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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. ROGERS of Kentucky).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 20, 2017.

I hereby appoint the Honorable HAROLD ROGERS to act as Speaker pro tempore on this day.

PAUL D. RYAN,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2017, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties. All time shall be equally allocated between the parties, and in no event shall debate continue beyond 9:50 a.m. Each Member, other than the majority and minority leaders and the minority whip, shall be limited to 5 minutes.

HONORING THE LIFE OF JOHN B. ANDERSON

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. KINZINGER) for 5 minutes.

Mr. KINZINGER. Mr. Speaker, I rise today to honor the life and legacy of the Honorable John B. Anderson and pay tribute to a man who inspired many to serve.

On December 3, 2017, John Anderson passed away at the age of 95. In mourning his death, I send my condolences to his wife, Keke, and the entire Anderson family.

A native of Rockford, Illinois, John Anderson attended Rockford Central High School and graduated from the University of Illinois in 1939. Before representing Illinois' 16th District in the House of Representatives, the district that I now proudly represent, John Anderson answered the call to serve as a staff sergeant in the United States Army.

He left law school in 1943 to enlist, and bravely served his country through the end of World War II. A decorated war veteran, John Anderson was honored with four battle stars for valor in combat.

Upon returning home to Rockford, John finished his law degree at the University of Illinois, and then went to Harvard to earn his master of laws degree. A few years later, he joined the Foreign Service and worked in Germany for the United States High Commissioner.

After returning home to Rockford, he was elected as Winnebago County State's Attorney in 1956. Shortly after, he joined the primary race for Congress and went on to win the House seat in 1960.

For 10 terms, John Anderson represented the 16th Congressional District of Illinois. He was on the powerful Rules Committee and held firm to his fiscally conservative values. He believed in a smaller and more accountable government, and he wasn't afraid to speak up for it.

His servant leadership and love of country earned him the chairmanship of the House Republican Conference, ranking third in House leadership. This esteemed position eventually led to his run for President.

John Anderson believed that his job was worth giving up in order to set a better example of realism in politics. As a community and as a country, we are better for his candor, his focus, and his honesty.

To this day, John's pragmatic approach and self-awareness continue to inspire many and greatly impact my service here in Congress.

Mr. Speaker, John Anderson dedicated his life to serving our Rockford community and this great Nation, and he served us proudly. After his political career, he continued to serve by becoming a visiting professor at several universities across the country.

On behalf of the 16th Congressional District of Illinois, we salute the service of our fallen leader, friend, neighbor, and dedicated civil servant. It is my hope that his legacy will continue to inspire generations to come and that his impact will never be forgotten.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 1, TAX CUTS AND JOBS ACT

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 115–476) on the resolution (H. Res. 668) providing for consideration of the Senate amendment to the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, which was referred to the House Calendar and ordered to be printed.

REMEMBER OUR MILITARY PERSONNEL THIS CHRISTMAS SEASON

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. THOMPSON) for 5 minutes.

Mr. THOMPSON of Pennsylvania. Mr. Speaker, as individuals across the country travel near and far to be with loved ones this holiday season, I ask that we remember our military personnel who will not be surrounded by family and friends this Christmas. Instead, our military men and women

will be stationed all over the world to protect and defend the United States of America.

There are about 1.3 million military personnel on Active Duty who serve in more than 170 countries. While it is not easy to be away from family, it is especially difficult during the holidays.

But, Mr. Speaker, events like American Red Cross' Holiday Mail for Heroes card-signing campaign lets our troops know that we are keeping them in our thoughts and prayers. Since 2007, the Holiday Mail for Heroes program has provided Americans the opportunity to extend holiday greetings, expressions of gratitude, and well wishes to servicemembers, veterans, and their families. Last year, the Red Cross distributed thousands of cards to troops across the globe.

As we are extending our support to military personnel serving overseas, the Marine Corps Reserve is giving back to those who are less fortunate right here in our own backyard. Toys for Tots, which was founded in 1947 by Reservist Major Bill Hendricks, collects new, unwrapped toys each year and distributes them as Christmas gifts to children in need. As of 2016, Toys for Tots collected and distributed more than 512 million toys to less fortunate children.

That kind of selflessness truly embodies the spirit of Christmas.

Mr. Speaker, we cannot forget to honor our fallen heroes this Christmas season. One of our finest holiday traditions that honors our fallen servicemembers took place last Saturday: Wreaths Across America.

Many Americans can recall the iconic photograph of wreaths on the tombstones at Arlington National Cemetery. Snow blankets the ground. Red ribbons adorn the balsam wreaths, which lay on rows of tombstones as far as the eye can see.

This annual tribute began in 1992 by a Maine wreathmaker named Morrill Worcester, who donated 5,000 wreaths to Arlington National Cemetery in honor of our fallen heroes.

Today, Wreaths Across America has grown into a national organization. A total of 1.2 million wreaths were placed on markers across the country in more than 1,200 locations, with more than 200,000 at Arlington National Cemetery alone. The mission is to remember, honor, and teach. Morrill describes the wreaths as a symbol of honor, respect, and victory.

As we celebrate with our loved ones, let us remember all of our military men and women, especially those we lost in service to this Nation. Thank you to Morrill and to all the volunteers who honor their memory.

Mr. Speaker, I thank all of our troops serving at home and overseas. I wish them a Merry Christmas and a happy New Year.

Merry Christmas and God bless America.

DISTRICT ATTORNEY BIVENS RETIREMENT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Tennessee (Mr. KUSTOFF) for 5 minutes.

Mr. KUSTOFF of Tennessee. Mr. Speaker, I rise today to honor a great west Tennesseean and a dear friend of mine, District Attorney General Phil Bivens.

After more than 25 remarkable years, Phil Bivens is retiring from his post as district attorney general of Tennessee's 29th judicial district, which covers both Dyer and Lake Counties.

Since 1992, Phil Bivens has been the consistent voice of law and order in his community. District Attorney General Bivens is a lifelong resident of Dyer County and a graduate of the University of Tennessee at Martin and the University of Memphis School of Law.

Throughout his career as a prosecutor, District Attorney General Bivens has handled some incredibly important cases and has earned a reputation for being fair, honest, and by the book.

In 2016, District Attorney General Bivens was elected to the executive committee for the Tennessee District Attorneys General Conference. Serving in this respected leadership role, he has advised the Tennessee General Assembly on issues related to the criminal justice system.

When I was the United States Attorney for the Western District of Tennessee, I also served Dyer and Lake Counties, so we worked together very closely. We worked together to tackle dangerous crimes and drug crimes. Most recently, District Attorney General Bivens has been instrumental in combating the growing opioid crisis that is hurting west Tennessee and certainly the entire country. During our time together, I saw firsthand District Attorney General Bivens' strong work ethic and dedication to making west Tennessee a safer place. He is a true public servant.

In addition to being known as a prosecutor, he is also the voice of the Dyersburg High School football team. District Attorney General Bivens spends Friday nights calling some of the most thrilling high school football games in the Nation.

In summary, District Attorney General Bivens is a real west Tennessee legend. While he may soon no longer be our district attorney general, I know that he will never stop working to make his community a better place, just as he has his entire life. I will always be grateful for the time that we worked together.

I wish Phil Bivens; his wife, Barbara; and their whole family the best as they begin their next exciting chapter.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 10 a.m. today.

Accordingly (at 9 o'clock and 11 minutes a.m.), the House stood in recess.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 a.m.

PRAYER

The Chaplain, the Reverend Patrick J. Conroy, offered the following prayer:

Lord of Heaven and Earth, we give You thanks for giving us another day.

Darkness descends upon us as the days grow shorter, and the cold chastens us to withdraw inside. Be for us the light we long for. The very promise of change creates expectation.

By the first hints of Your dawn, banish all fear and hesitation. May those who live on the margins of America's rich blessings have peace and prosperity too.

Because You are always faithful, strengthen us with Your mighty arm, that this Congress may be unified in lifting Your people to renewed hope.

May all that is done in the people's House be for Your greater honor and glory.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. THOMPSON of Pennsylvania. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

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

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

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

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Florida (Ms. ROS-LEHTINEN) come forward and lead the House in the Pledge of Allegiance.

Ms. ROS-LEHTINEN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 20, 2017.

Hon. PAUL D. RYAN,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on December 20, 2017, at 1:18 a.m.:

That the Senate recede from its amendment with a further amendment H.R. 1.

That the Senate passed with an amendment H.R. 695.

With best wishes, I am

Sincerely,

KAREN L. HAAS.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain up to five requests for 1-minute speeches on each side of the aisle.

COMMENDING JARROD DAVIS FOR HIS EAGLE SCOUT PROJECT

(Mr. THOMPSON of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON of Pennsylvania. Mr. Speaker, I rise today to commend Jarrod Davis, of Blossburg, Pennsylvania, for his Eagle Scout project in honor of our Nation's veterans.

Jarrod, the grandson of a World War II veteran, wanted his Eagle Scout project to benefit veterans, so he began working in the spring on a reflection project outside the Veterans Center in Charleston Township, in Tioga County.

He collected donations to assist with establishing a flagpole, black metal benches, and a monument. At the project's completion, he donated the remaining funds to the Veterans Affairs Outreach Fund.

Jarrod worked with 10 volunteers on the project for 3 months, and he spent about 80 hours working on his Eagle Scout project. The flagpole and the reflection area were finished on April 21.

Jarrod, who graduated from North Penn-Liberty High School in June, now works at Sullivan Farms in Mainesburg. His project was dedicated earlier this month, on the 76th anniversary of Pearl Harbor Day on December 7.

Mr. Speaker, I am so proud of Jarrod, his patriotism, and his respect for those who serve. I wholeheartedly commend Jarrod Davis on this outstanding project.

CONFRONTING THE GUN VIOLENCE EPIDEMIC

(Mr. QUIGLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUIGLEY. Mr. Speaker, it has been 5 years since 20 children were senselessly murdered in the Sandy Hook massacre. And while we will never forget the young lives we lost that day, we must also remember that this tragic, life-altering and life-robbing epidemic continues to impact thousands of other families across the country.

Two weeks ago, I had the honor of meeting the parents of Alexandria Burgos. On October 19, 2014, Alexandria was picking up her brother from a friend's house when her life was cut short by a stray bullet shot through an apartment window. She was 18 years old. She worked with kids at the local YMCA and hoped to be a social worker after graduating from college.

Like her parents, I am telling her story to push the conversation forward, the conversation that includes thoughts and prayers, but also must lead to action.

Alexandria's story and the pain felt by her loved ones is something that far too many have had to endure in this country. Let 2018 be the year that we do more than reflect on the lives we have lost and finally step up to find the courage to confront gun violence.

OBSTRUCTION OF A DEA INVESTIGATION INTO HEZBOLLAH

(Mr. PITTENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTENGER. Mr. Speaker, I rise to express my outrage at a detailed report by Politico which included testimony that President Obama and his administration obstructed a major DEA investigation into Hezbollah when they wanted to secure the Iran deal. These revelations are shocking and infuriating but, regrettably, not surprising. This is the same administration that sent $1.7 billion in cash ransom to Iran.

According to the DEA, Hezbollah was operating a global criminal enterprise worth over $1 billion, annually. They were selling drugs and running arms as a means of funding their terrorist activities.

A major DEA-led task force called Cassandra had procured mounting and incriminating evidence against them. Yet, according to senior Treasury and Defense officials, the Obama administration consistently obstructed and stonewalled the investigation in order to protect the Iran deal.

In essence, it seems President Obama and his administration were so focused on striking a deal with Iran that they let a major global terror group off the hook, even though the terror group was involved in global drug trafficking and sent massive amounts of cocaine and other drugs to our American communities.

I have sent this letter to Chairman GOWDY, urging an immediate investigation into this matter.

THIS IS THE WRONG DIRECTION AND THE WRONG BILL

(Mr. KILDEE asked and was given permission to address the House for 1 minute.)

Mr. KILDEE. Mr. Speaker, yesterday, on the floor of this House and, I guess, again today, there will be a vote on this massive tax cut targeted to people at the very top, targeting big cuts for corporations.

Like many Members on this side of the aisle, I welcome the opportunity to do comprehensive, real tax reform. And for a long time, the discussion in this body and around the country was about the need to lower the rates and broaden the base and eliminate some of those loopholes that allow some corporations to get away with paying literally no taxes at all. But instead of doing that, what we saw was a massive shift of the responsibility to fund the government away from people at the top to people who work hard every day.

There are many examples of how we could have done this better. There was a lot of discussion on the Senate side about the child tax credit. But why did we end up with a child tax credit that rewards a minimum wage family with about $75 a year, when somebody making $400,000 would get $4,000? I mean, is the life of a child of a family making a half a million dollars worth that much more?

This is the wrong direction. This is the wrong bill. We should reject it.

CELEBRATING THE CAREER OF DORIS JACKSON

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I rise to celebrate the career of Doris Jackson, who will be retiring after more than 33 years of service to the U.S. House of Representatives. Doris began working as a cashier in the Cannon Cafe in 1980 and eventually became a supervisor.

After more than three decades, there have been many changes as Members and staff have come and gone, but Doris' smile has remained ever present. I know that I speak for every Member, staffer, and intern who has had the privilege of knowing Doris when I say that we will miss her witty sense of humor and her willingness to give encouragement to everyone she meets.

In retirement, Doris plans to spend more time with family, especially her grandchildren, and to stay active in her community by volunteering at her church.

Mr. Speaker, Doris has dedicated her life to serving us as we strive to serve our constituents. On behalf of our congressional family, I wish Doris the best of luck in the next exciting chapter in her life.

Congratulations, Doris.

LAYING DOWN A MARKER

(Mr. HASTINGS asked and was given permission to address the House for 1 minute.)

Mr. HASTINGS. Mr. Speaker, yesterday, I witnessed, as did all of us, the jubilation of my friends, the Republican majority, in passing the tax cut measure that had been advocated as tax reform for a substantial period of time, but, finally, they did admit that it was a tax cut.

I rise here today just to lay down a marker. I have said, as have many of my colleagues, that what we witnessed is the beginning of what ultimately will allow for us to address the entitlements in this country.

Many of us know that the deficit that the tax cuts create are going to allow, some time during the course of next year or shortly after the election, us to begin discussing Medicare and Medicaid. I think that is a mistake, and I want that to be recognized.

CONGRATULATING THE NORTH CAROLINA A&T STATE UNIVERSITY FOOTBALL TEAM

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I rise today to congratulate the North Carolina A&T State University football team, winner of the 2017 Celebration Bowl and the HBCU national championship. This win capped off a historic year for the undefeated Aggies, a first in Mid-Eastern Athletic Conference history, and marks their second championship in 3 years.

In the final minutes, the Aggies marched 56 yards in seven plays. The drive was capped off with a fake spike and a quarterback sneak on the goal line for the game-winning touchdown by Lamar Raynard.

MVP Marquell Cartwright, who followed the great Tarik Cohen, rushed for 110 yards and two touchdowns. With the guidance of Coach Broadway on the field and the leadership of Chancellor Harold Martin in the classroom, North Carolina A&T is leading the way in showing the great value and the importance of our Nation's HBCUs.

I am proud to represent this distinguished school of academic and athletic excellence, leaving only one question remaining, Mr. Speaker: Can I get an ''Aggie Pride''?

HONORING THE LIFE OF EVELYN WRIGHT MOORE

(Mr. WEBER of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Texas. Mr. Speaker, on Friday, December 15, Brazoria County lost one of its great community leaders, Ms. Evelyn Wright Moore.

Evelyn dedicated her entire life to early childhood development and education. In 1975, in fact, she started her career as the Brazoria County Head Start coordinator; and, after a very short 8 years with that organization, she was running the show and continued running that show for the rest of her life. Evelyn made sure her students were receiving the support that would allow them to thrive in that community.

Brazoria County Head Start now enrolls just over 490 students, thanks to her. That program was championed by Evelyn's passion and her devout dedication to those same students.

She and I met many times over the years, both in Brazoria and here in Washington, D.C., and I will greatly miss our conversations. The legacy of Evelyn's servant heart will long be remembered and cherished.

Evelyn, my dear friend, you are now safe in the arms of Jesus.

□ 1015

PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 1, TAX CUTS AND JOBS ACT

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 668 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 668

Resolved, That upon adoption of this resolution it shall be in order to take from the Speaker's table the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, with the Senate amendment thereto, and to consider in the House, without intervention of any point of order, a motion offered by the chair of the Committee on Ways and Means or his designee that the House concur in the Senate amendment. The Senate amendment and the motion shall be considered as read. The motion shall be debatable for 20 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the motion to adoption without intervening motion. Clause 5(b) of rule XXI shall not apply to the motion.

The SPEAKER pro tempore (Mr. WOMACK). The gentleman from Texas is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), my friend, the ranking member of the Rules Committee, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Mr. Speaker, I rise this morning in support of this rule and the underlying legislation. The rule provides for consideration of the Senate amendment to H.R. 1, an act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, also known as the Tax Cuts and Jobs Act.

Mr. Speaker, last evening, the Senate, on a vote of 51–48, passed the Tax Cuts and Jobs Act, which I believe is in the interest of the American people.

This is a bold, progrowth plan that will overhaul our Tax Code and unleash the free enterprise system. It lowers tax rates on businesses of all sizes so that job creators can focus more on bringing not only more work to their workers, but also hiring more workers, increasing paychecks, and growing a competitive marketplace all around the world.

