I especially thank my colleague, Senator LINCOLN, who has been a champion in this fight, both in the Senate Finance Committee on this issue and also on the refundability issue back in the 2001 tax cut, in which we included a refundable provision for the child tax credit. She certainly has been a strong ally and supporter, and I appreciate all of the efforts she has been involved in to make sure this accelerated refundability is a reality.

I am pleased to have worked with all of my colleagues on this issue. I know it was not easy. There are differences on both sides with respect to some of these issues. But I think in the final analysis we are addressing an inequity that existed in the tax package that we passed in the Congress a few weeks ago. I think this agreement ultimately closes the fairness gap in economic relief for working American families. It ensures that 6.5 million families who were left out of the jobs and growth package enacted this year will now benefit from the child tax credit. And by acting so quickly, it will also ensure that these families will share in the rebate checks that qualifying families will receive in August under the growth package.

This means 12 million children in low-income families will have the benefit of tax relief under the growth package. I think this is vitally important in redressing this wrong, in making sure we provide the kind of tax relief for those families.

Now, I heard here that working families don’t shoulder the burden in the Federal Tax Code, but that isn’t true. They do pay taxes. They pay payroll taxes. In fact, payroll taxes have become an inordinate burden on working families.

The agreement ensures that 6.5 million low-income families who would have been left out of the jobs and growth packages enacted this month will now benefit from the child tax credit. And by acting quickly, it ensures these families will also share in the rebate checks qualifying families will receive in August under the growth package.

This agreement would not have been possible without the tenacious leadership of Senate Majority Leader Frist, and Minority Leader Daschle, who kept negotiations on track so the Senate could complete work this week. So I deeply appreciate their efforts.

I thank my colleague, Senator LINCOLN, who has been a tireless champion in this fight. From the time I first offered the refundable child tax credit to the 2001 tax bill, Senator LINCOLN has been a strong ally and supporter, and we worked together again this year to include refundability in the Finance Committee-passed growth package. Over the past week I have been proud to work with her once again to ensure families omitted from the child credit would receive the refundable credit they deserve.

I thank Finance Chairman GRASSLEY, who quickly stepped forward last week to address this omission from the jobs and growth package, and has worked so graciously with Senator LINCOLN and me to achieve this agreement. He and Ranking Member BAUCUS have made the difference in bridging differences over this legislation, and we appreciate their sincere efforts.

Today we join to finish the job that Senator LINCOLN and I started in 2001. At the signing of the Economic Growth and Tax Relief Reconciliation Act of 2001, which included the newly created partially refundable child tax credit, I wholeheartedly agreed with the President when he remarked that:

‘Tax relief is a great achievement for the American people... tax relief is an achievement for families struggling to enter the middle class... (and) tax relief is compassionate and it is now on our way.’

Those are the same reasons we introduced a bill along with Senators JOHN WARNER, JACK REED, JIM JEFFORDS, and others to ensure that we are as
compassionate today about our tax relief as we were then. This bill is responsible because it is fully offset, and it makes sense because it brings relief to working families while helping our economy.

The Lincoln-Snowe bill incorporated in this package makes the child tax credit refundable for families earning between $10,500 and $26,625, helping 12 million children—6.5 million families—and almost 73,000 children in my home State of Maine from nearly 44,000 families, who have received the full benefit under the original bill. But that is not all—in addition to helping working families we are also talking about military families, and this legislation will treat members of the military and their families more fairly as well. I know that as chair of the Senate Armed Services Committee, Senator WARNER was deeply concerned about omitting the one million children living in active duty military and military families. With this legislation, those families—including 900 in Maine—will now benefit from refundability. The bottom line is, these men and women have sacrificed for us, they deserve the credit—the child tax credit.

Our legislation would accelerate the refundable portion of the child tax credit under law from 10 to 15 percent retroactive beginning January 1 of this year. This would ensure the hardship working fathers and mothers in America, including members of the Armed Forces who earn less than $26,000 per year, will be able to benefit from the increase in the child tax credit that has just become law. It will also ensure the provision of the 2001 law that directly benefits them will also be accelerated as the law enacted last week accelerates all of the other child tax credit provisions.

I know some have said, this is tax relief for people who don't pay taxes. To that argument, I would point out two factors. First, the Federal income tax—while a large share of the tax burden facing Americans, are not the only taxes people pay. In fact, a larger tax burden on low-income workers is the payroll tax. The extent of this burden is exacerbated when one realizes that fully 33 percent of all jobs in my home State, for example, do not pay a livable wage.

Secondly, while I believe that all families could use a helping hand when it comes to paying for the rising costs of raising a family, once again, the children who would benefit from the enactment of this bill are children in working families—families that do pay taxes and are average Americans. I know that in these trying economic times, these people are struggling to get by.

Consider that, in order to be eligible for the partially refundable credit, a parent needs to surpass an income threshold that is currently at $10,500 per year. That means that a parent needs to work more than just a full-time minimum wage job. However, this provision benefits more than just minimum wage workers. This provision assists some of our younger families. For instance, the base pay for a first-year soldier is $15,000 and it affects workers in our health care and social service sectors, where, for instance, in Maine paramedics in 2001 were only making an average of $22,000, or where our home health aides were making only an average of $18,500 per year. These people are a critical part of our infrastructure and they deserve tax relief too.