Mr. Speaker, we are trying to expand our economy, and there is nothing more important for any Member of this body than to know that the things that are happening in their own local communities are about the ability for people, whether they are just graduating from high school, whether they are graduating from a technical school, whether they are graduating from college, or whether they are looking for a second job or a longer career, to be successful in the marketplace in their own area, in their own home—not having to move somewhere to find a job, but in their own community. That is what we are trying to do.

We are trying to increase wages for every single community across this country. My home of Dallas, Texas, has been home to so many people who have moved there as a result of the, really, unlimited opportunities that we see right now in Texas, and that comes because Texas has found itself to be their home because so many other companies have literally been run out of their States because of high taxes—high taxes that are placed on those companies and the employees to where it makes living and being competitive more difficult.

During consideration of this legislation in the Senate, a few, relatively small provisions were removed through points of order in the Senate under what is called the Byrd rule, a parliamentary tool used during reconciliation.

The first change made by the Senate under the Byrd rule strikes the language that allowed 529 accounts to be used for homeschool expenses.

The second change modifies a provision that imposes an excise tax on the investment income of certain educational institutions. The change strikes a reference to ''tuition-paying'' students, making the exception to the excise tax available only if the institution has less than 500 students or if 50 percent or less of the students are located in the United States.

A third small change simply strikes the short title.

Mr. Speaker, all of these provisions were included in the underlying bill as it first passed the Senate and came to the House and passed. However, at the time that this was done, there were no parliamentary points of order which were raised, which were later done.

Mr. Speaker, these minor changes will allow us to advance exactly the same discussion that we had in this body, exactly the same discussion that we have had with the American people, exactly the things that we have talked about up in the Rules Committee and across this country, as Republicans have talked about the importance of the status quo tax laws that we presently have—moved so many companies overseas, moved jobs overseas, and is not encouraging American companies to be competitive because America, when combined with State and local taxes and Federal taxes, is among the highest in the world, which means that American business finds itself in a competitive marketplace, may be a great product, but, on price, we are not as competitive.

This will allow America to achieve the greatness that it needs for a great people who want and need to be great, also.

This legislation is about making sure that the rising worker, whether they are brand-new in the marketplace or whether they are an entrepreneur, or a mother or a father out in the marketplace looking for a job, will find the ability to be successful.

The United States is already the best place in the world to live. We are an incubator always for new ideas and small business, but we are now going to be able to celebrate that to make it easier. We are taking the Tax Code, instead of being the highest taxed Nation in the world, to be one of the lowest. It is going to mean great things for the American people, the American worker, and, most of all, for people who believe that we want America to be great again.

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

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

Mr. Speaker, I thank my colleague for yielding me the customary 30 minutes.

Mr. Speaker, it seems like only yesterday we were here. Does it not?

Mr. Speaker, we are 5 days away from Christmas, but it feels like Groundhog Day. Less than 24 hours ago, the majority stood in the Chamber and passed its partisan bill to provide tax cuts for millionaires, billionaires, and one President.

Speaker RYAN called it a once-in-a-lifetime opportunity, but, apparently, by a twist of fate, he is getting that great opportunity again today, much sooner, I am sure, than he anticipated, because we are taking the bill up again this morning.

Maybe in the mad dash to provide massive tax breaks for corporations and the 1 percent, the majority failed to do the due diligence and properly vet the bill.

We found out, after it passed, that several of its provisions violated the Byrd rule in the Senate. Now, everybody knows about the Byrd rule in the Senate, and I don't understand why this was not found in the conference that was held for maybe 30 minutes.

This is the rule that prohibits the Senate from considering extraneous matters as part of a reconciliation bill.

After passing the House, provisions in this bill governing 529 college savings accounts and exempting certain universities from an excise tax were ruled out of order by the Senate Parliamentarian. The bill was so rushed that even the title of H.R. 1, the Tax Cuts and Jobs Act, was found to be a violation. Let me repeat that. The very first words of the bill didn't pass muster with a nonpartisan rule keeper in the Senate. Imagine what other areas we have yet to discover.

This is a consequence of a process that was nothing short of an abomination. There were zero hearings on the text of this bill. Not a single expert was called in to give his or her experience. It got the votes to pass only after a series of closed-door, backroom dealings, and a conference committee between the House and Senate Republicans. Well, I think there were some Democrats there, but they tell me that none of them signed the conference report. The Senate was such a sham that an agreement was reached before the first public meeting ever took place.

Now, I know this is not the last time, Mr. Speaker, we will meet here to try to fix this bill. Mark my words, we will be back here next year to make more so-called technical fixes because of this hasty consideration.

The majority is rushing to pass a bill that is historically unpopular, clearly deeply flawed, and we will be forced to clean up its impacts and unintended consequences for many years to come.

I think we have all got a second opportunity here, and I would wish that my friends, to whom I only wish well, would grab up all their papers and run for the door and forget about this tax bill altogether. But I know that that wish will not come true.

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

Mr. SESSIONS. Mr. Speaker, I thank the gentlewoman from New York. She has, as the Rules Committee has, taken a lot of time on this bill—we have spent hours not only discussing and debating the effects of the bill, what the bill is about, why we would do it—but most of all, her abiding ability to stand up and represent her party in their context, and I respect that.

Mr. Speaker, I yield 5 minutes to the gentleman from Alabama (Mr. BYRNE), a distinguished member of the Rules Committee.

Mr. BYRNE. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I have been listening to my colleagues from the other side of the aisle talk about the 1 percent, the people at the top of America.

Let me tell you who benefits from the status quo of our Tax Code. It is the 1 percent. They can afford the lawyers, the accountants, and the lobbyists to get them all these special tax treatments that the rest of us don't get. If you want to do something about the 1 percent, fix the current Tax Code.

Instead, what our friends on the other side of the aisle keep doing is defending the present Tax Code, because if you don't pass this bill, we have the present Tax Code. We have the status quo, and the rest of us don't see the benefits from the present Tax Code. The rest of us need a break.

Now, I asked the chair of the House Ways and Means Committee, when he was before the Rules Committee the other night, three questions that I think are relevant to everybody in America.

The first thing I asked him was: Will the average individual taxpayer in my district get a tax cut? He said: Absolutely. And he pulled out a sheet of paper. He said: In fact, in your district, Congressman, the average family of four is going to get a tax break of over $2,100 a year.

I know in some places in America, $2,100 a year extra in people's pockets doesn't sound like a lot of money, but in south Alabama, an extra $2,100 in the pockets of hardworking parents who are trying to raise two kids, that is a lot of money. So that is a good thing that is coming out of this bill.

I asked him: Will it be easier for those individuals to fill out their tax returns? He said: Absolutely. By making the changes we made in here and taking out some of these special tax breaks, we made it easier for everybody to fill out their tax return.

Then I asked a third question. I just heard the gentlewoman from New York talk about how this benefits big corporations. I don't have big corporations in my district in south Alabama. I have got mainly small businesses. Let me tell you about one.

It is called Fast Time Convenience Store. Now, we call those in Alabama filling stations, because you go there and you put gas in your car. In the morning, you go get a cup of coffee, you get one of their breakfast biscuits, and you see a lot of people in there getting ready to go to work. You go in there at lunchtime. You have also got something called Fred's Kickin' Chicken. You go in there and get a good thing of fried chicken and a soft drink, and he has got some barbecue in a little trailer across the way. That is the sort of businesses I have got in my district.

□ 1030

I think those businesses are darn important. The owner of that business asked me the other day when I was in there: I don't care about the big boys.

Are you going to do something that helps me, that helps businesses like me?

So I asked the chairman of the Ways and Means Committee: Are we going to be helping those small businesses?

Absolutely. They are going to see historic tax cuts, particularly if they are one of these passthroughs; historic tax cuts. Yes, their tax returns will be simpler to fill out.

So when I think about it from the standpoint of south Alabama—and I daresay my district is not that much different from most every other district that is being represented here—I see a threefer. Individuals get a substantial tax cut, more money in their pocket. Individuals will have an easier time filling out their returns. These small businesses that are the backbone of America are getting a real break.

Now, I know that our friends on the other side of the aisle think that the government needs to be more involved in the lives of ordinary Americans. But in order for the government to do that, the government has to have money. The government doesn't produce anything and it doesn't provide a single service, so they don't sell anything.

So how does the government get money?

It takes money. A tax is a taking. It takes money from people in the private sector.

We on this side of the aisle don't think the government should be so involved in people's lives in America, and we don't think we should be taking so much money from them through taxes. So we have come up with this bill that gives sort of tax breaks to ordinary people and small businesses, and we believe that that benefits America in two ways:

Number one, giving people more control over their money is a good thing in and of itself.

Number two, we are absolutely convinced—and dozens and dozens of economists have told us—that this is a major shot in the arm for the American economy.

This is also a jobs bill because this is going to pump up the American economy and get our economy growing at a much faster rate. When we do that, we not only create more jobs, but we create a sort of lift in our economy when we start seeing real wage growth. What we have been missing out there is real wage growth.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentlewoman from the State of Washington (Ms. DELBENE).

Ms. DELBENE. Mr. Speaker, it should come as no surprise today that we are voting again on a bill that couldn't pass muster because it was cobbled together in a hurry, hidden from the public, and denied any meaningful vetting or debate. Tax reform is hard. It is even harder when you go it alone, cooking things up in back rooms out of the light of day.

But the real travesty here is that this bill won't help everyday Americans in the long term. To call it once-in-a-generation tax reform is an insult to those who came before us: Republicans and Democrats who linked arms and, through years of partnership and compromise, crafted the 1986 bill that House Democrats passed with President Reagan.

That is the model we should have followed, because the fact is, we can all agree that our Tax Code is out of date and leaves countless families behind.

This year, the U.S. Department of Labor released data showing that there were around 6 million open jobs unfilled across the country at a time when around 6.8 million Americans are looking for work. I believe Congress has a responsibility to the American people to tackle this problem from every possible angle, including tax policy.

But the Ryan-McConnell plan doesn't just fail to acknowledge or address the problems that American workers are facing today, it cuts people's legs off from underneath them just when they are trying to get traction. Chairman BRADY likes to talk about this bill leapfrogging us to the front of the pack, but the truth is this bill doesn't leapfrog us anywhere but backward.

This bill does nothing to put educational opportunities in the reach of more Americans trying to get ahead in the 21st century economy and does nothing to modernize research incentives that could support new breakthroughs that create the jobs of tomorrow. It explodes the deficit, making it that much harder to finance desperately needed investments in infrastructure that could put people back to work.

Why are Republicans giving away the house to companies whose CEOs are already talking about stock prices, not jobs?

As a former CEO myself, I know that economic growth is created by great ideas and great talent, not indiscriminate corporate tax cuts at the expense of investments in the people who have always powered our economy.

I think tax reform should be about modernizing the Code to make us competitive in the 21st century. That means being fiscally responsible, forward-looking, and investing in families.

Unfortunately, this bill is a letdown for the American people, and we will no doubt be cleaning up this mess for years to come, not just today.

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

Mr. Speaker, we do recognize we have a difference. We recognize we had a difference at the time we announced we were going to do this bill and we were going to change the direction we were going. This was part of a debate that happened during the Presidential election, where we had an argument. The Democratic Party very clearly said: We need to raise taxes.

Every year we see where they are on the floor during budget time to raise spending $1 trillion and raise taxes $1 trillion. That is more than what they had done under President Obama, Speaker PELOSI, and Mr. Reid; except what happens when you do that is you kill the economy, you kill the investment in families, in jobs, and in small businesses.

In the year after we had the massive tax increase, we had a GDP rate of zero. That is because there was this huge transfer from free enterprise to Uncle Sam, so the economy failed to grow. Then as the economy began to normalize, it normalized over the next 7 years at 1.2 percent.

That is what the election was about, Mr. Speaker. Since the election, what has happened is we have added over 1 million net new jobs, despite a huge storm summer that impacted a lot of employment. Our stockmarket has risen dramatically, meaning that America wants to be great again, too. We are going to make it together.

So we do recognize differences. They want a $1 trillion increase in spending, and they want a $1 trillion tax increase. We want to move it the other direction.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. JUDY CHU).

Ms. JUDY CHU of California. Mr. Speaker, less than 24 hours after it passed, we already have to come back to vote on fixes to the Republican tax scam.

This bill was so needlessly rushed that there wasn't even time to proofread. I can only wonder what other mistakes we will discover in the coming days, weeks, and months.

This was sloppy lawmaking and bad policymaking. In order to give massive tax cuts to corporate interests and the top 1 percent, Republicans have created trillions in new debt that will have to be paid for by, you guessed it, the rest of us.

Republicans claim that everybody is getting a tax cut. But if you read it—something they clearly didn't do—you will see that 83 percent of the benefits go to the top 1 percent. The average savings for the lowest earners is just $60. My own constituents in California can actually expect to pay more in taxes thanks to the capping of the State and local tax deduction.

Mr. Speaker, I am opposed to this tax scam, and I urge my colleagues to vote ''no.''

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Georgia (Mr. WOODALL), who is a member of the Rules Committee.

Mr. WOODALL. Mr. Speaker, I very much appreciate the chairman for yielding me the time.

I have the great pleasure serving on the Rules Committee. I also have the great pleasure of serving on the Budget Committee. So I felt it incumbent to come down and talk a little bit about

the Byrd rule process that goes on in the Senate. It is part of the 1974 Budget Act. It became a custom in the Senate during 1985 and 1986, and ultimately it was codified and put in the act permanently.

To describe what went on in the Senate as some sort of proofreading error is just nonsense, just absolute nonsense. We have this process called reconciliation that allows the Congress, the House, and the Senate to get really tough things done. As a part of that process, the Byrd rule says: What we don't want to do is get involved in extraneous issues. We want to stay focused on these issues that are most important to the American people. So if you try to get outside the lanes of fundamental tax reform, those provisions become what they call ''Byrdable.''

But, Mr. Speaker, you are probably as uplifted as I am by the conversation you hear about the importance of bipartisanship and collaboration. I wish that that were more true. What we saw yesterday in the United States Senate I would tell you is a little bit of the pettiness that we see on Capitol Hill.

Is it true that the Senate had the right to prevent parents who homeschool their children from being able to finance that homeschool education through taxes and 529 savings accounts?

The Senate had that right under the Byrd rule and they exercised it. Democrats went after homeschooling parents and said: No tax breaks for you.

They had the right to do it, but to describe that as some sort of proofreading error over here is a mistake. It was intentional to give homeschooling parents that opportunity and it was intentional when the Senate Democrats stripped it out.

Secondarily, it was intentional to put a title on the bill: Jobs and Tax Cuts. It was intentional. That is why we came together to focus on this bill, because we care about jobs and we care about a 21st century tax system.

Was the Senate completely within their rights to strip the title of the bill?

Mr. Speaker, they were. If you believe when the Senate can't fund the government, when the Senate can't reauthorize CHIP, when the Senate can't reauthorize a 702—you go right down the list—and if you believe it is an important use of the Democratic minority's time on the Senate side to strike the title of the bill because it doesn't actually impact deficit reduction, it is within their right.

Does it represent the highest and best use of their time?

It does not.

Does it represent the highest and best of those of us who are here in public service together?

It does not.

I recognize that we have fundamental disagreements about the impact of tax reform and its merits.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SESSIONS. Mr. Speaker, I yield an additional 2 minutes to the gentleman from Georgia.

Mr. WOODALL. Mr. Speaker, I thank my chairman for yielding me time.

Mr. Speaker, we have an opportunity to do great things together, and occasionally I come down to this floor and I put my heart into it. I don't just put my heart into it on the floor, I put my heart into it for hours and hours, day after day, in the Rules Committee. I put my heart into it on the Transportation Committee. I put my heart into it on the Budget Committee.

Mr. Speaker, do you know what?

Sometimes I lose. Sometimes I lose. But what makes this process great is we both come down here and do the very best that we can.

Let's not describe what is going on here for the American people as some sort of proofreading error, as some sort of rush job where folks didn't have time to do it right. That does a disservice not just to the Members of Congress, but to the staff that work through these issues with us side by side, day after day, week after week, month after month, and, yes, in the case of this bill, year after year.

We have a choice with how we spend our days. I am proud that we spend our days doing fundamental tax reform. It has been far too long. We don't call it once in a generation because it is a rhetorical tool. We call it once in a generation because there are men and women in this Chamber who were not alive the last time that we did it. It is important, and I am glad we are doing it.

The Senate has every right to do what the Senate did yesterday. And by ''the Senate,'' I mean the minority Members who insisted on their point of order. We could have sent this bill to the President's desk with protections for homeschooling parents who are doing their very best to provide for their kids, but my Democratic colleagues said no. So this bill is still going to go to the President's desk. It is just not going to have those protections. I believe that is a mistake. I hope we will come back together. I hope we will right that wrong in the coming days.

Mr. Speaker, I thank the chairman so much for his leadership on this issue. Mr. Speaker, I thank the Chair for his leadership on this issue. Regular order takes some time. I am glad we are getting it done.

Ms. SLAUGHTER. Mr. Speaker, I yield myself 30 seconds to say to my friend from Georgia that it wasn't Democrats who found that. The Parliamentarian in the Senate found those errors, and they had to be corrected. Let's put history in the right perspective.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DOGGETT), who is the distinguished ranking member of the Ways and Means Subcommittee on Tax Policy.

Mr. DOGGETT. Mr. Speaker, let's make no mistake about it. We are here this morning solely because of a mistake. This is the blunder rule. This is not the first big blunder in this bill, and indeed it certainly won't be the last. We will be cleaning up this mess and the blunders in this bill all of next year.

The only questions are: How many people will get hurt in the process? How much money is lost to the United States Treasury because of the many loopholes in this Swiss cheese-kind of a bill that they have created? How many loopholes will deny revenue that eventually will come out of the pockets of the middle class and will come out of the small businesses of this country to make up for all these special interest provisions that the lobbyists got added?

□ 1045

This is what happens when you run roughshod over the process, when every member of the Trump administration lacks the intestinal fortitude, the courage, to come and answer any questions about this bill. That is what happened here. Americans need to understand that.

Trump is over there tweeting away. He is bragging about all the wonderful things. But is he willing to send one official—even one—to come before any committee of this Congress and respond to questions about the many wrongs that are contained in this bill? Of course the answer is absolutely no.

What about the businesses across America that are impacted by this bill? What about the academic experts of all political points of view who could come and respond and help perfect and avoid errors just like this? They were all left out. There was not one minute of examination from any objective source coming in and talking in a hearing to the committee about this bill.

I am one of the conferees to adjust the differences between the House and the Senate. My, was that a great honor, a great experience in the new democracy that these Republicans are providing for America.

In that conference committee, the chairman of the committee refused to entertain a single motion or a single amendment. But he told us not to worry. After we adopt this conference report behind closed doors and agree to it, you can look at it and can read it over the weekend before you vote on it at the beginning of the next week. You just can't change it in any way. You cannot study it in any way. You cannot share it with anybody in any way because we are only interested in sharing it with those lobbyists with whom we have special connections and operate in secrecy behind closed doors.

Of course, one of the many sad things about this particular bill is that it lost its name in the Senate in what we are considering this morning.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. SLAUGHTER. Mr. Speaker, I yield the gentleman from Texas an additional 2 minutes.

Mr. DOGGETT. In fact, if you turn to the bill, which is a big old thick stack, you see it says ''short title, et cetera,'' and it stops. It is nameless at this point. It is a bill that has no name. And, of course, it has no heart.

But what is the solution to that? Well, every time Donald Trump touches a tower, he puts his name in bold letters across it: Trump Tower. This is the only accomplishment that President Trump can point to this year.

Why don't we put his name on this bill? We could call it the ''Donald J. Trump Inequality Act,'' because it will do more than any legislation we have considered here in recent years to widen the gap between those at the very top and the rest of us.

Or we could call it the ''Donald J. Trump Family Windfall'' bill, because he and his family are going to pocket an immense amount of money. There is no surprise they are over there at the White House celebrating all afternoon. He and his family personally will walk away with a huge amount of resources out of this.

Or we could just call it ''Fat Cats Get Fatter,'' because one of our colleagues on the Republican side who is closest, perhaps, to President Trump admitted and said quite candidly: I can't go back to my donors if we don't pass this legislation.

What a study in wise investment.

The Senate Budget Committee, last night, pointed out that Goldman Sachs contributed over $26 million to Republicans since 1990. They get about a $6 billion tax cut. Where can you get a return like that? Or Pfizer, who contributed $15 million, they get a nearly $39 billion tax cut.

Yes, this bill is a job creator. It creates more jobs for accountants and tax lawyers than anyone can imagine because they will be going in there trying to undo some of the things that were done and shape the loopholes a little more favorably for their folks.

What we have here is a bill that is compared also with the other issues that we have here.

The SPEAKER pro tempore. The time of the gentleman again has expired.

Ms. SLAUGHTER. Mr. Speaker, I yield the gentleman from Texas an additional 1 minute.

Mr. DOGGETT. I know how much the gentlewoman cares about the future of our children and the Children's Health Insurance Program.

I think of the Family Visiting program to help young parents. That is in our committee.

I think about our crumbling roads and bridges and the fact that we need dollars to invest in them to keep our transportation system competitive.

They agree on all these measures. They make speeches about them. The only thing is they don't want to put any money into them. They say we can't afford to do that. If we don't steal Medicare premium money to fund the Children's Health Insurance Program and use general revenue dollars, that will drive up the debt. At the same time, they are willing to drive the debt up trillions of dollars, they refuse to invest in people, or invest in our children and provide them the healthcare that they deserve.

In short, this is a Christmas gift to those at the very top—and especially to the Trump family and his billionaire buddies and other real estate moguls who gain in the conference report. They get the Christmas gift. The American people, the middle class, get the gift wrapping, and that is it.

Mr. SESSIONS. Mr. Speaker, how much time is remaining on both sides?

The SPEAKER pro tempore. The gentleman from Texas has 11½ minutes remaining. The gentlewoman from New York has 16½ minutes remaining.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. BRENDAN F. BOYLE).

Mr. BRENDAN F. BOYLE of Pennsylvania. Mr. Speaker, with the Christmas season upon us, a favorite tradition in my family every year is to sit around the television and watch one of our favorite movies, ''It's a Wonderful Life.'' Like most people, it is hard not to get a lump in your throat at the end as George Bailey and his family prove triumphant.

But it occurred to me this week in reading the Republican tax plan that I guess not everyone roots for George Bailey when watching that movie. There are a few people pulling for Mr. Potter.

Well, here we have a tax plan that is written for and to the benefit of Mr. Potter and the rest like him: the wealthiest one-tenth of 1 percent. The richest 1 percent in our country are going to get 83 percent of the money in this tax plan, and the wealthiest one-tenth of 1 percent will get the majority of the money in this plan.

Today, do you know how much you have to make in order to be in the wealthiest one-tenth of 1 percent in our country? $5 million a year or more.

So the Mr. Potter we have in the White House these days is going to be pretty happy, and his family is going to make out. But the working people of Pennsylvania and the working people of America are getting stiffed.

Income inequality is higher today than at any point in American history. Many Americans haven't received a pay raise in decades, in real terms, and here we have a tax plan that is going to take that existing problem and make it much worse.

This is wrong. This is unfair. It does nothing for the hard-pressed, hard-working middle class of our country who deserve a pay raise.

Let's give them a Christmas gift. Let's give them the happy ending that they deserve, the Hollywood movie ending. Let's say that the Mr. Potters of this country have had it damn good for the last 20 years, and let's help out the George Baileys, especially at this Christmastime.

Let's say ''no'' to this tax bill.

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

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentlewoman for yielding and also for her tremendous leadership.

Let's talk a little bit about the winners in this bill.

I think it is interesting to note that, if you are General Electric, since 1990 to 2017, you have contributed over $20 million to Republican campaigns. What you get back in tax relief from this legislation is almost $16 billion over the life of this bill.

If you are Microsoft, you have contributed over $17 million, and you get back $27 billion from this tax bill.

This is such a great investment for big corporations who have given money to Republican candidates over the years. But if you are not part of the country's wealthiest 1 percent, this GOP tax scam is a really bad deal for you.

It is especially bad for America's senior citizens. This tax scam raises premiums for those 50 to 64 by 10 percent, an average of $1,400, and the deficit it creates will require, under the law, $25 billion in a Medicare tax cut next year.

We have heard the Republicans say we are going to get that money back, but in this bill there is a $25 billion cut in Medicare next year. That is only the beginning. It gets worse.

Republicans aren't even hiding the fact that they intend to use this deficit that they created of $1.5 trillion as justification for slashing Medicare and Medicaid. They have said it. They have admitted it. They are even talking about raising the age of Social Security eligibility in order to give these tax breaks to the rich.

Seniors should not have to foot the bill for a tax scam that gives 83 percent of the benefits to the top 1 percent. American seniors deserve a better deal. So do 86 million families who would see a tax increase as a result of this scam.

To my Republican colleagues, you really do have a second chance. Because the bill got messed up, there were mistakes, it was done so fast, done in secret, it is coming back to us today. So you have a second chance to do the right thing. Please take it. Vote ''no.''

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana (Mr. MESSER), the chairman of the Republican Policy Committee.

Mr. MESSER. Mr. Speaker, today is an exciting day for the people of Indiana. With the passage of President Trump's tax plan, working Hoosiers will see more jobs, bigger paychecks, and a fairer, simpler Tax Code.

The scare tactics of my Democratic colleagues come from a tired playbook written decades ago. It is old-style

class warfare politics and tired arguments that are just not true.

The proof is in the paycheck. The truth is, an average Indiana family will see tax cuts of between $1,000 and $2,000 under this plan.

Let me say that again. Despite the rhetoric, working families will see a tax cut of between $1,000 and $2,000 under today's tax plan. Child tax credits will double to $2,000 per child. The standard Federal deduction will double, too.

We get rid of the unpopular and unfair Obama individual mandate tax. Now, Hoosiers will not be taxed depending on their healthcare decisions.

Job creators will see tax cuts, too, making America's small businesses and big businesses competitive in the global economy and better able to create good-paying jobs.

All of this is good news for Indiana's working families. With today's tax cut, help is on the way. I urge my colleagues to support this bill.

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

Mr. Speaker, the Trump White House released a National Security Strategy Report on Monday, and it pointed out: ''The national debt, now over $20 trillion, presents a grave threat to America's long-term prosperity and, by extension, our national security.''

So what do we do about that? We are going to add $1.5 trillion more.

The overwhelming majority of expert analyses show that, even with growth taken into account, this bill will cause the deficit to skyrocket. It isn't just a threat to our economic security. According to the White House, it is a grave threat to our national security as well.

The bill in front of us costs $1.5 trillion and includes permanent tax cuts for corporations, but temporary ones for individuals.

□ 1100

So who do you think is going to lose those first?

It is really very troubling, I think, too: the idea of looking ahead to what we are going to be dealt with. And we understand already that next year the cry will be: Oh, look at this debt. This is awful. We are going to have to cut spending.

Entitlements will be the place where the Republicans prefer to go.

So let's prepare all of our senior citizens on Social Security, Medicare, and Medicaid. Of course, that also hurts the ACA, that they are going to be on the line next year.

Future Congresses will be pressured to reject the budget gimmick and extend many of those tax cuts, meaning the true cost of the bill is much higher.

According to the nonpartisan Committee for a Responsible Federal Budget, the expirations and delays hide potential further costs, which could ultimately increase the cost of the bill to $2.2 trillion.

I am sure that my Republican colleagues will argue that growth will prevent the deficit from skyrocketing. But the CRFB reports that even with dynamic scoring, the total cost of the bill without budgetary gimmicks would be over $1.6 trillion and up to $2 trillion with interest. And that takes growth into account. As a result, our debt could exceed the size of our economy by 2027.

Mr. Speaker, I include in the RECORD the Committee for a Responsible Federal Budget's analysis, entitled ''Final Tax Bill Could End Up Costing $2.2 Trillion.''

[From the Committee for a Responsible Federal Budget, Dec. 18, 2017]

FINAL TAX BILL COULD END TIP COSTING $2.2 TRILLION

The final conference committee agreement of the Tax Cuts and Jobs Act (TCJA) would cost $1.46 trillion under conventional scoring and over $1 trillion on a dynamic basis over ten years, leading debt to rise to between 95 percent and 98 percent of Gross Domestic Product (GDP) by 2027 (compared to 91 percent under current law). However, the bill also includes a number of expirations and long-delayed tax hikes meant to reduce the official cost of the bill. These expirations and delays hide $570 billion to $725 billion of potential further costs, which could ultimately increase the cost of the bill to $2.0 trillion to $2.2 trillion (before interest) on a conventional basis or roughly $1.5 trillion to $1.7 trillion on a dynamic basis over a decade. As a result, debt would rise to between 98 percent and 100 percent of GDP by 2027.

Ignoring the expirations in this bill is particularly disingenuous given the claim that using a ''current policy baseline'' reduces the bill's costs. The (flawed) idea is that the bill should be compared to a current policy baseline that counts expired and expiring provisions as if they are continued permanently. (For more on this, see Current Policy Gimmick Would Add Half-Trillion to Debt (http://www.crfb.org/blogs/current-policy-gimmick-would-add-half-trillion-debt)). Using such a construct does not make sense if cost of continuing future expirations contained in the bill are not included in the initial cost estimate. Policymakers are effectively claiming $450 billion of current policy savings while ignoring over $700 billion of current policy costs.

This latest estimate updates our tally of the gimmicks from a previous version of the bill (http://www.crfb.org/blogs/senate-tax-bill-could-ultimately-cost-2-trillion). The changes made in conference include both tax increases and decreases that mostly offset each other, with a net increase in the ten-year cost of $9 billion (compared to the Senate bill). With these changes, the bill now has a total cost of $1.46 trillion, or roughly $1.77 trillion with interest. While there is no new dynamic score of the bill, assuming it continues to produce very roughly $400 billion of dynamic feedback (http://www.crfb.org/blogs/official-dynamic-score-shows-senate-tax-bill-will-still-cost-over-1-trillion) would reduce that cost to about $1.05 trillion, or roughly $1.30 trillion with interest.

However, this cost does not account for as much as $725 billion of potential gimmicks that the conferenced bill contains.

In the earlier version passed by the Senate, we identified $585 billion (http://www.crfb.org/blogs/senate-tax-bill-could-ultimately-cost-2-trillion) of arbitrary sunsets and sunrises of certain provisions. Most significantly, nearly all of the individual income tax provisions would have expired after 2025. Additionally, the expensing provisions ''bonus depreciation'' began to phase down starting in 2022, and a number of new tax increases appeared in 2026. Some provisions were set to expire even earlier, such as an expanded deduction for medical expenses and provisions for craft beer and paid leave—clearly setting the stage for future extensions.

The conferenced bill adds to the Senate bill's gimmicks, which we explain here (http://www.crfb.org/blogs/senate-tax-bill-could-ultimately-cost-2-trillion). Most significantly, it advances the start date of the bill's requirement for research expenses to be amortized, which nearly doubles the ten-year savings of the provision. Additionally, the bill tightens its limits on the business interest deduction four years in the future—a future tax hike that may not be allowed to ever occur. Other changes are smaller and move in both directions.

Adding these gimmicks to the cost of the bill would increase the total cost to $2.0 trillion to $2.2 trillion. Though the dynamic effect of making the bill permanent is unknown, we estimate a permanent bill would produce roughly $450 billion of feedback, leading to a dynamic cost of roughly $1.6 trillion to $1.7 trillion. With interest, these costs would rise to $2.4 trillion to $2.5 trillion, or $1.9 trillion to $2 trillion with dynamic effects included, over a decade.

TRUE COST OF CONFERENCE BILL

Policy	Ten-Year Cost
TCJA as reported by the conference committee	$1.46 trillion
Sunsetting individual tax provisions after 2025	$315 billion
Amortizing Research & Experimentation (R&E) expenses after 2021	$120 billion
Phasing out full expensing after 2022	$0 to 80 billion
Making business interest deduction more strict after 2021	$0 to $75 billion
Making foreign tax provisions more strict after 2025	$50 billion
Sunsetting more generous medical expense deduction after 2018	$45 billion
Sunsetting credit for employers who offer paid leave after 2019	$30 billion
Sunsetting craft beverage tax reforms	$10 billion
Conventional ''Real'' Cost	$2.0–$2.2 trillion
Potential Dynamic Feedback Effects	−$450 billion
Dynamic ''Real Cost''	$1.6–$1.7 trillion
True Cost with Interest	$2.4–2.5 trillion
True Cost with Interest and Dynamic Effects	$1.9–2.0 trillion

As is, the bill would cause debt to increase from 77 percent of GDP this year to 95 percent or 98 percent of GDP by 2027, depending on whether dynamic effects are included, as compared to 91 percent projected under current law. If expiring provisions are extended and late-stage tax hikes avoided, debt could reach as high as 98 percent or 100 percent of GDP by 2027. In other words, the national debt could exceed the size of the economy.

Ms. SLAUGHTER. Mr. Speaker, we have urgent spending needs. This bill could keep us from dealing with infrastructure, education, healthcare, medical research, and, of course, we have to pay the costs of our military.

Make no mistake, exploding the deficit to pay for this bill—this giveaway to the rich—will come at the expense of all of those priorities.

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

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BURGESS).

Mr. BURGESS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, late in June of 2012, like many Americans, I anxiously awaited a ruling by the Supreme Court of the United States while they were considering the constitutionality of the individual mandate. Of course, we were

told during the run-up to that law, the Affordable Care Act law, that the individual mandate was not a tax; it was, in fact, just a requirement that everyone should buy the insurance.

It seemed unreasonable under the Commerce Clause that that requirement, in fact, would be constitutional. Then, at the end of June, the Supreme Court made the ruling. I was probably right that it was unconstitutional under the Commerce Clause. But with some creative work, the Supreme Court said: It is a tax, and the Congress has the absolute power to tax; so, of course, it can stay in the law, and the law stands.

So here we are today, considering tax reform for the first time in 31 years. And since the Supreme Court told us the individual mandate is indeed a tax, it is appropriate, it is right that the individual mandate be part of the discussion today.

The House bill, when we passed it, did not include anything on the individual mandate; but the Senate, in their wisdom, sent it back to us with the individual mandate repealed.

Now, make no mistake about it, the House has repealed the individual mandate any number of times over the last several years. The Senate has not. So the Senate has repealed the individual mandate for the first time.

I say: Let's meet them where they are, let's pass this bill, let's repeal the individual mandate, and get on with making America great again.

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

Mr. Speaker, I am not surprised that we are back here fixing the bill, though I am surprised it is so soon, because we have been saying all along that we have got a long way to go with this bill.