That is why I was disappointed the conference chose to remove this provision from the jobs and growth package—a provision which was included in the bill both as it passed the Finance Committee, and when it was passed by the Senate. Today, we have the opportunity to take a step to correct this inequity.

This bill also addresses provisions included in Chairman GRASSLEY's proposal addressing the definition of a child in the Tax Code, and in addressing a marriage penalty under the original bill. The "uniform definition of a child" consolidates five separate definitions of a child in the Federal Tax Code, simplifying the law. As a result, more families will more easily qualify for the benefits they need and deserve.

Finally, the agreement will provide relief for married couples with children and also for couples under the existing child credit. Our agreement increases the threshold of the child tax credit for couples with children to $150,000.

Importantly—and in keeping with the principles that have guided me throughout the budget and tax process this year—our bill pays for this tax relief by extending custom user fees that will expire this year and would need to be extended anyway. And in doing so we are not growing our already ballooning national deficit. This is critical in ensuring we do not add the debt burden on the very children that will benefit from this bill.

Mr. President, Senate action today sends the message that relief for hard-working families won't take a back seat in America's tax code. It represents sound policy that Congress has already considered and adopted. It has the support of the White House, and I hope our colleagues in the House of Representatives will take it up and pass this agreement promptly so it can be signed into law.

Mr. LAUTENBERG. Mr. President, I rise to express my strong support for the Lincoln-Snowe amendment to H.R. 1508 to reinstate the child tax credit for low-income working Americans.

The House and the Senate went to conference on the reconciliation bill. For the public at large, when we talk about a reconciliation bill, it is kind of a mouthful. The House and Senate confer to get a bill together, with each side presenting the views of its Members. I am not sure I am making it more clear, but I want to make sure this is understood. When those conferences got together, they stripped out this tax credit for low-income working people. I thought that was a most outrageous act.

The Bush tax cut bill was already a hard sell to working families and threw token benefits to some others and virtually nothing to working people. Taking out the tax credit for families earning between $10,500 a year and $26,625 a year added outrage to an insult.

When the President was forced, as a result of the agreement in Congress, to reduce the tax cut to $350 billion, he and the House Republicans had to search for about $30 billion in "fat" to cut out of the bill to meet that target. Why didn't they slow down the reduction in the top rate? It is a pretty easy thing to do. What did they do instead? They went after low-income working families.

These are people who are working at or just above minimum wage. These are Americans who are feeding their families by laboring in cafeterias, cleaning offices, working late at night, working in the factories packing food or making clothing, working in retail chains and small stores across the country—jobs that are traditionally at the low end of the pay scale. These people work hard and are a significant part of our labor force.

I know there are those in the administration who do not have any idea what it is like to work for low wages and try to raise a family on them. I learned what it was like from my parents, who were brought here as child immigrants. They knew what it was like and I knew what it was like because my parents were poor. They worked hard and tried to give their children an example of hard work and to hold out ideals, even though there was little money.

The Lincoln-Snowe amendment is about restoring the American dream. It is about knowing that this country is a fair and honest place, where someone working over a minimum wage can live. It is about knowing that this Government and this Congress respect hard work and loyalty to families. The Bush tax bill telegraphed a terrible shift in the message our Government is sending to the country. Despite the overwhelming support of members of Congress across the aisle and the American people, President Bush and the House Republicans failed to support that contention to millions of hard-working Americans.

Why did they do it? Why did they drop a tax benefit that would have helped almost 12 million children who have low-income working parents? Why? The tax credit for hard-working minimum wage families was thrown overboard to make room for even more tax cuts for the highest income earners in the country. The tax credit to low-income families was $3.5 billion—not an insignificant sum by any means. But we could have found
more than that by nicking the reduction to the top income tax rate by just a little bit. This is the rate the people at the top of the income scale will pay. We are talking about people who make over $1 million a year. We are talking about the top 1 percent of the country, households with average incomes over $350,000 or so. These are the people who are going to profit most from the President’s tax cut. We are going to reduce the rate, the income tax rate that they pay too much.

If we only reduced that top rate to 35.3 percent instead of a flat 35 percent for the years 2003 through 2005, we would have saved $3.9 billion, and the cost of the tax credit for low-income families is $3.5 billion. That is a lot of money. But not in the context of a $350 billion tax cut package; it is only 1 percent. There would have been more than enough to save the child tax credit.

White House spokesmen repeatedly claimed that President Bush’s tax bill would provide a tax cut for every American taxpayer. But that was not true. The final bill left out 8 million working Americans and almost 12 million children. The wealthy certainly got their tax cut. It was approximately $90 billion in tax cuts over 10 years that will go to 200,000 households nationwide with annual incomes of $1 million or more. That is about $450,000 per household.

President Kennedy said, “To govern is to choose.” To give massive tax cuts to people who are already well off, and then tell hard-working, low-income families, “Sorry, there is nothing left for you.” is awful. That is not a choice I want America to make.

Fortunately, after some gentle pressure from the media and outraged constituents, the Republican majority has seen how egregious that plan was and they now support the Lincoln-Snowe amendment. I was disappointed that the President got away with saying that this plan was done and now we would move on to the next big package. But what we really needed to do was to streamline the tax code, something we should seek to do with every new tax law.