If we defeat the previous question, I am going to offer an amendment that will prohibit any legislation from being considered on the House floor that limits or repeals the State and local tax deduction, or repeals the ACA's individual mandate.

We know that repealing the individual mandate will lead to 13 million fewer Americans with health insurance and will cost premiums to rise by 10 percent. Now, I know that not giving healthcare is not much of an issue for the majority of this Congress because they have been trying to do that for a long time.

The bill also caps the State and local tax deduction, hurting taxpayers in my home State of New York, in California, and in other States in the Northeast, all of whom are donor States. My own State sends $48 billion a year to Washington, money that we get back nothing for. But we are not going to be able to do that anymore without this deduction. What we are doing then is risking the stability of the revenues that fund the public schools, fire departments, and hospitals in those States.

Mr. Speaker, let's make things right and defeat the previous question.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment in the RECORD, along with extraneous material, immediately prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

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

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM), the chairman of the Subcommittee on Tax Policy for the Ways and Means Committee.

Mr. ROSKAM. Mr. Speaker, I thank Chairman SESSIONS for yielding.

Mr. Speaker, this is such an interesting thing to listen to. Our friends on the other side of the aisle have characterized the reason that we are here today is because of a blunder in proofreading. Well, it is simply an obtuse argument.

There are three criticisms of the bill:

One is the name change. Good grief, hardly a proofreading error. This title may be cited as the Tax Cuts and Jobs Act. That is section 11000(a). According to the Senate Parliamentarian, it falls out. That is not a proofreading error.

The second criticism is the Cruz amendment, the language that was offered in terms of 529 plans. This was offered on the Senate floor. This was not a part of a conference committee or some late-night scheme. This was openly debated.

Our friends on the other side of the aisle, in the other body, chose not to pursue a point of order at that time. They chose to do it last night. It is their prerogative. But that is not a proofreading problem, nor is the issue as it relates to endowment language. This came out of the Senate Finance Committee. But what is interesting to me, Mr. Speaker, is how familiar our friends on the other side of the aisle are with mistakes.

Do you remember the 1099 mandate that came out as a result of ObamaCare?

A huge negative impact on small business, that they had to work with us and others and the President—then-President Obama—in order to remedy.

Do you remember the risk corridor changes that were signed into law by President Obama?

Do you remember the delays by blog posts late on Friday afternoons—to my recollection—when the administration reached the conclusion that the bill was in knots, they couldn't figure out a way to move forward, and they said, ''Let's delay it and let's announce that quietly''? Or decisions not to enforce the law itself?

But the biggest mistake of all was obviously the rollout of the website, which was a complete disaster that even friends on the other side of the aisle can't defend.

With that said, there are going to be technical corrections to this bill, just without question. But I think what we should do is recognize that, speak to that, acknowledge that, and not characterize procedural matters as proofreading errors. It is not an argument that I find persuasive.

Mr. Speaker, I urge the passage of this measure.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. JEFFRIES).

Mr. JEFFRIES. Mr. Speaker, Yogi Berra once said: ''It is like deja vu all over again.''

So today we are back on the House floor after this big, dramatic celebration of this supposedly historic bill, a Republican tax bill that really is nothing more than a wolf in sheep's clothing.

It is the classic bait and switch. It is a Ponzi scheme. The tax cuts aren't going to be meaningful for working families and everyday Americans, and the jobs will never materialize.

It is a Republican tax bill that is simply designed to benefit millionaires and billionaires, the wealthy and the well-off, special interests, corporations, and big donors. It is a shameful abdication of responsibility, a dereliction of duty, and an incredible malicious act of legislative malpractice. It is all based on this phony, fraudulent, and fake theory of trickle-down economics.

Where is there any evidence that trickle-down economics has ever worked for the American people?

Ronald Reagan cut taxes for millionaires in 1981. We didn't get strong economic growth. We got a deficit that exploded.

George W. Bush cut taxes for millionaires and billionaires in 2001 and 2003. We didn't get strong economic growth. We got the worst economy since the Great Depression.

And, in Kansas, when you had this great Republican experiment and you were going to cut taxes for the wealthy and the well-off and for companies, what happened? Did they get strong economic growth in Kansas?

No. You got prison riots, overcrowded classrooms, and crumbling infrastructure.

Trickle-down economics, what does it mean for the middle class?

You may get a trickle, but you are guaranteed to stay down.

This bill is shameful in your attack on middle class Americans. Millions of homes will get a tax increase. You will undermine Medicare and explode the deficit.

Don't ask me. PAUL RYAN himself made that point.

Our children and grandchildren are forced to shoulder $1.5 trillion in debt simply to pay for the lifestyles of the rich and shameless.

Shame on you.

Vote ''no'' against this reckless GOP tax scam.

The SPEAKER pro tempore. Members are advised to direct their remarks to the Chair.

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

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

Mr. Speaker, the majority is clearly unable to responsibly run the House of Representatives, because here we are fixing the bill less than 24 hours after it was passed.

It is a perfect example of why we need to go back to regular order: actually holding hearings, have expert witnesses and testimony, and properly vet bills.

That is pretty elementary, but it surely is true. It is especially true for bills of this magnitude that will effect every single citizen in America.

All the while, the government is about to run out of money, and we haven't even been able to reach a budget deal. That is Friday that the government will close if we do not do that.

We still haven't funded the Children's Health Insurance Program, which provides needed healthcare to more than 9 million children.

We haven't reauthorized the community health centers, which serve more than 25 million people.

We haven't renewed the Perkins Loan Program, which many low-income students rely on for their education.

All of those programs expired back on September 30.

But here we are, wasting valuable time trying to fix the disaster of a bill that the majority passed just hours ago. It is embarrassing and it is humiliating. If we don't do better, the public is going to make us pay the price.

I want to close by quoting an article that appeared this morning in The Washington Post, written by a great columnist, Dana Milbank. I wouldn't miss his writing for the world.

''Maybe he is right and all those blue-chip economists and the nonpartisan analyses by the Joint Committee on Taxation, the Congressional Budget Office, and others are wrong. Maybe growth will dramatically exceed forecasts, millions will enter the labor force and find work, wages will soar, and the $1.5 trillion tax bill will pay for itself. But if all that doesn't happen, the Trump tax will be blamed.''

Mr. Speaker, I end the quote there, reminding you, as Senator SCHUMER did yesterday, that this could be an anchor around your ankles for the rest of your lives.

Mr. Speaker, I urge a ''no'' vote on the previous question, on the rule, and the bill. For heaven's sake, let us take this opportunity given us and not force this onto the American public.

Mr. Speaker, I yield back the balance of my time.

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

Mr. Speaker, I thank the gentlewoman from New York not only for her service to the Rules Committee, but also for her service to this body and to her party.

□ 1115

Mr. Speaker, the bottom line is, I will take her up on that. We will bet that this works because we looked at what happened when President Obama, Harry Reid, and Speaker PELOSI put a $1 trillion tax increase on the American people; then spent $870 billion on a surplus; then added in $1 trillion of debt when they worked the deal that was for student loans; then we did cash for clunkers; then we did cell phones for all; and it just went on and on and on and on. And now they want to place the $20 trillion deficit on Republicans.

What we are trying to do is to recognize that we did look at what happened economically during the 8 years that President Obama was here: 1.2 percent annual GDP growth, while our trading partners around the world—Germany, Japan, India, China—all raised their GDP numbers off growing economies because the average rate in Europe for corporate tax is 23.6 percent, while America was at 39 percent, and States all across the United States raised their taxation just like President Obama encouraged them to do: to grow government, to make it more expensive.

But what happened is, then the free enterprise system was not competitive. We began losing jobs all across the country. We began losing our competitiveness because of the high taxation rate. That is why we are going to do something about it.

So when you raise taxes $1 trillion and spend an extra $10 trillion over 8 years, there is an impact. Of course, there is an impact. What we are trying to do is respond back to the American people, who last November said: Instead of going that way, why don't we go this way; why don't we be the world's leader; why be 24th in the world in competitiveness for business; why not be first or second; why not add jobs; why not do something that places Americans, the middle class of this country in a better position?

That is the call that we are about. That is what Republicans have been trying to do, and we are responding with a bill that is going to take Americans—instead of being the most expensive tax country in the world, we are going to make us among the best. We are going to be an attractor of jobs, of investment dollars, of opportunity.

The real problem with this country, the gentleman from Massachusetts (Mr. NEAL), a Member of Congress, spoke about it to the Rules Committee, tens of thousands of jobs that pay up to $60,000 in his home State are going begging right now. Thousands of jobs in this country are going begging because we do have a problem where America doesn't want to come and take these jobs; where we cannot have people who pass drug tests; where we have people who say: Well, I don't have those abilities. Well, in Dallas, Texas, my home, we have $21-an-hour jobs begging for people who could come and work.

Mr. Speaker, what we are trying to do is to encourage America and Americans, let's get to work. Let's make this happen. Let's not blame it on somebody else. There are jobs available in America, and we are going to answer the question. We are going to answer the bell. The Republican Party is going to stand on what we do right now, and we are willing to take what comes that way.

And I will tell you what comes that way. When you go from 39.6 percent, the highest corporate tax in the world, to where you mark yourself down where virtually the rest of the world is at 23, in this case 21, we are going to be competitive. Americans are winners. Americans want to win. Americans are the best at entrepreneurism. They are the best at being innovative.

We are now—instead of Uncle Sam taking 39 percent and making us drain our resources, we are going to incent Americans to go do it.

Mr. Speaker, my staff, Ron Donato, my tax man, who has spent a lot of time working with me listening to people back in Dallas, Texas, we think this is a good deal to make the free enterprise system, which is the greatest system in the world. We are going to fuel it; we are going to fund it; we are going to make it work.

Mr. Speaker, for that reason, we will be willing to land on what happens here, so mark your calendar right now. Go look at where we are, and watch where we are going. For this reason, I urge my colleagues to support this rule.

The material previously referred to by Ms. SLAUGHTER is as follows:

AN AMENDMENT TO H. RES. 668 OFFERED BY MS. SLAUGHTER

At the end of the resolution, add the following new sections:

''SEC. 2. POINT OF ORDER AGAINST ANY TAX BILL THAT RAISES TAXES ON MIDDLE CLASS FAMILIES BY ELIMINATING OR LIMITING THE STATE AND LOCAL TAX DEDUCTION.

(a) POINT OF ORDER.—It shall not be in order in the House of Representatives to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that repeals or limits the State and Local Tax Deduction (26 U.S.C. §164).

(b) WAIVER IN THE HOUSE.—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (a). As disposition of a point of order under this subsection, the Chair shall put the question of consideration with respect to the rule or order, as applicable. The question of consideration shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent, but shall otherwise be decided without intervening motion except one that the House adjourn.''

SEC. 3. POINT OF ORDER AGAINST ANY TAX BILL THAT REPEALS THE INDIVIDUAL MANDATE UNDER THE PATIENT PROTECTION AND AFFORDABLE CARE ACT.

(a) POINT OF ORDER.—It shall not be in order in the House of Representatives to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that repeals or limits the individual mandate under the Patient Protection and Affordable Care Act (26 U.S.C. §5000A).

(b) WAIVER IN THE HOUSE.—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (a). As disposition of a point of order under this subsection, the Chair shall put the question of consideration with respect to the rule or order, as applicable. The question of consideration shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent, but shall otherwise be decided without intervening motion except one that the House adjourn.''

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the Democratic minority to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308–311), describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

The Republican majority may say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: ''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

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

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 234, nays 188, not voting 9, as follows:

[Roll No. 697]

YEAS—234

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jones
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NAYS—188

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Correa
Costa
Courtney
Crist
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Shea-Porter
Sherman
Sinema
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—9

Bridenstine
Brooks (AL)
Kennedy
Napolitano
Pocan
Renacci
Sewell (AL)
Smith (TX)
Thompson (MS)

□ 1143

Mr. CLYBURN changed his vote from ''yea'' to ''nay.''

Ms. ROS-LEHTINEN changed her vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

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

Ms SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 232, nays 190, not voting 9, as follows:

[Roll No. 698]

YEAS—232

Abraham	Gaetz	McKinley
Aderholt	Gallagher	McMorris Rodgers
Allen	Garrett	McSally
Amash	Gianforte	Meadows
Amodei	Gibbs	Meehan
Arrington	Gohmert	Messer
Babin	Goodlatte	Mitchell
Bacon	Gosar	Moolenaar
Banks (IN)	Gowdy	Mooney (WV)
Barletta	Granger	Mullin
Barr	Graves (GA)	Newhouse
Barton	Graves (LA)	Noem
Bergman	Graves (MO)	Norman
Biggs	Griffith	Nunes
Bilirakis	Grothman	Olson
Bishop (MI)	Guthrie	Palazzo
Black	Handel	Palmer
Blackburn	Harper	Paulsen
Blum	Harris	Pearce
Bost	Hartzler	Perry
Brady (TX)	Hensarling	Pittenger
Brat	Herrera Beutler	Poe (TX)
Brooks (IN)	Hice, Jody B.	Poliquin
Buchanan	Higgins (LA)	Posey
Buck	Hill	Ratcliffe
Bucshon	Holding	Reed
Budd	Hollingsworth	Reichert
Burgess	Hudson	Rice (SC)
Byrne	Huizenga	Roby
Calvert	Hultgren	Roe (TN)
Carter (GA)	Hunter	Rogers (AL)
Carter (TX)	Hurd	Rogers (KY)
Chabot	Issa	Rohrabacher
Cheney	Jenkins (KS)	Rokita
Coffman	Jenkins (WV)	Rooney, Francis
Cole	Johnson (LA)	Rooney, Thomas J.
Collins (GA)	Johnson (OH)	Ros-Lehtinen
Collins (NY)	Johnson, Sam	Roskam
Comer	Jordan	Ross
Comstock	Joyce (OH)	Rothfus
Conaway	Katko	Rouzer
Cook	Kelly (MS)	Royce (CA)
Costello (PA)	Kelly (PA)	Russell
Cramer	King (IA)	Rutherford
Crawford	King (NY)	Sanford
Culberson	Kinzinger	Scalise
Curbelo (FL)	Knight	Schweikert
Curtis	Kustoff (TN)	Scott, Austin
Davidson	Labrador	Sensenbrenner
Davis, Rodney	LaHood	Sessions
Denham	LaMalfa	Shimkus
Dent	Lamborn	Shuster
DeSantis	Lance	Simpson
DesJarlais	Latta	Smith (MO)
Diaz-Balart	Lewis (MN)	Smith (NE)
Donovan	LoBiondo	Smith (NJ)
Duffy	Long	Smucker
Duncan (SC)	Loudermilk	Stefanik
Duncan (TN)	Love	Stewart
Dunn	Lucas	Stivers
Emmer	Luetkemeyer	Taylor
Estes (KS)	MacArthur	Tenney
Farenthold	Marchant	Thompson (PA)
Faso	Marino	Thornberry
Ferguson	Marshall	Tiberi
Fitzpatrick	Massie	Tipton
Fleischmann	Mast	Trott
Flores	McCarthy	Turner
Fortenberry	McCaul	Upton
Foxx	McClintock	Valadao
Frelinghuysen	McHenry	Wagner
Gaetz	McKinley	Walberg
Gallagher	McMorris Rodgers	Walden
Garrett	McSally	Walker
Gianforte	Meadows	Walorski
Gibbs	Meehan	Walters, Mimi
Gohmert	Messer	Weber (TX)
Goodlatte	Mitchell	Webster (FL)
Gosar	Moolenaar	Wenstrup
Gowdy	Mooney (WV)	Westerman
Granger	Mullin	Williams
Graves (GA)	Newhouse	Wilson (SC)
Graves (LA)	Noem	Wittman
Graves (MO)	Norman	Womack
Griffith	Nunes	Woodall
Grothman	Olson	Yoder
Guthrie	Palazzo	Yoho
Handel	Palmer	Young (AK)
Harper	Paulsen	Young (IA)
Harris	Pearce	Zeldin
Hartzler	Perry	
Hensarling	Pittenger	
Herrera Beutler	Poe (TX)	
Hice, Jody B.	Poliquin	
Higgins (LA)	Posey	
Hill	Ratcliffe	
Holding	Reed	
Hollingsworth	Reichert	
Hudson	Rice (SC)	
Huizenga	Roby	
Hultgren	Roe (TN)	
Hunter	Rogers (AL)	
Hurd	Rogers (KY)	
Issa	Rohrabacher	
Jenkins (KS)	Rokita	
Jenkins (WV)	Rooney, Francis	
Johnson (LA)	Rooney, Thomas J.	
Johnson (OH)	Ros-Lehtinen	
Johnson, Sam	Roskam	
Jordan	Ross	
Joyce (OH)	Rothfus	
Katko	Rouzer	
Kelly (MS)	Royce (CA)	
Kelly (PA)	Russell	
King (IA)	Rutherford	
King (NY)	Sanford	
Kinzinger	Scalise	
Knight	Schweikert	
Kustoff (TN)	Scott, Austin	
Labrador	Sensenbrenner	
LaHood	Sessions	
LaMalfa	Shimkus	
Lamborn	Shuster	
Lance	Simpson	
Latta	Smith (MO)	
Lewis (MN)	Smith (NE)	
LoBiondo	Smith (NJ)	
Long	Smucker	
Loudermilk	Stefanik	
Love	Stewart	
Lucas	Stivers	
Luetkemeyer	Taylor	
MacArthur	Tenney	
Marchant	Thompson (PA)	
Marino	Thornberry	
Marshall	Tiberi	
Massie	Tipton	
Mast	Trott	
McCarthy	Turner	
McCaul	Upton	
McClintock	Valadao	
McHenry	Wagner	
Weber (TX)	Webster (FL)	
Wenstrup	Westerman	
Williams	Wilson (SC)	
Wittman	Womack	
Woodall	Yoder	
Yoho	Young (AK)	
Young (IA)	Zeldin	

NAYS—190

Adams	Gabbard	Neal
Aguilar	Gallego	Nolan
Barragán	Garamendi	Norcross
Bass	Gomez	O'Halleran
Beatty	Gonzalez (TX)	O'Rourke
Bera	Gottheimer	Pallone
Beyer	Green, Al	Panetta
Bishop (GA)	Green, Gene	Pascrell
Blumenauer	Grijalva	Payne
Blunt Rochester	Gutiérrez	Pelosi
Bonamici	Hanabusa	Perlmutter
Boyle, Brendan F.	Hastings	Peters
Brady (PA)	Heck	Peterson
Brown (MD)	Higgins (NY)	Pingree
Brownley (CA)	Himes	Polis
Bustos	Hoyer	Price (NC)
Butterfield	Huffman	Quigley
Capuano	Jackson Lee	Raskin
Carbajal	Jayapal	Rice (NY)
Cárdenas	Jeffries	Richmond
Carson (IN)	Johnson (GA)	Rosen
Cartwright	Johnson, E. B.	Roybal-Allard
Castor (FL)	Jones	Ruiz
Castro (TX)	Kaptur	Ruppersberger
Chu, Judy	Keating	Rush
Cicilline	Kelly (IL)	Ryan (OH)
Clark (MA)	Khanna	Sánchez
Clarke (NY)	Kihuen	Sarbanes
Clay	Kildee	Schakowsky
Cleaver	Kilmer	Schiff
Clyburn	Kind	Schneider
Cohen	Krishnamoorthi	Schrader
Connolly	Kuster (NH)	Scott (VA)
Cooper	Langevin	Scott, David
Correa	Larsen (WA)	Serrano
Costa	Larson (CT)	Sewell (AL)
Courtney	Lawrence	Shea-Porter
Crist	Lawson (FL)	Sherman
Crowley	Lee	Sinema
Cuellar	Levin	Sires
Cummings	Lewis (GA)	Slaughter
Davis (CA)	Lieu, Ted	Smith (WA)
Davis, Danny	Lipinski	Soto
DeFazio	Loebsack	Speier
DeGette	Lofgren	Suozzi
Delaney	Lowenthal	Swalwell (CA)
DeLauro	Lowey	Takano
DelBene	Lujan Grisham, M.	Thompson (CA)
Demings	Luján, Ben Ray	Titus
DeSaulnier	Lynch	Tonko
Deutch	Maloney, Carolyn B.	Torres
Dingell	Maloney, Sean	Tsongas
Doggett	Matsui	Vargas
Doyle, Michael F.	McCollum	Veasey
Ellison	McEachin	Vela
Engel	McGovern	Velázquez
Eshoo	McNerney	Visclosky
Espaillat	Meeks	Walz
Esty (CT)	Meng	Wasserman Schultz
Evans	Moore	Waters, Maxine
Foster	Moulton	Watson Coleman
Frankel (FL)	Murphy (FL)	Welch
Fudge	Nadler	Wilson (FL)
		Yarmuth

NOT VOTING—9

Bishop (UT)	Kennedy	Renacci
Bridenstine	Napolitano	Smith (TX)
Brooks (AL)	Pocan	Thompson (MS)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1151

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RENACCI. Mr. Speaker, had I been present, I would have voted "Yea" on rollcall No. 694, "Yea" on rollcall No. 695, "Nay" on rollcall No. 696, "Yea" on rollcall No. 697, and "Yea" on rollcall No. 698.

ELECTING A MEMBER TO A CERTAIN STANDING COMMITTEE OF THE HOUSE OF REPRESENTATIVES

Mr. CROWLEY. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows

H. RES. 669

Resolved, That the following named Member be and is hereby elected to the following standing committee of the House of Representatives:

(1) COMMITTEE ON THE JUDICIARY.—Mrs. Demings.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TAX CUTS AND JOBS ACT

Mr. BRADY of Texas. Mr. Speaker, pursuant to House Resolution 668, I call up the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, with the Senate amendment thereto, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. YODER). The Clerk will designate the Senate amendment.

Senate amendment:

Strike out all after the enacting clause and insert:

TITLE I

SEC. 11000. SHORT TITLE, ETC.

(a) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Individual Tax Reform

PART I—TAX RATE REFORM

SEC. 11001. MODIFICATION OF RATES.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

''(j) MODIFICATIONS FOR TAXABLE YEARS 2018 THROUGH 2025.—

''(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026—

''(A) subsection (i) shall not apply, and

''(B) this section (other than subsection (i)) shall be applied as provided in paragraphs (2) through (6).

''(2) RATE TABLES.—

''(A) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The following table shall be applied in lieu of the table contained in subsection (a):

"If taxable income is:	The tax is:
Not over $19,050	10% of taxable income.
Over $19,050 but not over $77,400	$1,905, plus 12% of the excess over $19,050.
Over $77,400 but not over $165,000	$8,907, plus 22% of the excess over $77,400.
Over $165,000 but not over $315,000	$28,179, plus 24% of the excess over $165,000.
Over $315,000 but not over $400,000	$64,179, plus 32% of the excess over $315,000.
Over $400,000 but not over $600,000	$91,379, plus 35% of the excess over $400,000.
Over $600,000	$161,379, plus 37% of the excess over $600,000.

''(B) HEADS OF HOUSEHOLDS.—The following table shall be applied in lieu of the table contained in subsection (b):

"If taxable income is:	The tax is:
Not over $13,600	10% of taxable income.
Over $13,600 but not over $51,800	$1,360, plus 12% of the excess over $13,600.
Over $51,800 but not over $82,500	$5,944, plus 22% of the excess over $51,800.
Over $82,500 but not over $157,500	$12,698, plus 24% of the excess over $82,500.
Over $157,500 but not over $200,000	$30,698, plus 32% of the excess over $157,500.
Over $200,000 but not over $500,000	$44,298, plus 35% of the excess over $200,000.
Over $500,000	$149,298, plus 37% of the excess over $500,000.

''(C) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The following table shall be applied in lieu of the table contained in subsection (c):

"If taxable income is:	The tax is:
Not over $9,525	10% of taxable income.
Over $9,525 but not over $38,700	$952.50, plus 12% of the excess over $9,525.
Over $38,700 but not over $82,500	$4,453.50, plus 22% of the excess over $38,700.
Over $82,500 but not over $157,500	$14,089.50, plus 24% of the excess over $82,500.
Over $157,500 but not over $200,000	$32,089.50, plus 32% of the excess over $157,500.
Over $200,000 but not over $500,000	$45,689.50, plus 35% of the excess over $200,000.
Over $500,000	$150,689.50, plus 37% of the excess over $500,000.

''(D) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The following table shall be applied in lieu of the table contained in subsection (d):

"If taxable income is:	The tax is:
Not over $9,525	10% of taxable income.
Over $9,525 but not over $38,700	$952.50, plus 12% of the excess over $9,525.
Over $38,700 but not over $82,500	$4,453.50, plus 22% of the excess over $38,700.
Over $82,500 but not over $157,500	$14,089.50, plus 24% of the excess over $82,500.
Over $157,500 but not over $200,000	$32,089.50, plus 32% of the excess over $157,500.
Over $200,000 but not over $300,000	$45,689.50, plus 35% of the excess over $200,000.
Over $300,000	$80,689.50, plus 37% of the excess over $300,000.

''(E) ESTATES AND TRUSTS.—The following table shall be applied in lieu of the table contained in subsection (e):

"If taxable income is:	The tax is:
Not over $2,550	10% of taxable income.
Over $2,550 but not over $9,150	$255, plus 24% of the excess over $2,550.
Over $9,150 but not over $12,500	$1,839, plus 35% of the excess over $9,150.
Over $12,500	$3,011.50, plus 37% of the excess over $12,500.

''(F) REFERENCES TO RATE TABLES.—Any reference in this title to a rate of tax under subsection (c) shall be treated as a reference to the corresponding rate bracket under subparagraph (C) of this paragraph, except that the reference in section 3402(q)(1) to the third lowest rate of tax applicable under subsection (c) shall be treated as a reference to the fourth lowest rate of tax under subparagraph (C).

''(3) ADJUSTMENTS.—

''(A) NO ADJUSTMENT IN 2018.—The tables contained in paragraph (2) shall apply without adjustment for taxable years beginning after December 31, 2017, and before January 1, 2019.

''(B) SUBSEQUENT YEARS.—For taxable years beginning after December 31, 2018, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (2) in the same manner as under paragraphs (1) and (2) of subsection (f) (applied without regard to clauses (i) and (ii) of subsection (f)(2)(A)), except that in prescribing such tables—

''(i) subsection (f)(3) shall be applied by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof,

''(ii) subsection (f)(7)(B) shall apply to any unmarried individual other than a surviving spouse or head of household, and

''(iii) subsection (f)(8) shall not apply.

''(4) SPECIAL RULES FOR CERTAIN CHILDREN WITH UNEARNED INCOME.—

''(A) IN GENERAL.—In the case of a child to whom subsection (g) applies for the taxable year, the rules of subparagraphs (B) and (C) shall apply in lieu of the rule under subsection (g)(1).

''(B) MODIFICATIONS TO APPLICABLE RATE BRACKETS.—In determining the amount of tax imposed by this section for the taxable year on a child described in subparagraph (A), the income tax table otherwise applicable under this subsection to the child shall be applied with the following modifications:

''(i) 24-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 24 percent shall not be more than the sum of—

''(I) the earned taxable income of such child, plus

''(II) the minimum taxable income for the 24-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

''(ii) 35-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 35 percent shall not be more than the sum of—

''(I) the earned taxable income of such child, plus

''(II) the minimum taxable income for the 35-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

''(iii) 37-PERCENT BRACKET.—The maximum taxable income which is taxed at a rate below 37 percent shall not be more than the sum of—

''(I) the earned taxable income of such child, plus

''(II) the minimum taxable income for the 37-percent bracket in the table under paragraph (2)(E) (as adjusted under paragraph (3)) for the taxable year.

''(C) COORDINATION WITH CAPITAL GAINS RATES.—For purposes of applying section 1(h) (after the modifications under paragraph (5)(A))—

''(i) the maximum zero rate amount shall not be more than the sum of—

''(I) the earned taxable income of such child, plus

''(II) the amount in effect under paragraph (5)(B)(i)(IV) for the taxable year, and

''(ii) the maximum 15-percent rate amount shall not be more than the sum of—

''(I) the earned taxable income of such child, plus

''(II) the amount in effect under paragraph (5)(B)(ii)(IV) for the taxable year.

''(D) EARNED TAXABLE INCOME.—For purposes of this paragraph, the term 'earned taxable income' means, with respect to any child for any taxable year, the taxable income of such child reduced (but not below zero) by the net unearned income (as defined in subsection (g)(4)) of such child.

''(5) APPLICATION OF CURRENT INCOME TAX BRACKETS TO CAPITAL GAINS BRACKETS.—

''(A) IN GENERAL.—Section 1(h)(1) shall be applied—

''(i) by substituting 'below the maximum zero rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 25 percent' in subparagraph (B)(i), and

''(ii) by substituting 'below the maximum 15-percent rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 39.6 percent' in subparagraph (C)(ii)(I).

''(B) MAXIMUM AMOUNTS DEFINED.—For purposes of applying section 1(h) with the modifications described in subparagraph (A)—

''(i) MAXIMUM ZERO RATE AMOUNT.—The maximum zero rate amount shall be—

''(I) in the case of a joint return or surviving spouse, $77,200,

''(II) in the case of an individual who is a head of household (as defined in section 2(b)), $51,700,

''(III) in the case of any other individual (other than an estate or trust), an amount equal to ½ of the amount in effect for the taxable year under subclause (I), and

''(IV) in the case of an estate or trust, $2,600.

''(ii) MAXIMUM 15-PERCENT RATE AMOUNT.—The maximum 15-percent rate amount shall be—

''(I) in the case of a joint return or surviving spouse, $479,000 (½ such amount in the case of a married individual filing a separate return),

''(II) in the case of an individual who is the head of a household (as defined in section 2(b)), $452,400,

''(III) in the case of any other individual (other than an estate or trust), $425,800, and

''(IV) in the case of an estate or trust, $12,700.

''(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2018, each of the dollar amounts in clauses (i) and (ii) of subparagraph (B) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase under this subparagraph is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.

''(6) SECTION 15 NOT TO APPLY.—Section 15 shall not apply to any change in a rate of tax by reason of this subsection.''.

(b) DUE DILIGENCE TAX PREPARER REQUIREMENT WITH RESPECT TO HEAD OF HOUSEHOLD FILING STATUS.—Subsection (g) of section 6695 is amended to read as follows:

''(g) FAILURE TO BE DILIGENT IN DETERMINING ELIGIBILITY FOR CERTAIN TAX BENEFITS.—Any person who is a tax return preparer with respect to any return or claim for refund who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining—

''(1) eligibility to file as a head of household (as defined in section 2(b)) on the return, or

''(2) eligibility for, or the amount of, the credit allowable by section 24, 25A(a)(1), or 32,

shall pay a penalty of $500 for each such failure.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11002. INFLATION ADJUSTMENTS BASED ON CHAINED CPI.

(a) IN GENERAL.—Subsection (f) of section 1 is amended by striking paragraph (3) and by inserting after paragraph (2) the following new paragraph:

''(3) COST-OF-LIVING ADJUSTMENT.—For purposes of this subsection—

''(A) IN GENERAL.—The cost-of-living adjustment for any calendar year is the percentage (if any) by which—

''(i) the C-CPI-U for the preceding calendar year, exceeds

''(ii) the CPI for calendar year 2016, multiplied by the amount determined under subparagraph (B).

''(B) AMOUNT DETERMINED.—The amount determined under this clause is the amount obtained by dividing—

''(i) the C-CPI-U for calendar year 2016, by

''(ii) the CPI for calendar year 2016.

''(C) SPECIAL RULE FOR ADJUSTMENTS WITH A BASE YEAR AFTER 2016.—For purposes of any provision of this title which provides for the substitution of a year after 2016 for '2016' in subparagraph (A)(ii), subparagraph (A) shall be applied by substituting 'the C-CPI-U for calendar year 2016' for 'the CPI for calendar year 2016' and all that follows in clause (ii) thereof.''.

(b) C-CPI-U.—Subsection (f) of section 1 is amended by striking paragraph (7), by redesignating paragraph (6) as paragraph (7), and by inserting after paragraph (5) the following new paragraph:

''(6) C-CPI-U.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'C-CPI-U' means the Chained Consumer Price Index for All Urban Consumers (as published by the Bureau of Labor Statistics of the Department of Labor). The values of the Chained Consumer Price Index for All Urban Consumers taken into account for purposes of determining the cost-of-living adjustment for any calendar year under this subsection shall be the latest values so published as of the date on which such Bureau publishes the initial value of the Chained Consumer Price Index for All Urban Consumers for the month of August for the preceding calendar year.

''(B) DETERMINATION FOR CALENDAR YEAR.—The C-CPI-U for any calendar year is the average of the C-CPI-U as of the close of the 12-month period ending on August 31 of such calendar year.''.

(c) APPLICATION TO PERMANENT TAX TABLES.—

(1) IN GENERAL.—Section 1(f)(2)(A) is amended to read as follows:

''(A) except as provided in paragraph (8), by increasing the minimum and maximum dollar amounts for each bracket for which a tax is imposed under such table by the cost-of-living adjustment for such calendar year, determined—

''(i) except as provided in clause (ii), by substituting '1992' for '2016' in paragraph (3)(A)(ii), and

''(ii) in the case of adjustments to the dollar amounts at which the 36 percent rate bracket begins or at which the 39.6 percent rate bracket begins, by substituting '1993' for '2016' in paragraph (3)(A)(ii),''.

(2) CONFORMING AMENDMENTS.—Section 1(i) is amended—

(A) by striking ''for '1992' in subparagraph (B)'' in paragraph (1)(C) and inserting ''for '2016' in subparagraph (A)(ii)'', and

(B) by striking ''subsection (f)(3)(B) shall be applied by substituting '2012' for '1992' '' in paragraph (3)(C) and inserting ''subsection (f)(3)(A)(ii) shall be applied by substituting '2012' for '2016' ''.

(d) APPLICATION TO OTHER INTERNAL REVENUE CODE OF 1986 PROVISIONS.—

(1) The following sections are each amended by striking ''for 'calendar year 1992' in subparagraph (B)'' and inserting ''for 'calendar year 2016' in subparagraph (A)(ii)'':

(A) Section 23(h)(2).

(B) Paragraphs (1)(A)(ii) and (2)(A)(ii) of section 25A(h).

(C) Section 25B(b)(3)(B).

(D) Subsection (b)(2)(B)(ii)(II), and clauses (i) and (ii) of subsection (j)(1)(B), of section 32.

(E) Section 36B(f)(2)(B)(ii)(II).

(F) Section 41(e)(5)(C)(i).