I am especially pleased that the House and Senate will pass important provisions in this Labor Tax and Opportunity Act. These will provide substantial relief to America’s working families. While this bill does not do everything that I would like to do to improve the child tax credit and truly make it available to all low-income working families, it is still a major improvement on the tax cuts enacted last month. I hope that all of my colleagues will support this bill and send the message that hard-working families who are struggling to make ends meet, that we are on their side. And I ask all of my colleagues to encourage the House of Representatives to act quickly on this bill so that the President can sign it into law as soon as possible.

Refund checks for the child tax credit increase are scheduled to be mailed this summer. If we act quickly we can ensure that an additional 8 million families will receive checks.

Mr. WASSERMAN SCHUTTLE. Mr. President, I am pleased to join Senator BLANCHE LINCOLN, D-AR, and Senator OLYMPIA SNOWE, R-ME, in proposing important bipartisan legislation to accelerate the refundable portion of the child tax credit to low-income families. As chairman of the Senate Armed Services Committee, I have a special obligation to look after the welfare of the young men and women of the U.S. Armed Forces, up to 200,000 of whom would be eligible for and deserve this tax credit.

Over the past few weeks, we in Congress, have worked hard to pass the economic stimulus package to promote visions to immediately increase the Child Tax Credit from $600 to $1,000 an important tax reform that we all support. However, the new law did not...
make the necessary technical changes in the refundability component which is necessary for certain low-income individuals to take advantage of the increase. I believe in providing fair and equitable tax relief to all Americans, especially to those raising children, our Nation's future.

Providing tax relief is an important bipartisan achievement. Now we must build on this accomplishment by correcting this oversight and ensure that these hard working families are not ineligible for needed benefit. The legislation I am cosponsoring will correct the inequity and provide low-income families, those who need it the most, the full tax credit.

The bill accelerates the refundable part of the new $1,000 child tax credit provision from 10 to 15 percent, so American families in the $10,500 to $26,625 income bracket, who were not included in the new tax law, would receive the same benefits as those families with other brackets.

The costs attributed to accelerating the child tax credit would be offset by closing corporate tax shelters. However, the important task before the Senate is to correct this oversight and provide equal treatment under the Tax Code.

It is my hope that we can pass either of these legislative proposals, or any other similar approach, to correct this inequity and provide equal treatment for American families trying to care for their children, using their resources as best they can, to provide fair and equal treatment under the Tax Code.

Mr. BAUCUS. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. Twenty-eight seconds to the Senator from Montana.

Mr. BAUCUS. Mr. President, I rise to support the bill offered by my good friend, the senior Senator from Arkansas, and my good friend from Maine, Senator SNOWE. Their legislation ensures that our military and low- and middle-income parents will receive a check from the child tax credit.

The legislation repairs the damage done by the majority in the tax bill conference. Senator LINCOLN was successful in getting this provision included in the $350 billion tax bill that passed the Finance Committee and the Senate. But the provision was specifically stripped out before passage of the final version of the $350 billion tax bill.

Let me give you some examples of who does not benefit from the tax bill that was signed into law by President Bush last week.

First, a 24-year-old single mom with one child. She works hard every day to put food on the table, buy clothes for her daughter, and ensure adequate childcare for her daughter while she is at work.

She makes $15,000 a year. She pays $1,150 per year in payroll taxes. She pays $1,150 in Federal taxes yet gets zero benefit from the recently enacted tax bill. She will not see any check this summer.

Taxes are taxes. I would like to see someone tell her that her payroll taxes are less of a burden to her than an equal amount of income taxes paid by Bill gates.

Senators LINCOLN and SNOWE fixed that problem. The fix means $225 in her pocket this summer.

She sees a big chunk of her paycheck every week getting paid to the Government. She also pays a lot of other taxes—including sales taxes, excise taxes, and property taxes. She deserves equal treatment.

My second example illustrates the impact for military families. The Department of Defense has estimated that there are approximately 192,000 military families who earn between $10,000 and $25,000. And most of those 192,000 military families will not receive any tax relief from the $350 billion tax bill.

To make matters worse, the families of military personnel who are stationed in combat zones are really left out of the big tax cut.

In my second example, a Marine gunnery sergeant with eight years service is stationed in Afghanistan for the last 6 months of 2002, and in Iraq from January through March of 2003. She has two children.

She receives an annual salary of $32,015 and hazardous duty pay of $150 per month. Because the income earned by our military while they are stationed in a combat zone is not included in taxable income, only $24,000 of her income is subject to tax. Under the bill that was passed last week, the check she gets this summer will only be $150.

I am pleased that at least she will see something. But if the Lincoln child tax credit had been preserved in the $350 billion tax bill, this Marine gunnery sergeant and her family would receive a check for $800 this summer just like the President has promised to other middle-income families. Unless we fix the problem, she will not see a dime of this.

The Lincoln/Snowe legislation ensures that we count a soldier’s combat zone compensation for purposes of the child tax credit, even though that income is excluded for purposes of the income tax.

These examples illustrate just how unfair the tax bill was.

The big tax bill was not fair to working families or our military personnel. Clearly, the benefits were skewed heavily to the elites of this country.

One of the beauties of America is that we work to treat people equally. But the $350 billion tax bill did not come close to treating all Americans equally. Simply put, it was not fair.

Instead, the choice was made to lower the tax for dividend and capital gains income, rather than extend the child tax credit to hard-working, low-income taxpayers.