(G) Subsections (e)(3)(D)(ii) and (h)(3)(H)(i)(II) of section 42.

(H) Section 45R(d)(3)(B)(ii).

(I) Section 55(d)(4)(A)(ii).

(J) Section 62(d)(3)(B).

(K) Section 63(c)(4)(B).

(L) Section 125(i)(2)(B).

(M) Section 135(b)(2)(B)(ii).

(N) Section 137(f)(2).

(O) Section 146(d)(2)(B).

(P) Section 147(c)(2)(H)(ii).

(Q) Section 151(d)(4)(B).

(R) Section 179(b)(6)(A)(ii).

(S) Subsections (b)(5)(C)(i)(II) and (g)(8)(B) of section 219.

(T) Section 220(g)(2).

(U) Section 221(f)(1)(B).

(V) Section 223(g)(1)(B).

(W) Section 408A(c)(3)(D)(ii).

(X) Section 430(c)(7)(D)(vii)(II).

(Y) Section 512(d)(2)(B).

(Z) Section 513(h)(2)(C)(ii).

(AA) Section 831(b)(2)(D)(ii).

(BB) Section 877A(a)(3)(B)(i)(II).

(CC) Section 2010(c)(3)(B)(ii).

(DD) Section 2032A(a)(3)(B).

(EE) Section 2503(b)(2)(B).

(FF) Section 4261(e)(4)(A)(ii).

(GG) Section 5000A(c)(3)(D)(ii).

(HH) Section 6323(i)(4)(B).

(II) Section 6334(g)(1)(B).

(JJ) Section 6601(j)(3)(B).

(KK) Section 6651(i)(1).

(LL) Section 6652(c)(7)(A).

(MM) Section 6695(h)(1).

(NN) Section 6698(e)(1).

(OO) Section 6699(e)(1).

(PP) Section 6721(f)(1).

(QQ) Section 6722(f)(1).

(RR) Section 7345(f)(2).

(SS) Section 7430(c)(1).

(TT) Section 9831(d)(2)(D)(ii)(II).

(2) Sections 41(e)(5)(C)(ii) and 68(b)(2)(B) are each amended—

(A) by striking ''1(f)(3)(B)'' and inserting ''1(f)(3)(A)(ii)'', and

(B) by striking ''1992'' and inserting ''2016''.

(3) Section 42(h)(6)(G) is amended—

(A) by striking ''for 'calendar year 1987' '' in clause (i)(II) and inserting ''for 'calendar year 2016' in subparagraph (A)(ii) thereof'', and

(B) by striking ''if the CPI for any calendar year'' and all that follows in clause (ii) and inserting ''if the C-CPI-U for any calendar year (as defined in section 1(f)(6)) exceeds the C-CPI-U for the preceding calendar year by more than 5 percent, the C-CPI-U for the base calendar year shall be increased such that such excess shall never be taken into account under clause (i). In the case of a base calendar year before 2017, the C-CPI-U for such year shall be determined by multiplying the CPI for such year by the amount determined under section 1(f)(3)(B).''.

(4) Section 59(j)(2)(B) is amended by striking ''for '1992' in subparagraph (B)'' and inserting ''for '2016' in subparagraph (A)(ii)''.

(5) Section 132(f)(6)(A)(ii) is amended by striking ''for 'calendar year 1992' '' and inserting ''for 'calendar year 2016' in subparagraph (A)(ii) thereof''.

(6) Section 162(o)(3) is amended by striking ''adjusted for changes in the Consumer Price Index (as defined in section 1(f)(5)) since 1991'' and inserting ''adjusted by increasing any such amount under the 1991 agreement by an amount equal to—

''(A) such amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1990' for 'calendar year 2016' in subparagraph (A)(ii) thereof''.

(7) So much of clause (ii) of section 213(d)(10)(B) as precedes the last sentence is amended to read as follows:

''(ii) MEDICAL CARE COST ADJUSTMENT.—For purposes of clause (i), the medical care cost adjustment for any calendar year is the percentage (if any) by which—

''(I) the medical care component of the C-CPI-U (as defined in section 1(f)(6)) for August of the preceding calendar year, exceeds

''(II) such component of the CPI (as defined in section 1(f)(4)) for August of 1996, multiplied by the amount determined under section 1(f)(3)(B).''.

(8) Subparagraph (B) of section 280F(d)(7) is amended to read as follows:

''(B) AUTOMOBILE PRICE INFLATION ADJUSTMENT.—For purposes of this paragraph—

''(i) IN GENERAL.—The automobile price inflation adjustment for any calendar year is the percentage (if any) by which—

''(I) the C-CPI-U automobile component for October of the preceding calendar year, exceeds

''(II) the automobile component of the CPI (as defined in section 1(f)(4)) for October of 1987, multiplied by the amount determined under 1(f)(3)(B).

''(ii) C-CPI-U AUTOMOBILE COMPONENT.—The term 'C-CPI-U automobile component' means the automobile component of the Chained Consumer Price Index for All Urban Consumers (as described in section 1(f)(6)).''.

(9) Section 911(b)(2)(D)(ii)(II) is amended by striking ''for '1992' in subparagraph (B)'' and inserting ''for '2016' in subparagraph (A)(ii)''.

(10) Paragraph (2) of section 1274A(d) is amended to read as follows:

''(2) ADJUSTMENT FOR INFLATION.—In the case of any debt instrument arising out of a sale or exchange during any calendar year after 1989, each dollar amount contained in the preceding provisions of this section shall be increased by an amount equal to—

''(A) such amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1988' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

Any increase under the preceding sentence shall be rounded to the nearest multiple of $100 (or, if such increase is a multiple of $50, such increase shall be increased to the nearest multiple of $100).''.

(11) Section 4161(b)(2)(C)(i)(II) is amended by striking ''for '1992' in subparagraph (B)'' and inserting ''for '2016' in subparagraph (A)(ii)''.

(12) Section 4980I(b)(3)(C)(v)(II) is amended by striking ''for '1992' in subparagraph (B)'' and inserting ''for '2016' in subparagraph (A)(ii)''.

(13) Section 6039F(d) is amended by striking ''subparagraph (B) thereof shall be applied by substituting '1995' for '1992''' and inserting ''subparagraph (A)(ii) thereof shall be applied by substituting '1995' for '2016'''.

(14) Section 7872(g)(5) is amended to read as follows:

''(5) ADJUSTMENT OF LIMIT FOR INFLATION.—In the case of any loan made during any calendar year after 1986, the dollar amount in paragraph (2) shall be increased by an amount equal to—

''(A) such amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1985' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

Any increase under the preceding sentence shall be rounded to the nearest multiple of $100 (or, if such increase is a multiple of $50, such increase shall be increased to the nearest multiple of $100).''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

PART II—DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES

SEC. 11011. DEDUCTION FOR QUALIFIED BUSINESS INCOME.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by adding at the end the following new section:

''SEC. 199A. QUALIFIED BUSINESS INCOME.

''(a) IN GENERAL.—In the case of a taxpayer other than a corporation, there shall be allowed as a deduction for any taxable year an amount equal to the sum of—

''(1) the lesser of—

''(A) the combined qualified business income amount of the taxpayer, or

''(B) an amount equal to 20 percent of the excess (if any) of—

''(i) the taxable income of the taxpayer for the taxable year, over

''(ii) the sum of any net capital gain (as defined in section 1(h)), plus the aggregate amount of the qualified cooperative dividends, of the taxpayer for the taxable year, plus

''(2) the lesser of—

''(A) 20 percent of the aggregate amount of the qualified cooperative dividends of the taxpayer for the taxable year, or

''(B) taxable income (reduced by the net capital gain (as so defined)) of the taxpayer for the taxable year.

The amount determined under the preceding sentence shall not exceed the taxable income (reduced by the net capital gain (as so defined)) of the taxpayer for the taxable year.

''(b) COMBINED QUALIFIED BUSINESS INCOME AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'combined qualified business income amount' means, with respect to any taxable year, an amount equal to—

''(A) the sum of the amounts determined under paragraph (2) for each qualified trade or business carried on by the taxpayer, plus

''(B) 20 percent of the aggregate amount of the qualified REIT dividends and qualified publicly traded partnership income of the taxpayer for the taxable year.

''(2) DETERMINATION OF DEDUCTIBLE AMOUNT FOR EACH TRADE OR BUSINESS.—The amount determined under this paragraph with respect to any qualified trade or business is the lesser of—

''(A) 20 percent of the taxpayer's qualified business income with respect to the qualified trade or business, or

''(B) the greater of—

''(i) 50 percent of the W–2 wages with respect to the qualified trade or business, or

''(ii) the sum of 25 percent of the W–2 wages with respect to the qualified trade or business, plus 2.5 percent of the unadjusted basis immediately after acquisition of all qualified property.

''(3) MODIFICATIONS TO LIMIT BASED ON TAXABLE INCOME.—

''(A) EXCEPTION FROM LIMIT.—In the case of any taxpayer whose taxable income for the taxable year does not exceed the threshold amount, paragraph (2) shall be applied without regard to subparagraph (B).

''(B) PHASE-IN OF LIMIT FOR CERTAIN TAXPAYERS.—

''(i) IN GENERAL.—If—

''(I) the taxable income of a taxpayer for any taxable year exceeds the threshold amount, but does not exceed the sum of the threshold amount plus $50,000 ($100,000 in the case of a joint return), and

''(II) the amount determined under paragraph (2)(B) (determined without regard to this subparagraph) with respect to any qualified trade or business carried on by the taxpayer is less than the amount determined under paragraph (2)(A) with respect such trade or business,

then paragraph (2) shall be applied with respect to such trade or business without regard to subparagraph (B) thereof and by reducing the amount determined under subparagraph (A) thereof by the amount determined under clause (ii).

''(ii) AMOUNT OF REDUCTION.—The amount determined under this subparagraph is the amount which bears the same ratio to the excess amount as—

''(I) the amount by which the taxpayer's taxable income for the taxable year exceeds the threshold amount, bears to

''(II) $50,000 ($100,000 in the case of a joint return).

''(iii) EXCESS AMOUNT.—For purposes of clause (ii), the excess amount is the excess of—

''(I) the amount determined under paragraph (2)(A) (determined without regard to this paragraph), over

''(II) the amount determined under paragraph (2)(B) (determined without regard to this paragraph).

''(4) WAGES, ETC.—

''(A) IN GENERAL.—The term 'W–2 wages' means, with respect to any person for any taxable year of such person, the amounts described in paragraphs (3) and (8) of section 6051(a) paid by such person with respect to employment of employees by such person during the calendar year ending during such taxable year.

''(B) LIMITATION TO WAGES ATTRIBUTABLE TO QUALIFIED BUSINESS INCOME.—Such term shall not include any amount which is not properly allocable to qualified business income for purposes of subsection (c)(1).

''(C) RETURN REQUIREMENT.—Such term shall not include any amount which is not properly included in a return filed with the Social Security Administration on or before the 60th day after the due date (including extensions) for such return.

''(5) ACQUISITIONS, DISPOSITIONS, AND SHORT TAXABLE YEARS.—The Secretary shall provide for the application of this subsection in cases of a short taxable year or where the taxpayer acquires, or disposes of, the major portion of a trade or business or the major portion of a separate unit of a trade or business during the taxable year.

''(6) QUALIFIED PROPERTY.—For purposes of this section:

''(A) IN GENERAL.—The term 'qualified property' means, with respect to any qualified trade or business for a taxable year, tangible property of a character subject to the allowance for depreciation under section 167—

''(i) which is held by, and available for use in, the qualified trade or business at the close of the taxable year,

''(ii) which is used at any point during the taxable year in the production of qualified business income, and

''(iii) the depreciable period for which has not ended before the close of the taxable year.

''(B) DEPRECIABLE PERIOD.—The term 'depreciable period' means, with respect to qualified property of a taxpayer, the period beginning on the date the property was first placed in service by the taxpayer and ending on the later of—

''(i) the date that is 10 years after such date, or

''(ii) the last day of the last full year in the applicable recovery period that would apply to the property under section 168 (determined without regard to subsection (g) thereof).

''(c) QUALIFIED BUSINESS INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified business income' means, for any taxable year, the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. Such term shall not include any qualified REIT dividends, qualified cooperative dividends, or qualified publicly traded partnership income.

''(2) CARRYOVER OF LOSSES.—If the net amount of qualified income, gain, deduction, and loss with respect to qualified trades or businesses of the taxpayer for any taxable year is less than zero, such amount shall be treated as a loss from a qualified trade or business in the succeeding taxable year.

''(3) QUALIFIED ITEMS OF INCOME, GAIN, DEDUCTION, AND LOSS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified items of income, gain, deduction, and loss' means items of income, gain, deduction, and loss to the extent such items are—

''(i) effectively connected with the conduct of a trade or business within the United States (within the meaning of section 864(c), determined by substituting 'qualified trade or business (within the meaning of section 199A)' for 'nonresident alien individual or a foreign corporation' or for 'a foreign corporation' each place it appears), and

''(ii) included or allowed in determining taxable income for the taxable year.

''(B) EXCEPTIONS.—The following investment items shall not be taken into account as a qualified item of income, gain, deduction, or loss:

''(i) Any item of short-term capital gain, short-term capital loss, long-term capital gain, or long-term capital loss.

''(ii) Any dividend, income equivalent to a dividend, or payment in lieu of dividends described in section 954(c)(1)(G).

''(iii) Any interest income other than interest income which is properly allocable to a trade or business.

''(iv) Any item of gain or loss described in subparagraph (C) or (D) of section 954(c)(1) (applied by substituting 'qualified trade or business' for 'controlled foreign corporation').

''(v) Any item of income, gain, deduction, or loss taken into account under section 954(c)(1)(F) (determined without regard to clause (ii) thereof and other than items attributable to notional principal contracts entered into in transactions qualifying under section 1221(a)(7)).

''(vi) Any amount received from an annuity which is not received in connection with the trade or business.

''(vii) Any item of deduction or loss properly allocable to an amount described in any of the preceding clauses.

''(4) TREATMENT OF REASONABLE COMPENSATION AND GUARANTEED PAYMENTS.—Qualified business income shall not include—

''(A) reasonable compensation paid to the taxpayer by any qualified trade or business of the taxpayer for services rendered with respect to the trade or business,

''(B) any guaranteed payment described in section 707(c) paid to a partner for services rendered with respect to the trade or business, and

''(C) to the extent provided in regulations, any payment described in section 707(a) to a partner for services rendered with respect to the trade or business.

''(d) QUALIFIED TRADE OR BUSINESS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified trade or business' means any trade or business other than—

''(A) a specified service trade or business, or

''(B) the trade or business of performing services as an employee.

''(2) SPECIFIED SERVICE TRADE OR BUSINESS.—The term 'specified service trade or business' means any trade or business—

''(A) which is described in section 1202(e)(3)(A) (applied without regard to the words 'engineering, architecture,') or which would be so described if the term 'employees or owners' were substituted for 'employees' therein, or

''(B) which involves the performance of services that consist of investing and investment management, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

''(3) EXCEPTION FOR SPECIFIED SERVICE BUSINESSES BASED ON TAXPAYER'S INCOME.—

''(A) IN GENERAL.—If, for any taxable year, the taxable income of any taxpayer is less than the sum of the threshold amount plus $50,000 ($100,000 in the case of a joint return), then—

''(i) any specified service trade or business of the taxpayer shall not fail to be treated as a qualified trade or business due to paragraph (1)(A), but

''(ii) only the applicable percentage of qualified items of income, gain, deduction, or loss, and the W–2 wages and the unadjusted basis immediately after acquisition of qualified property, of the taxpayer allocable to such specified service trade or business shall be taken into account in computing the qualified business income, W–2 wages, and the unadjusted basis immediately after acquisition of qualified property of the taxpayer for the taxable year for purposes of applying this section.

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the term 'applicable percentage' means, with respect to any taxable year, 100 percent reduced (not below zero) by the percentage equal to the ratio of—

''(i) the taxable income of the taxpayer for the taxable year in excess of the threshold amount, bears to

''(ii) $50,000 ($100,000 in the case of a joint return).

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) TAXABLE INCOME.—Taxable income shall be computed without regard to the deduction allowable under this section.

''(2) THRESHOLD AMOUNT.—

''(A) IN GENERAL.—The term 'threshold amount' means $157,500 (200 percent of such amount in the case of a joint return).

''(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2018, the dollar amount in subparagraph (A) 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 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

The amount of any increase under the preceding sentence shall be rounded as provided in section 1(f)(7).

''(3) QUALIFIED REIT DIVIDEND.—The term 'qualified REIT dividend' means any dividend from a real estate investment trust received during the taxable year which—

''(A) is not a capital gain dividend, as defined in section 857(b)(3), and

''(B) is not qualified dividend income, as defined in section 1(h)(11).

''(4) QUALIFIED COOPERATIVE DIVIDEND.—The term 'qualified cooperative dividend' means any patronage dividend (as defined in section 1388(a)), any per-unit retain allocation (as defined in section 1388(f)), and any qualified written notice of allocation (as defined in section 1388(c)), or any similar amount received from an organization described in subparagraph (B)(ii), which—

''(A) is includible in gross income, and

''(B) is received from—

''(i) an organization or corporation described in section 501(c)(12) or 1381(a), or

''(ii) an organization which is governed under this title by the rules applicable to cooperatives under this title before the enactment of subchapter T.

''(5) QUALIFIED PUBLICLY TRADED PARTNERSHIP INCOME.—The term 'qualified publicly traded partnership income' means, with respect to any qualified trade or business of a taxpayer, the sum of—

''(A) the net amount of such taxpayer's allocable share of each qualified item of income, gain, deduction, and loss (as defined in subsection (c)(3) and determined after the application of subsection (c)(4)) from a publicly traded partnership (as defined in section 7704(a)) which is not treated as a corporation under section 7704(c), plus

''(B) any gain recognized by such taxpayer upon disposition of its interest in such partnership to the extent such gain is treated as an amount realized from the sale or exchange of property other than a capital asset under section 751(a).

''(f) SPECIAL RULES.—

''(1) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—

''(A) IN GENERAL.—In the case of a partnership or S corporation—

''(i) this section shall be applied at the partner or shareholder level,

''(ii) each partner or shareholder shall take into account such person's allocable share of each qualified item of income, gain, deduction, and loss, and

''(iii) each partner or shareholder shall be treated for purposes of subsection (b) as having W–2 wages and unadjusted basis immediately after acquisition of qualified property for the taxable year in an amount equal to such person's allocable share of the W–2 wages and the unadjusted basis immediately after acquisition of qualified property of the partnership or S corporation for the taxable year (as determined under regulations prescribed by the Secretary).

For purposes of clause (iii), a partner's or shareholder's allocable share of W–2 wages shall be determined in the same manner as the partner's or shareholder's allocable share of wage expenses. For purposes of such clause, partner's or shareholder's allocable share of the unadjusted basis immediately after acquisition of qualified property shall be determined in the same manner as the partner's or shareholder's allocable share of depreciation. For purposes of this subparagraph, in the case of an S corporation, an allocable share shall be the shareholder's pro rata share of an item.

''(B) APPLICATION TO TRUSTS AND ESTATES.—Rules similar to the rules under section 199(d)(1)(B)(i) (as in effect on December 1, 2017) for the apportionment of W–2 wages shall apply to the apportionment of W–2 wages and the apportionment of unadjusted basis immediately after acquisition of qualified property under this section.

''(C) TREATMENT OF TRADES OR BUSINESS IN PUERTO RICO.—

''(i) IN GENERAL.—In the case of any taxpayer with qualified business income from sources within the commonwealth of Puerto Rico, if all such income is taxable under section 1 for such taxable year, then for purposes of determining the qualified business income of such taxpayer for such taxable year, the term 'United States' shall include the Commonwealth of Puerto Rico.

''(ii) SPECIAL RULE FOR APPLYING LIMIT.—In the case of any taxpayer described in clause (i), the determination of W–2 wages of such taxpayer with respect to any qualified trade or business conducted in Puerto Rico shall be made without regard to any exclusion under section 3401(a)(8) for remuneration paid for services in Puerto Rico.

''(2) COORDINATION WITH MINIMUM TAX.—For purposes of determining alternative minimum taxable income under section 55, qualified business income shall be determined without regard to any adjustments under sections 56 through 59.

''(3) DEDUCTION LIMITED TO INCOME TAXES.—The deduction under subsection (a) shall only be allowed for purposes of this chapter.

''(4) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the purposes of this section, including regulations—

''(A) for requiring or restricting the allocation of items and wages under this section and such reporting requirements as the Secretary determines appropriate, and

''(B) for the application of this section in the case of tiered entities.

''(g) DEDUCTION ALLOWED TO SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVES.—

''(1) IN GENERAL.—In the case of any taxable year of a specified agricultural or horticultural cooperative beginning after December 31, 2017, there shall be allowed a deduction in an amount equal to the lesser of—

''(A) 20 percent of the excess (if any) of—

''(i) the gross income of a specified agricultural or horticultural cooperative, over

''(ii) the qualified cooperative dividends (as defined in subsection (e)(4)) paid during the taxable year for the taxable year, or

''(B) the greater of—

''(i) 50 percent of the W–2 wages of the cooperative with respect to its trade or business, or

''(ii) the sum of 25 percent of the W–2 wages of the cooperative with respect to its trade or business, plus 2.5 percent of the unadjusted basis immediately after acquisition of all qualified property of the cooperative.

''(2) LIMITATION.—The amount determined under paragraph (1) shall not exceed the taxable income of the specified agricultural or horticultural for the taxable year.

''(3) SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVE.—For purposes of this subsection, the term 'specified agricultural or horticultural cooperative' means an organization to which part I of subchapter T applies which is engaged in—

''(A) the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product,

''(B) the marketing of agricultural or horticultural products which its patrons have so

manufactured, produced, grown, or extracted, or

''(C) the provision of supplies, equipment, or services to farmers or to organizations described in subparagraph (A) or (B).

''(h) ANTI-ABUSE RULES.—The Secretary shall—

''(1) apply rules similar to the rules under section 179(d)(2) in order to prevent the manipulation of the depreciable period of qualified property using transactions between related parties, and

''(2) prescribe rules for determining the unadjusted basis immediately after acquisition of qualified property acquired in like-kind exchanges or involuntary conversions.

''(i) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2025.''.

(b) TREATMENT OF DEDUCTION IN COMPUTING ADJUSTED GROSS AND TAXABLE INCOME.—

(1) DEDUCTION NOT ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) is amended by adding at the end the following new sentence: ''The deduction allowed by section 199A shall not be treated as a deduction described in any of the preceding paragraphs of this subsection.''.

(2) DEDUCTION ALLOWED TO NONITEMIZERS.—Section 63(b) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) the deduction provided in section 199A.''.

(3) DEDUCTION ALLOWED TO ITEMIZERS WITHOUT LIMITS ON ITEMIZED DEDUCTIONS.—Section 63(d) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) the deduction provided in section 199A.''.

(4) CONFORMING AMENDMENT.—Section 3402(m)(1) is amended by inserting ''and the estimated deduction allowed under section 199A'' after ''chapter 1''.

(c) ACCURACY-RELATED PENALTY ON DETERMINATION OF APPLICABLE PERCENTAGE.—Section 6662(d)(1) is amended by inserting at the end the following new subparagraph:

''(C) SPECIAL RULE FOR TAXPAYERS CLAIMING SECTION 199A DEDUCTION.—In the case of any taxpayer who claims the deduction allowed under section 199A for the taxable year, subparagraph (A) shall be applied by substituting '5 percent' for '10 percent'.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 172(d) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED BUSINESS INCOME DEDUCTION.—The deduction under section 199A shall not be allowed.''.

(2) Section 246(b)(1) is amended by inserting ''199A,'' before ''243(a)(1)''.

(3) Section 613(a) is amended by inserting ''and without the deduction under section 199A'' after ''and without the deduction under section 199''.

(4) Section 613A(d)(1) is amended by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively, and by inserting after subparagraph (B), the following new subparagraph:

''(C) any deduction allowable under section 199A,''.

(5) Section 170(b)(2)(D) is amended by striking ''and'' in clause (iv), by striking the period at the end of clause (v), and by adding at the end the following new clause:

''(vi) section 199A(g).''.

(6) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting at the end the following new item:

''Sec. 199A. Qualified business income.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11012. LIMITATION ON LOSSES FOR TAXPAYERS OTHER THAN CORPORATIONS.

(a) IN GENERAL.—Section 461 is amended by adding at the end the following new subsection:

''(l) LIMITATION ON EXCESS BUSINESS LOSSES OF NONCORPORATE TAXPAYERS.—

''(1) LIMITATION.—In the case of taxable year of a taxpayer other than a corporation beginning after December 31, 2017, and before January 1, 2026—

''(A) subsection (j) (relating to limitation on excess farm losses of certain taxpayers) shall not apply, and

''(B) any excess business loss of the taxpayer for the taxable year shall not be allowed.

''(2) DISALLOWED LOSS CARRYOVER.—Any loss which is disallowed under paragraph (1) shall be treated as a net operating loss carryover to the following taxable year under section 172.

''(3) EXCESS BUSINESS LOSS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'excess business loss' means the excess (if any) of—

''(i) the aggregate deductions of the taxpayer for the taxable year which are attributable to trades or businesses of such taxpayer (determined without regard to whether or not such deductions are disallowed for such taxable year under paragraph (1)), over

''(ii) the sum of—

''(I) the aggregate gross income or gain of such taxpayer for the taxable year which is attributable to such trades or businesses, plus

''(II) $250,000 (200 percent of such amount in the case of a joint return).

''(B) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2018, the $250,000 amount in subparagraph (A)(ii)(II) 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 '2017' for '2016' in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(4) APPLICATION OF SUBSECTION IN CASE OF PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation—

''(A) this subsection shall be applied at the partner or shareholder level, and

''(B) each partner's or shareholder's allocable share of the items of income, gain, deduction, or loss of the partnership or S corporation for any taxable year from trades or businesses attributable to the partnership or S corporation shall be taken into account by the partner or shareholder in applying this subsection to the taxable year of such partner or shareholder with or within which the taxable year of the partnership or S corporation ends.

For purposes of this paragraph, in the case of an S corporation, an allocable share shall be the shareholder's pro rata share of an item.

''(5) ADDITIONAL REPORTING.—The Secretary shall prescribe such additional reporting requirements as the Secretary determines necessary to carry out the purposes of this subsection.

''(6) COORDINATION WITH SECTION 469.—This subsection shall be applied after the application of section 469.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

PART III—TAX BENEFITS FOR FAMILIES AND INDIVIDUALS

SEC. 11021. INCREASE IN STANDARD DEDUCTION.

(a) IN GENERAL.—Subsection (c) of section 63 is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026—

''(A) INCREASE IN STANDARD DEDUCTION.—Paragraph (2) shall be applied—

''(i) by substituting '$18,000' for '$4,400' in subparagraph (B), and

''(ii) by substituting '$12,000' for '$3,000' in subparagraph (C).

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—Paragraph (4) shall not apply to the dollar amounts contained in paragraphs (2)(B) and (2)(C).

''(ii) ADJUSTMENT OF INCREASED AMOUNTS.—In the case of a taxable year beginning after 2018, the $18,000 and $12,000 amounts in subparagraph (A) shall each 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 '2017' for '2016' in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11022. INCREASE IN AND MODIFICATION OF CHILD TAX CREDIT.

(a) IN GENERAL.—Section 24 is amended by adding at the end the following new subsection:

''(h) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—

''(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, this section shall be applied as provided in paragraphs (2) through (7).

''(2) CREDIT AMOUNT.—Subsection (a) shall be applied by substituting '$2,000' for '$1,000'.

''(3) LIMITATION.—In lieu of the amount determined under subsection (b)(2), the threshold amount shall be $400,000 in the case of a joint return ($200,000 in any other case).

''(4) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

''(A) IN GENERAL.—The credit determined under subsection (a) (after the application of paragraph (2)) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (c).

''(B) EXCEPTION FOR CERTAIN NONCITIZENS.—Subparagraph (A) shall not apply with respect to any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(C) CERTAIN QUALIFYING CHILDREN.—In the case of any qualifying child with respect to whom a credit is not allowed under this section by reason of paragraph (7), such child shall be treated as a dependent to whom subparagraph (A) applies.

''(5) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—

''(A) IN GENERAL.—The amount determined under subsection (d)(1)(A) with respect to any qualifying child shall not exceed $1,400, and such subsection shall be applied without regard to paragraph (4) of this subsection.

''(B) ADJUSTMENT FOR INFLATION.—In the case of a taxable year beginning after 2018, the $1,400 amount in subparagraph (A) 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 '2017' for '2016' in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

''(6) EARNED INCOME THRESHOLD FOR REFUNDABLE CREDIT.—Subsection (d)(1)(B)(i) shall be applied by substituting '$2,500' for '$3,000'.

''(7) SOCIAL SECURITY NUMBER REQUIRED.—No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year. For purposes of the preceding sentence, the term 'social security number' means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued—

''(A) to a citizen of the United States or pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act, and

''(B) before the due date for such return.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11023. INCREASED LIMITATION FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Section 170(b)(1) is amended by redesignating subparagraph (G) as subparagraph (H) and by inserting after subparagraph (F) the following new subparagraph:

''(G) INCREASED LIMITATION FOR CASH CONTRIBUTIONS.—

''(i) IN GENERAL.—In the case of any contribution of cash to an organization described in subparagraph (A), the total amount of such contributions which may be taken into account under subsection (a) for any taxable year beginning after December 31, 2017, and before January 1, 2026, shall not exceed 60 percent of the taxpayer's contribution base for such year.

''(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the applicable limitation under clause (i) for any taxable year described in such clause, such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order of time.

''(iii) COORDINATION WITH SUBPARAGRAPHS (A) AND (B).—

''(I) IN GENERAL.—Contributions taken into account under this subparagraph shall not be taken into account under subparagraph (A).

''(II) LIMITATION REDUCTION.—For each taxable year described in clause (i), and each taxable year to which any contribution under this subparagraph is carried over under clause (ii), subparagraph (A) shall be applied by reducing (but not below zero) the contribution limitation allowed for the taxable year under such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year, and subparagraph (B) shall be applied by treating any reference to subparagraph (A) as a reference to both subparagraph (A) and this subparagraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2017.

SEC. 11024. INCREASED CONTRIBUTIONS TO ABLE ACCOUNTS.

(a) INCREASE IN LIMITATION FOR CONTRIBUTIONS FROM COMPENSATION OF INDIVIDUALS WITH DISABILITIES.—

(1) IN GENERAL.—Section 529A(b)(2)(B) is amended to read as follows:

''(B) except in the case of contributions under subsection (c)(1)(C), if such contribution to an ABLE account would result in aggregate contributions from all contributors to the ABLE account for the taxable year exceeding the sum of—

''(i) the amount in effect under section 2503(b) for the calendar year in which the taxable year begins, plus

''(ii) in the case of any contribution by a designated beneficiary described in paragraph (7) before January 1, 2026, the lesser of—

''(I) compensation (as defined by section 219(f)(1)) includible in the designated beneficiary's gross income for the taxable year, or

''(II) an amount equal to the poverty line for a one-person household, as determined for the calendar year preceding the calendar year in which the taxable year begins.''.

(2) RESPONSIBILITY FOR CONTRIBUTION LIMITATION.—Paragraph (2) of section 529A(b) is amended by adding at the end the following: ''A designated beneficiary (or a person acting on behalf of such beneficiary) shall maintain adequate records for purposes of ensuring, and shall be responsible for ensuring, that the requirements of subparagraph (B)(ii) are met.''

(3) ELIGIBLE DESIGNATED BENEFICIARY.—Section 529A(b) is amended by adding at the end the following:

''(7) SPECIAL RULES RELATED TO CONTRIBUTION LIMIT.—For purposes of paragraph (2)(B)(ii)—

''(A) DESIGNATED BENEFICIARY.—A designated beneficiary described in this paragraph is an employee (including an employee within the meaning of section 401(c)) with respect to whom—

''(i) no contribution is made for the taxable year to a defined contribution plan (within the meaning of section 414(i)) with respect to which the requirements of section 401(a) or 403(a) are met,

''(ii) no contribution is made for the taxable year to an annuity contract described in section 403(b), and

''(iii) no contribution is made for the taxable year to an eligible deferred compensation plan described in section 457(b).

''(B) POVERTY LINE.—The term 'poverty line' has the meaning given such term by section 673 of the Community Services Block Grant Act (42 U.S.C. 9902).''.

(b) ALLOWANCE OF SAVER'S CREDIT FOR ABLE CONTRIBUTIONS BY ACCOUNT HOLDER.—Section 25B(d)(1) is amended by striking ''and'' at the end of subparagraph (B)(ii), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting at the end the following:

''(D) the amount of contributions made before January 1, 2026, by such individual to the ABLE account (within the meaning of section 529A) of which such individual is the designated beneficiary.''.

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

SEC. 11025. ROLLOVERS TO ABLE PROGRAMS FROM 529 PROGRAMS.

(a) IN GENERAL.—Clause (i) of section 529(c)(3)(C) is amended by striking ''or'' at the end of subclause (I), by striking the period at the end of subclause (II) and inserting '', or'', and by adding at the end the following:

''(III) before January 1, 2026, to an ABLE account (as defined in section 529A(e)(6)) of the designated beneficiary or a member of the family of the designated beneficiary.

Subclause (III) shall not apply to so much of a distribution which, when added to all other contributions made to the ABLE account for the taxable year, exceeds the limitation under section 529A(b)(2)(B)(i).''.

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

SEC. 11026. TREATMENT OF CERTAIN INDIVIDUALS PERFORMING SERVICES IN THE SINAI PENINSULA OF EGYPT.

(a) IN GENERAL.—For purposes of the following provisions of the Internal Revenue Code of 1986, with respect to the applicable period, a qualified hazardous duty area shall be treated in the same manner as if it were a combat zone (as determined under section 112 of such Code):

(1) Section 2(a)(3) (relating to special rule where deceased spouse was in missing status).

(2) Section 112 (relating to the exclusion of certain combat pay of members of the Armed Forces).

(3) Section 692 (relating to income taxes of members of Armed Forces on death).

(4) Section 2201 (relating to members of the Armed Forces dying in combat zone or by reason of combat-zone-incurred wounds, etc.).

(5) Section 3401(a)(1) (defining wages relating to combat pay for members of the Armed Forces).

(6) Section 4253(d) (relating to the taxation of phone service originating from a combat zone from members of the Armed Forces).

(7) Section 6013(f)(1) (relating to joint return where individual is in missing status).

(8) Section 7508 (relating to time for performing certain acts postponed by reason of service in combat zone).