The bill that returned from conference—the one that was signed into law—stripped out other provisions to provide tax relief to those serving our country in the armed services—those serving in Iraq, in Afghanistan, and all across the globe.

It is disturbing that we can pass this tax bill with all these benefits for the elite of our country. But the conferees specifically stripped out a provision that would exempt $6,000 of death benefit payments from income for our military families.

And, they specifically stripped out the child tax credit provision that put money into the hands of our military and lower and middle-income families.

There is no way around it. The big tax bill was simply unfair.

Senators LINCOLN and SNOWE are giving us the chance to right one of the wrongs—without increasing the deficit. Enactment of their legislation ensures that 12 million children are helped.

Without their legislation, the families of 8 million children will see absolutely no benefit from the increased child tax credit that was signed into law last week. These families will not receive any check this summer.

And, millions more families will see a check much smaller than the $400 promised.

In Montana, 54,000 kids—fully one-quarter of the children in Montana—will not benefit from the $350 billion tax bill. But the Lincoln/Snowe legislation would get a check out—this summer—of the working parents of thousands of Montana children.

Their legislation gets the child tax credit to millions of parents—without saddling their children with huge Government deficits—and without robbing the Social Security trust fund. They fix a $3.5 billion problem, and pay for it.

Unfortunately, some in the Republican leadership considered using this as an opportunity to spend another $130 billion on tax cuts. That was their idea of a ‘fix.’

Moreover, they did not intend to pay for these extra tax cuts. Instead they wanted our children and grandchildren and our Nation’s seniors to shoulder most of the burden.

In the past couple of days, we have been able to reach an agreement to correct the wrong created with the passage of the recent tax bill. I strongly support the Lincoln/Snowe child tax credit legislation. I urge my colleagues to stand united to get this legislation enacted into law this week. These families should not be asked to wait any longer.
They deserve to get their check this summer—just like all of the parents who were taken care of under the $350 billion tax bill.

And I might say, with regard to the 2001 tax bill, she deserves the lion's share of the credit for that bill.

Senator GRASSLEY, has been, as usual, just tremendous in championing this cause.

So I also thank Senator WARNER who focused on the impact of this bill on military families. In that respect, the bill will permit thousands of military families, especially those serving in combat zones, to benefit from the child credit. Without this provision in this pending measure, those military families would not get the benefit of the credit.

I also thank Senator WARNER who focused on the impact of this bill on military families. In that respect, the bill will permit thousands of military families, especially those serving in combat zones, to benefit from the child credit. Without this provision in this pending measure, those military families would not get the benefit of the credit.

Inhofe Nickles

The result was announced—yeas 94, nays 2, with 4 NOT VOTING.

Talent

The Amendment (No. 862) was agreed to.

Mrs. LINCOLN. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table. The motion to lay on the table was agreed to.

The PRESIDENT OFFICER (Mr. Sessions). Under the previous order, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time.

The PRESIDENT OFFICER. The bill, as amended, having been read the third time, the question is, Shall it pass?

The bill (H. R. 1308), as amended, was passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 1308) entitled (An Act to amend the Internal Revenue Code of 1986 to end certain abusive tax practices, to provide tax relief and simplification, and for other purposes), do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Relief for Working Families Tax Act of 2003".

TITLE I—CHILD TAX CREDIT

SEC. 101. ACCELERATION OF INCREASE IN REFUNDABILITY OF THE CHILD TAX CREDIT.

(a) ACCELERATION OF REFUNDABILITY.—

(1) IN GENERAL.—Section 24(d)(1)(B) of the Internal Revenue Code of 1986 (relating to portion of credit refundable) is amended by striking "10 percent in the case of taxable years beginning before January 1, 2001".

(2) ADVANCE PAYMENT.—Subsection (b) of section 6429 of such Code (relating to advance payment of portion of increased child credit for 2001) is amended—

(a) ACCELERATION OF REFUNDABILITY.—

(1) IN GENERAL.—Section 24(d)(1)(B) of such Code is amended by adding at the end the following new sentence: "For purposes of subparagraph (B), any amount from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.".

(b) EFFECTIVE DATES.—

(1) SUBSECTIONS (a)(1) and (a)(3).—The amendments made by subsections (a)(1) and (a)(3) shall apply to taxable years beginning after December 31, 2002.

(2) SUBSECTION (a)(2).—The amendments made by subsection (a)(2) shall take effect as if included in the amendments made by section 101 of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

SEC. 102. REDUCTION IN MARRIAGE PENALTY IN CHILD TAX CREDIT.

(a) IN GENERAL.—Section 24(b)(2)(A) of the Internal Revenue Code of 1986 (defining threshold amount) is amended—
(1) by inserting "($115,000 for taxable years beginning in 2008 or 2009, and $150,000 for taxable years beginning in 2010)" after "$100,000," and

(2) by striking "$55,000" in subparagraph (C) and inserting "1/2 of the amount in effect under subparagraph (A),".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 103. APPLICATION OF EQUITABLE TO THIS SECTION.

Each amendment made by this title shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provisions of such Act to which such amendment relates.

TITLE II—UNIFORM DEFINITION OF CHILD

SEC. 201. UNIFORM DEFINITION OF CHILD, ETC.

Section 152 of the Internal Revenue Code of 1986 is amended to read as follows:

"SEC. 152. DEPENDENT DEFINED.

"(a) IN GENERAL.—For purposes of this sub- title, the term 'dependent' means—

"(1) a qualifying relative,

"(2) a qualifying child.

"(b) EXCEPTIONS.—For purposes of this sec- tion—

"(1) DEPENDENTS INELIGIBLE.—If an indi- vidual is a dependent of a taxpayer for any taxable year of such taxpayer beginning in a calendar year, such individual shall be treated as having no dependents for any taxable year of such individual beginning in such calendar year.

"(2) MARRIED DEPENDENTS.—An individual shall not be treated as a dependent of a taxpayer under subsection (a) if such individual has made a joint return with the individual's spouse under section 6013 for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

"(3) CITIZENS OR NATIONALS OF OTHER COUN- TRIES.—(A) IN GENERAL.—The term 'dependent' does not include an individual who is not a citizen or national of the United States unless such individual is a resident of the United States or a country contiguous to the United States.

"(B) EXCEPTION FOR ADOPTED CHILD.—Sub- paragraph (A) shall not exclude any child of a taxpayer (within the meaning of subsection (f)(1)(B) from the definition of dependent if—

"(i) for the taxable year of the taxpayer, the child's place of abode is the home of the taxpayer, and

"(ii) the taxpayer is a citizen or national of the United States.

"(c) QUALIFYING CHILD.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualifying child' means, with respect to any taxpayer for any taxable year, an individual—

"(A) who bears a relationship to the taxpayer described in paragraph (2),

"(B) who has the same principal place of abode as the taxpayer for more than one-half of such taxable year, and

"(C) who meets the age requirements of para- graph (3),

"(D) who has not provided over one-half of such individual's own support for the calendar year in which the taxable year of the taxpayer begins.

"(2) RELATIONSHIP TEST.—For purposes of paragraph (1)(A), an individual bears a relationship to the taxpayer described in this para- graph if such individual is—

"(A) a child of the taxpayer or a descendant of such a child, or

"(B) a brother, sister, stepbrother, or stepsister of the taxpayer or a descendant of any such relative.

"(3) AGE REQUIREMENTS.—For purposes of paragraph (1)(C), an individual meets the requirements of this paragraph if such individual—

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

"(ii) is a student who has not attained the age of 24 as of the close of the calendar year.

"(B) SPECIAL RULE FOR DISABLED.—In the case of an individual who is permanently and totally disabled (as defined in section 223(c)(2)(A) at any time during the taxable year, such individual shall be treated as met with respect to such individual.

"(4) SPECIAL RULE RELATING TO 2 OR MORE QUALIFYING CHILD.—

"(A) IN GENERAL.—Except as provided in sub- paragraph (B) and subsection (e), if (but for this paragraph) an individual may be and is claimed as a qualifying child by 2 or more taxpayers for a taxable year beginning in the same calendar year, such individual shall be treated as the qualifying child of the taxpayer who is—

"(i) a parent of the individual, or

"(ii) if clause (i) does not apply, the taxpayer with the highest adjusted gross income for such taxable year.

"(B) MORE THAN 1 PARENT CLAIMING QUALI- Fying CHILD.—If the parents claiming any qualifying child do not file a joint return to- gether, such child shall be treated as the quali- fying child of—

"(i) the parent with whom the child resided for the longest period of time during the taxable year, or

"(ii) if the child resides with both parents for the same amount of time during such taxable year, the parent with the highest adjusted gross income.

"(C) QUALIFYING RELATIVE.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualifying rela- tive' means, with respect to any taxpayer for any taxable year, an individual—

"(A) who bears a relationship to the taxpayer described in paragraph (2),

"(B) whose gross income for the calendar year in which such taxable year begins is less than the exemption amount (as defined in section 151(d)),

"(C) with respect to whom the taxpayer pro- vides over one-half of the individual's support for the calendar year in which such taxable year begins, and

"(D) who is not a qualifying child of such taxpayer (for any other taxpayer for any taxable year beginning in the calendar year in which such taxable year begins.

"(2) RELATIONSHIP.—For purposes of para- graph (1)(A), an individual bears a relationship to the taxpayer described in this paragraph if the individual is any of the following with re- spect to the taxpayer—

"(A) a child, a descendant of a child,

"(B) a brother, sister, stepbrother, or stepsister,

"(C) the father or mother, or an ancestor of either,

"(D) a stepfather or stepmother,

"(E) a son or daughter of a brother or sister of the taxpayer,

"(F) a brother or sister of the father or moth- er of the taxpayer,

"(G) a son-in-law, daughter-in-law, father-in- law, mother-in-law, brother-in-law, or sister-in-law,

"(H) an individual (other than an individual who at any time during the taxable year was the spouse of the taxpayer) who has not provided over one-half of the support of the taxpayer described in section 7703, of the taxpayer) who, for the taxable year of the taxpayer, has as such individual's principal place of abode the home of the taxpayer and in a household of the taxpayer described in section 7703; or

"(I) an individual described in section 7703, of the taxpayer who, for the taxable year of the taxpayer, has as such individual's principal place of abode the home of the taxpayer and in a household described in section 7703; or

"(J) an individual described in section 7703, of the taxpayer who, for the taxable year of the taxpayer, has as such individual's principal place of abode the home of the taxpayer and in a household described in section 7703;

"(2) SPECIAL RULE RELATED TO MULTIPLE SUPPORT AGREEMENTS.—For purposes of para- graph (1)(C), over one-half of the support of an individual for a calendar year shall be treated as received from the taxpayer if—

"(A) no one person contributed over one-half of such support who was treated as a qualifying child under this paragraph for the calendar year,

"(B) over one-half of such support was received from 2 or more persons each of whom, but for the fact that any such person alone did not contribute over one-half of such support, would have been entitled to claim such individual as a dependent for a taxable year beginning in such calendar year.

"(C) the taxpayer contributed over 10 percent of such support, and

"(D) such person described in subparagraph (B) (other than the taxpayer) who contributed over 10 percent of such support files a written declaration (in such manner and form as the Secretary may by regulations prescribe) that such person will not claim such individual as a dependent for any taxable year beginning in such calendar year.

"(3) SPECIAL RULE RELATING TO INCOME OF HANdICAPPED DEPENDENTS.—

"(A) IN GENERAL.—For purposes of paragraph (1)(B), the gross income of an individual who is permanently and totally disabled (as defined in section 223(c)(2) at any time during the taxable year shall not include income attributable to services performed by the individual at a sheltered workshop if—

"(i) the availability of medical care at such workshop is the principal reason for the individ- ual's presence there, and

"(ii) the income arises solely from activities at such workshop which are incident to such medical care.

"(B) SHELTERED WORKSHOP DEFINED.—For purposes of subparagraph (A), the term 'sheltered workshop' means a school—

"(i) which provides special instruction or training designed to alleviate the disability of the individual, and

"(ii) which is operated by an organization described in section 501(c)(3) and exempt from tax under section 501(a), or by a State, a possession of the United States, any political subdivision of any of the foregoing, the United States, or the District of Columbia.

"(3) SPECIAL SUPPORT TEST IN CASE OF STU- DENTS.—For purposes of paragraph (1)(C), in the case of an individual who is—

"(A) a child of the taxpayer, and

"(B) a student,

"(i) amounts received as scholarships for study at an educational organization described in section 170(b)(1)(A)(i)(II) shall not be taken into account in determining whether such individual received more than one-half of such individual's support from the parent, and

"(ii) the income arises solely from activities at such school which are incident to such educational purposes.

"(4) SPECIAL RULES FOR SUPPORT.—For pur- poses of this subsection—

"(A) payments to a spouse which are includ- ed in the gross income of the spouse under section 71 or 682 shall not be treated as a payment by the payor spouse for the support of any dependent,

"(B) amounts expended for the support of a child or children shall be treated as received from the noncustodial parent (as defined in subsection (e)(2)(B)) to the extent that such parent provided amounts for such support, and

"(C) in the case of the remarriage of a parent, support of a child received from the parent's spouse shall be treated as received from the parent.

"(5) SPECIAL RULE FOR DIVORCED PARENTS.—

"(1) IN GENERAL.—Notwithstanding subsection (e)(2)(B), if—

"(A) a child receives over one-half of the child's support during the calendar year from the child's parents—

"(B) the child is a child of the taxpayer, and

"(C) the child is separated under a written sepa- ration agreement, or

"(3) who live apart at all times during the last 6 months of the calendar year, and

"(B) such child is in the custody of 1 or both of the child's parents for more than 1/2 of the calendar year,

"(2) RELATIONSHIP.—For purposes of paragraph (1)(C), an individual bears a relationship to the taxpayer described in this paragraph if the individual is—

"(A) a child of the taxpayer or a descendant of such a child, or

"(B) a brother, sister, stepbrother, or step- sister of the taxpayer or a descendant of any such relative.

"(3) AGE REQUIREMENTS.—For purposes of paragraph (1)(C), an individual meets the requirements of this paragraph if such individual—
“(2) REQUIREMENTS.—For purposes of para- 
graph (1), the requirements described in this 
paragraph are met if—

(A) a decree of divorce or separate mainte-
nance, or a legal separation agreement between the 
parents applicable to the taxable year begin-
in such calendar year provides that—

(i) the noncustodial parent shall be entitled to 
any income allowance under section 151 for 
such child, or

(ii) the custodial parent will sign a written 
description in such manner and form as the Secre-
tary may prescribe) that such parent will 
not claim such child as a dependent for such 
taxable year, and

(B) in the case of such an agreement exe-
uted before January 1, 1986, the noncustodial 
parent provides at least $600 for the support of 
such child during such calendar year.

(3) PLACE OF ABODE.—For purposes of this 
section—

(A) CUSTODIAL PARENT.—The term ‘custodi-
al parent’ means the parent with whom a child 
shared the same principal place of abode for the 
greater portion of the calendar year.

(B) NONCUSTODIAL PARENT.—The term ‘non-
custodial parent’ means the parent who is not 
the custodial parent.

(4) EXCEPTION FOR MULTIPLE-SUPPORT 
AGREEMENTS.—This subsection shall not apply 
in any case where over one-half of the support of 
such child has been received from a taxpayer under the provision of sub-
section (d)(3).

(f) OTHER DEFINITIONS AND RULES.—For 
purposes of this section—

(1) CHILD DEFINED.—

(A) IN GENERAL.—The term ‘child’ means an 
individual who is—

(i) a son, daughter, stepson, or stepdaughter 
of the taxpayer, or

(ii) an eligible foster child of the 
taxpayer.

(B) IN GENERAL.—In determining whether 
any of the relationships specified in subpara-
graph (A)(i) or paragraph (4) exists, a legally 
adopted individual of the taxpayer, or an indi-
vidual who is placed with the taxpayer by an 
authorized placement agency for adoption by 
the taxpayer, shall be treated as a child of such 
individual by blood.

(C) ELIGIBLE FOSTER CHILD.—For purposes of 
paragraph (A)(ii), the term ‘eligible foster child’ means an individual who is placed 
with the taxpayer by an authorized placement agen-
cy or court of competent jurisdiction on an on-farm 
training under the supervision of an accredited 
agent of an educational organization described in 
section 170(b)(1)(A)(iii), or

(B) is pursuing a full-time course of institu-
tional on-farm training under the supervision of 
an accredited agent of an educational organiza-
tion described in section 170(b)(1)(A)(iii), or of 
a State or political subdivision of a State.

(3) PLACE OF ABODE.—An individual shall 
not be treated as having the same principal 
place of abode if at any time during the taxable year of the taxpayer the rela-
tionship between the individual and the tax-
payer is in violation of local law.

(4) BROTHER AND SISTER.—The terms ‘broth-
er’ and ‘sister’ include a brother or sister by 
the same principal place of abode as the taxpayer for more than 
one-half of the portion of such year before the 
date of the kidnapping, 

shall be treated as meeting the requirement of subsec-
tion (c)(1)(B) with respect to a taxpayer for 
at least one-half of such taxable year during the 
period that the individual is treated as having been 

(B) PURPOSES.—Subparagraph (A) shall 
apply solely for purposes of determining—

(i) the deduction under section 151(c),

(ii) the credit under section 24 (relating to 

child tax credit),

(iii) whether an individual is a surviving 
spouse of a deceased taxpayer (as such terms are defined in section 2), and

(iv) the earned income credit under section 
32.

(C) COMPARABLE TREATMENT OF CERTAIN 
QUALIFYING RELATIVES.—For purposes of this 
section, a child of the taxpayer—

(i) who is presumed by law enforcement au-
torities to have been kidnapped by someone 
who is not a member of the family of such child or the 
taxpayer, and

(ii) who was (without regard to this para-
graph) a qualifying relative of the taxpayer for the portion of the taxable year before the date of the 
kidnapping,

shall be treated as a qualifying relative of the 
taxpayer for all taxable years ending during the 
period that the child is kidnapped.

(D) TERMINATION OF TREATMENT.—Subpara-
graphs (A) and (B) shall cease to apply as of the 
first taxable year of the taxpayer beginning after the calendar year in which there is a de-
termination that the child is dead (or, if earlier, in which the child has attained age 18)

(6) CROSS REFERENCES.—

"For provision treating child as dependent of 
both parents for purposes of certain provi-
sions, see sections 105(b), 132(b)(2)(B), and 
213(d)(5)."

SEC. 202. MODIFICATIONS OF DEFINITION OF 
HEAD OF HOUSEHOLD.

(a) HEAD OF HOUSEHOLD.—Clause (i) of sec-
tion 2(b)(1)(A) of the Internal Revenue Code of 1986 is amended to read as follows:

"(i) a qualifying child of the individual (as 
defined in section 152(c), determined without re-

gard to section 152(e)), but not if such child—

(1) is married at the close of the taxpayer’s 
taxable year, and

(2) is not a dependent of such individual by 
reason of section 152(b)(2) or 152(b)(3), or both, 
or

(b) CONFORMING AMENDMENTS.—

(1) Section 2(b)(2) of the Internal Revenue 
Code of 1986 is amended by striking subpara-
graph (A) and by redesignating subparagraphs 
(B), (C), (D), and (E) as subparagraphs (A), (B), 
(C), and (D), respectively.

(2) Clauses (i) and (ii) of section 2(b)(3)(B) 
of such Code are amended to read as follows:

"(i) subparagraph (B) of section 152(d)(2), or 

(ii) paragraph (3) of section 152(d)."

SEC. 203. MODIFICATIONS OF DEPENDENT CARE 
CREDIT.

(a) IN GENERAL.—Section 21(e)(5) of the 
Internal Revenue Code of 1986 is amended by 
inserting “(5) TREATMENT OF MISSING 
CHILDREN.—

(3) PLACE OF ABODE.—For purposes of sub-
paragraph (A), the requirements of section 
152(c)(1)(B) shall be met if only the principal 
place of abode is in the United States.

(D) IDENTIFICATION REQUIREMENTS.—

(i) IN GENERAL.—A qualifying child shall not be 
taken into account under subsection (b) un-
less the taxpayer includes the name, age, and 
TIN of the qualifying child on the return of tax 
for such taxable year.

(ii) OTHER METHODS.—The Secretary may 
prescribe other methods for providing the infor-
mation described in clause (i).

(b) CONFORMING AMENDMENTS.—

(1) Section 21(e)(1) of the Internal Revenue 
Code of 1986 is amended by striking subpara-
graph (C) and by redesignating subparagraphs 
(D), (E), (F), and (G) as subparagraphs (C), (D), 
(E), and (F), respectively.

(2) Section 21(e)(4) of such Code is amended 
by striking “(3)(D)” and inserting “(3)(C)”.

(3) Section 21(e)(5) of such Code is amended 
by striking “(3)(C)” and inserting “subsections 
(c)(1)(E)”.

SEC. 206. MODIFICATIONS OF DEDUCTION FOR 
PERSONAL EXEMPTION FOR DE-
PENDENTS.

Subsection (c) of section 151 of the Internal 
Revenue Code of 1986 is amended to read as fol-

dows:

“(c) ADDITIONAL EXEMPTION FOR DEPEND-
ENTS.—An exemption of the exemption amount 
for an individual who is a dependent (as de-

fined in section 152) of the taxpayer for the tax-
able year.”

SEC. 207. TECHNICAL AND CONFORMING AMEND-
MENTS.

(1) Section 2(a)(1)(B)(ii) of such Code is 
amended by inserting “, determined without re-
gard to subsections (b)(1), (b)(2), and (d)(1)(B) 
thereof” after “section 152(e).” 

(2) Section 21(e)(5) of the Internal Revenue 
Code of 1986 is amended.
(A) by striking “paragraph (2) or (4) of” in subparagraph (A), and
(B) by striking “within the meaning of section 152(e)(1)” and inserting “as defined in section 152(e)(1)”.
(3) Section 21(e)(6)(B) of such Code is amended by striking “section 151(c)(3)” and inserting “section 152(c)(3)”.
(4) Section 25B(c)(2)(B) of such Code is amended by striking “151(c)(4)” and inserting “152(c)(4)”.
(5) Subparagraphs (A) and (B) of section 51(a)(1) of such Code are each amended by striking “paragraphs (1) through (8) of section 152(a)” both places it appears and inserting “subparagraphs (A) through (G) of section 152(d)(2)”.
(6) Section 51(a)(1)(C) of such Code is amended by striking “152(a)” and inserting “152(d)(2)”.
(7) Section 72(t)(2)(A)(iii) of such Code is amended by striking “151(c)(3)” and inserting “152(c)(3)”.
(8) Section 42(o)(3)(D)(ii) of such Code is amended by inserting “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152(2)”.
(9) Sections (b) and (c)(1) of section 105 of such Code are amended by inserting “, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof” after “section 152(2)”.
(10) Section 120(d)(4) of such Code is amended by inserting “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152(2)”.
(11) Section 125(e)(1)(D) of such Code is amended by inserting “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152(2)”.
(12) Section 126(c)(2) of such Code is amended by striking “152(c)(3)” and inserting “152(f)(1)”.
(13) The first sentence of section 126(b)(2)(B) of such Code is amended by striking “151(c)(3)” and inserting “152(f)(1)”.
(14) Section 133 of such Code is amended by striking paragraph (1) and by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.
(15) Section 170(g)(1) of such Code is amended by inserting “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152(2)”.
(16) Section 170(g)(3) of such Code is amended by striking paragraphs (1) through (8) of section 152(a) and inserting “subparagraphs (A) through (G) of section 152(d)(2)”.
(17) Section 213(a) of such Code is amended by inserting “, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof” after “section 152(2)”.
(18) The second sentence of section 213(d)(11) of such Code is amended by striking “paragraphs (1) through (8) of section 152(a)” and inserting “subparagraphs (A) through (G) of section 152(d)(2)”.
(19) Section 228(d)(2)(A) of such Code is amended by inserting “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152(2)”.
(20) Section 221(d)(4) of such Code is amended by inserting “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152(2)”.
(21) Section 236(b)(2)(B) of such Code is amended by striking paragraph (1) through (8) of section 152(a) and inserting “subparagraphs (A) through (G) of section 152(d)(2)”.
(22) Section 252A(f)(2)(B) of such Code is amended by striking “section 151(c)(4)” and inserting “section 152(f)(4)”.
(23) Section 2517(b)(2)(B) of such Code is amended by inserting “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152(2)”.

Amend the title so as to read: “An Act to amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes.”

THE PRESIDING OFFICER. Under the previous order, the amendment to the title is agreed to.

The title was amended so as to read: “A bill to amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes.”

ENERGY POLICY ACT OF 2003—CONTINUED

THE PRESIDING OFFICER (Mr. CHAMBLISS). The Senator from Colorado.

Mr. CAMPBELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

THE PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today’s Record under “Text of Amendments.”)

Mr. CAMPBELL. Mr. President, it is an indisputable fact that Indian country contains some of the richest energy resources in the Americas.

Given the extent of the economic deprivation in Indian country and the vast potential wealth residing in energy resources which could ameliorate this deprivation, it has long been a puzzle to me why these resources have not been more fully developed.

The answer lies partly in the fact that energy resource development is by its very nature capital intensive. Most tribes do not have the financial resources to fund extensive energy projects on their own and so must partner with private industry, or other outside entities, by leasing out their energy resources for development in return for royalty payments.

The unique legal and political relationship between the United States and Indian tribes sometimes makes this leasing process cumbersome.

As with most Indian law and policy, history plays an important part. Towards the end of the 19th Century, Indian tribes were forcibly removed to isolated areas and reservations where it was believed they would not hinder the westward expansion of a new and growing country.

The natural resources contained on these lands were taken into trust by the Federal Government to be administered for the benefit of Indian tribes. The original reason for the trust was the belief that Indians were incapable and incompetent of administering such resources, and would be susceptible to land and resource predators.

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