(b) QUALIFIED HAZARDOUS DUTY AREA.—For purposes of this section, the term ''qualified hazardous duty area'' means the Sinai Peninsula of Egypt, if as of the date of the enactment of this section any member of the Armed Forces of the United States is entitled to special pay under section 310 of title 37, United States Code (relating to special pay; duty subject to hostile fire or imminent danger), for services performed in such location. Such term includes such location only during the period such entitlement is in effect.

(c) APPLICABLE PERIOD.—

(1) IN GENERAL.—Except as provided in paragraph (2), the applicable period is—

(A) the portion of the first taxable year ending after June 9, 2015, which begins on such date, and

(B) any subsequent taxable year beginning before January 1, 2026.

(2) WITHHOLDING.—In the case of subsection (a)(5), the applicable period is—

(A) the portion of the first taxable year ending after the date of the enactment of this Act which begins on such date, and

(B) any subsequent taxable year beginning before January 1, 2026.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the provisions of this section shall take effect on June 9, 2015.

(2) WITHHOLDING.—Subsection (a)(5) shall apply to remuneration paid after the date of the enactment of this Act.

SEC. 11027. TEMPORARY REDUCTION IN MEDICAL EXPENSE DEDUCTION FLOOR.

(a) IN GENERAL.—Subsection (f) of section 213 is amended to read as follows:

''(f) SPECIAL RULES FOR 2013 THROUGH 2018.—In the case of any taxable year—

''(1) beginning after December 31, 2012, and ending before January 1, 2017, in the case of a taxpayer if such taxpayer or such taxpayer's spouse has attained age 65 before the close of such taxable year, and

''(2) beginning after December 31, 2016, and ending before January 1, 2019, in the case of any taxpayer,

subsection (a) shall be applied with respect to a taxpayer by substituting '7.5 percent' for '10 percent'.''.

(b) MINIMUM TAX PREFERENCE NOT TO APPLY.—Section 56(b)(1)(B) is amended by adding at the end the following new sentence:''This subparagraph shall not apply to taxable years beginning after December 31, 2016, and ending before January 1, 2019''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 11028. RELIEF FOR 2016 DISASTER AREAS.

(a) IN GENERAL.—For purposes of this section, the term ''2016 disaster area'' means any area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act during calendar year 2016.

(b) SPECIAL RULES FOR USE OF RETIREMENT FUNDS WITH RESPECT TO AREAS DAMAGED BY 2016 DISASTERS.—

(1) TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS.—

(A) IN GENERAL.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified 2016 disaster distribution.

(B) AGGREGATE DOLLAR LIMITATION.—

(i) IN GENERAL.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified 2016 disaster distributions for any taxable year shall not exceed the excess (if any) of—

(I) $100,000, over

(II) the aggregate amounts treated as qualified 2016 disaster distributions received by such individual for all prior taxable years.

(ii) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to clause (i)) be a qualified 2016 disaster distribution, a plan shall not be treated as violating any requirement of this title merely because the plan treats such distribution as a qualified 2016 disaster distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

(iii) CONTROLLED GROUP.—For purposes of clause (ii), the term ''controlled group'' means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986.

(C) AMOUNT DISTRIBUTED MAY BE REPAID.—

(i) IN GENERAL.—Any individual who receives a qualified 2016 disaster distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16) of the Internal Revenue Code of 1986, as the case may be.

(ii) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to clause (i) with respect to a qualified 2016 disaster distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified 2016 disaster distribution in an eligible rollover distribution (as defined in section 402(c)(4) of the Internal Revenue Code of 1986) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(iii) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to clause (i) with respect to a qualified 2016 disaster distribution from an individual retirement plan (as defined by section 7701(a)(37) of the Internal Revenue Code of 1986), then, to the extent of the amount of the contribution, the qualified 2016 disaster distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(D) DEFINITIONS.—For purposes of this paragraph—

(i) QUALIFIED 2016 DISASTER DISTRIBUTION.—Except as provided in subparagraph (B), the term ''qualified 2016 disaster distribution'' means any distribution from an eligible retirement plan made on or after January 1, 2016, and before January 1, 2018, to an individual whose principal place of abode at any time during calendar year 2016 was located in a disaster area described in subsection (a) and who has sustained an economic loss by reason of the events giving rise to the Presidential declaration described in subsection (a) which was applicable to such area.

(ii) ELIGIBLE RETIREMENT PLAN.—The term ''eligible retirement plan'' shall have the meaning given such term by section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(E) INCOME INCLUSION SPREAD OVER 3-YEAR PERIOD.—

(i) IN GENERAL.—In the case of any qualified 2016 disaster distribution, unless the taxpayer elects not to have this subparagraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(ii) SPECIAL RULE.—For purposes of clause (i), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(F) SPECIAL RULES.—

(i) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified 2016 disaster distribution shall not be treated as eligible rollover distributions.

(ii) QUALIFIED 2016 DISASTER DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes of the Internal Revenue Code of 1986, a qualified 2016 disaster distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of the Internal Revenue Code of 1986.

(2) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(A) IN GENERAL.—If this paragraph applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subparagraph (B)(ii)(I).

(B) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(i) IN GENERAL.—This paragraph shall apply to any amendment to any plan or annuity contract which is made—

(I) pursuant to any provision of this section, or pursuant to any regulation under any provision of this section, and

(II) on or before the last day of the first plan year beginning on or after January 1, 2018, or such later date as the Secretary prescribes.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), subclause (II) shall be applied by substituting the date which is 2 years after the date otherwise applied under subclause (II).

(ii) CONDITIONS.—This paragraph shall not apply to any amendment to a plan or contract unless such amendment applies retroactively for such period, and shall not apply to any such amendment unless the plan or contract is operated as if such amendment were in effect during the period—

(I) beginning on the date that this section or the regulation described in clause (i)(I) takes effect (or in the case of a plan or contract amendment not required by this section or such regulation, the effective date specified by the plan), and

(II) ending on the date described in clause (i)(II) (or, if earlier, the date the plan or contract amendment is adopted).

(c) SPECIAL RULES FOR PERSONAL CASUALTY LOSSES RELATED TO 2016 MAJOR DISASTER.—

(1) IN GENERAL.—If an individual has a net disaster loss for any taxable year beginning after December 31, 2015, and before January 1, 2018—

(A) the amount determined under section 165(h)(2)(A)(ii) of the Internal Revenue Code of 1986 shall be equal to the sum of—

(i) such net disaster loss, and

(ii) so much of the excess referred to in the matter preceding clause (i) of section 165(h)(2)(A) of such Code (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual,

(B) section 165(h)(1) of such Code shall be applied by substituting ''$500'' for ''$500 ($100 for taxable years beginning after December 31, 2009)'',

(C) the standard deduction determined under section 63(c) of such Code shall be increased by the net disaster loss, and

(D) section 56(b)(1)(E) of such Code shall not apply to so much of the standard deduction as is attributable to the increase under subparagraph (C) of this paragraph.

(2) NET DISASTER LOSS.—For purposes of this subsection, the term ''net disaster loss'' means the excess of qualified disaster-related personal casualty losses over personal casualty gains (as defined in section 165(h)(3)(A) of the Internal Revenue Code of 1986).

(3) QUALIFIED DISASTER-RELATED PERSONAL CASUALTY LOSSES.—For purposes of this paragraph, the term ''qualified disaster-related personal casualty losses'' means losses described in section 165(c)(3) of the Internal Revenue Code of 1986 which arise in a disaster area described in subsection (a) on or after January 1, 2016, and which are attributable to the events giving rise to the Presidential declaration described in subsection (a) which was applicable to such area.

PART IV—EDUCATION

SEC. 11031. TREATMENT OF STUDENT LOANS DISCHARGED ON ACCOUNT OF DEATH OR DISABILITY.

(a) IN GENERAL.—Section 108(f) is amended by adding at the end the following new paragraph:

''(5) DISCHARGES ON ACCOUNT OF DEATH OR DISABILITY.—

''(A) IN GENERAL.—In the case of an individual, gross income does not include any amount which (but for this subsection) would be includible in gross income for such taxable year by reasons of the discharge (in whole or in part) of any loan described in subparagraph (B) after December 31, 2017, and before January 1, 2026, if such discharge was—

''(i) pursuant to subsection (a) or (d) of section 437 of the Higher Education Act of 1965 or the parallel benefit under part D of title IV of such Act (relating to the repayment of loan liability),

''(ii) pursuant to section 464(c)(1)(F) of such Act, or

''(iii) otherwise discharged on account of the death or total and permanent disability of the student.

''(B) LOANS DESCRIBED.—A loan is described in this subparagraph if such loan is—

''(i) a student loan (as defined in paragraph (2)), or

''(ii) a private education loan (as defined in section 140(7) of the Consumer Credit Protection Act (15 U.S.C. 1650(7))).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to discharges of indebtedness after December 31, 2017.

SEC. 11032. 529 ACCOUNT FUNDING FOR ELEMENTARY AND SECONDARY EDUCATION.

(a) IN GENERAL.—

(1) IN GENERAL.—Section 529(c) is amended by adding at the end the following new paragraph:

''(7) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this subsection to the term 'qualified higher education expense' shall include a reference to expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school.''.

(2) LIMITATION.—Section 529(e)(3)(A) is amended by adding at the end the following: ''The amount of cash distributions from all qualified tuition programs described in subsection (b)(1)(A)(ii) with respect to a beneficiary during any taxable year shall, in the aggregate, include not more than $10,000 in expenses described in subsection (c)(7) incurred during the taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2017.

PART V—DEDUCTIONS AND EXCLUSIONS

SEC. 11041. SUSPENSION OF DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subsection (d) of section 151 is amended—

(1) by striking ''In the case of'' in paragraph (4) and inserting ''Except as provided in paragraph (5), in the case of'', and

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

''(5) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026—

''(A) EXEMPTION AMOUNT.—The term 'exemption amount' means zero.

''(B) REFERENCES.—For purposes of any other provision of this title, the reduction of the exemption amount to zero under subparagraph (A) shall not be taken into account in determining whether a deduction is allowed or allowable, or whether a taxpayer is entitled to a deduction, under this section.''.

(b) APPLICATION TO ESTATES AND TRUSTS.—Section 642(b)(2)(C) is amended by adding at the end the following new clause:

''(iii) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

''(I) IN GENERAL.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, clause (i) shall be applied by substituting '$4,150' for 'the exemption amount under section 151(d)'.

''(II) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2018, the $4,150 amount in subparagraph (A) shall be increased in the same manner as provided in section 6334(d)(4)(C).''.

(c) MODIFICATION OF WAGE WITHHOLDING RULES.—

(1) IN GENERAL.—Section 3402(a)(2) is amended by striking ''means the amount'' and all that follows and inserting ''means the amount by which the wages exceed the taxpayer's withholding allowance, prorated to the payroll period.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 3401 is amended by striking subsection (e).

(B) Paragraphs (1) and (2) of section 3402(f) are amended to read as follows:

''(1) IN GENERAL.—Under rules determined by the Secretary, an employee receiving wages shall on any day be entitled to a withholding allowance determined based on—

''(A) whether the employee is an individual for whom a deduction is allowable with respect to another taxpayer under section 151;

''(B) if the employee is married, whether the employee's spouse is entitled to an allowance, or would be so entitled if such spouse were an employee receiving wages, under subparagraph (A) or (D), but only if such spouse does not have in effect a withholding allowance certificate claiming such allowance;

''(C) the number of individuals with respect to whom, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable a credit under section 24(a) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit;

''(D) any additional amounts to which the employee elects to take into account under subsection (m), but only if the employee's spouse does not have in effect a withholding allowance certificate making such an election;

''(E) the standard deduction allowable to such employee (one-half of such standard deduction in the case of an employee who is married (as determined under section 7703) and whose spouse is an employee receiving wages subject to withholding); and

''(F) whether the employee has withholding allowance certificates in effect with respect to more than 1 employer.

''(2) ALLOWANCE CERTIFICATES.—

''(A) ON COMMENCEMENT OF EMPLOYMENT.—On or before the date of the commencement of employment with an employer, the employee shall furnish the employer with a signed withholding allowance certificate relating to the withholding allowance claimed by the employee, which shall in no event exceed the amount to which the employee is entitled.

''(B) CHANGE OF STATUS.—If, on any day during the calendar year, an employee's withholding allowance is in excess of the withholding allowance to which the employee would be entitled had the employee submitted a true and accurate withholding allowance certificate to the employer on that day, the employee shall within 10 days thereafter furnish the employer with a new withholding allowance certificate. If, on any day during the calendar year, an employee's withholding allowance is greater than the withholding allowance claimed, the employee may furnish the employer with a new withholding allowance certificate relating to the withholding allowance to which the employee is so entitled, which shall in no event exceed the amount to which the employee is entitled on such day.

''(C) CHANGE OF STATUS WHICH AFFECTS NEXT CALENDAR YEAR.—If on any day during the calendar year the withholding allowance to which the employee will be, or may reasonably be expected to be, entitled at the beginning of the employee's next taxable year under subtitle A is different from the allowance to which the employee is entitled on such day, the employee shall, in such cases and at such times as the Secretary shall by regulations prescribe, furnish the employer with a withholding allowance certificate relating to the withholding allowance which the employee claims with respect to such next taxable year, which shall in no event exceed the withholding allowance to which the employee will be, or may reasonably be expected to be, so entitled.''.

(C) Subsections (b)(1), (b)(2), (f)(3), (f)(4), (f)(5), (f)(7) (including the heading thereof), (g)(4), (l)(1), (l)(2), and (n) of section 3402 are each amended by striking ''exemption'' each place it appears and inserting ''allowance''.

(D) The heading of section 3402(f) is amended by striking ''EXEMPTIONS'' and inserting ''ALLOWANCE''.

(E) Section 3402(m) is amended by striking ''additional withholding allowances or additional reductions in withholding under this subsection. In determining the number of additional withholding allowances'' and inserting ''an additional withholding allowance or additional reductions in withholding under this subsection. In determining the additional withholding allowance''.

(F) Paragraphs (3) and (4) of section 3405(a) (and the heading for such paragraph (4)) are each amended by striking ''exemption'' each place it appears and inserting ''allowance''.

(G) Section 3405(a)(4) is amended by striking ''shall be determined'' and all that follows through ''3 withholding exemptions'' and inserting ''shall be determined under rules prescribed by the Secretary''.

(d) EXCEPTION FOR DETERMINING PROPERTY EXEMPT FROM LEVY.—Section 6334(d) is amended by adding at the end the following new paragraph:

''(4) YEARS WHEN PERSONAL EXEMPTION AMOUNT IS ZERO.—

''(A) IN GENERAL.—In the case of any taxable year in which the exemption amount under section 151(d) is zero, paragraph (2) shall not apply and for purposes of paragraph (1) the term 'exempt amount' means an amount equal to—

''(i) the sum of the amount determined under subparagraph (B) and the standard deduction, divided by

''(ii) 52.

''(B) AMOUNT DETERMINED.—For purposes of subparagraph (A), the amount determined under this subparagraph is $4,150 multiplied by the number of the taxpayer's dependents for the taxable year in which the levy occurs.

''(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2018, the $4,150 amount in subparagraph (B) 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 '2017' for '2016' in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

''(D) VERIFIED STATEMENT.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with no dependents.''.

(e) PERSONS REQUIRED TO MAKE RETURNS OF INCOME.—Section 6012 is amended by adding at the end the following new subsection:

''(f) SPECIAL RULE FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, subsection (a)(1) shall not apply, and every individual who has gross income for the taxable year shall be required to make returns with respect to income taxes under subtitle A, except that a return shall not be required of—

''(1) an individual who is not married (determined by applying section 7703) and who has gross income for the taxable year which does not exceed the standard deduction applicable to such individual for such taxable year under section 63, or

''(2) an individual entitled to make a joint return if—

''(A) the gross income of such individual, when combined with the gross income of such individual's spouse, for the taxable year does not exceed the standard deduction which would be applicable to the taxpayer for such taxable year under section 63 if such individual and such individual's spouse made a joint return,

''(B) such individual and such individual's spouse have the same household as their home at the close of the taxable year,

''(C) such individual's spouse does not make a separate return, and

''(D) neither such individual nor such individual's spouse is an individual described in section 63(c)(5) who has income (other than earned income) in excess of the amount in effect under section 63(c)(5)(A).''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) WAGE WITHHOLDING.—The Secretary of the Treasury may administer section 3402 for taxable years beginning before January 1, 2019, without regard to the amendments made by subsections (a) and (c).

SEC. 11042. LIMITATION ON DEDUCTION FOR STATE AND LOCAL, ETC. TAXES.

(a) IN GENERAL.—Subsection (b) of section 164 is amended by adding at the end the following new paragraph:

''(6) LIMITATION ON INDIVIDUAL DEDUCTIONS FOR TAXABLE YEARS 2018 THROUGH 2025.—In the case of an individual and a taxable year beginning after December 31, 2017, and before January 1, 2026—

''(A) foreign real property taxes shall not be taken into account under subsection (a)(1), and

''(B) the aggregate amount of taxes taken into account under paragraphs (1), (2), and (3) of subsection (a) and paragraph (5) of this subsection for any taxable year shall not exceed $10,000 ($5,000 in the case of a married individual filing a separate return).

The preceding sentence shall not apply to any foreign taxes described in subsection (a)(3) or to any taxes described in paragraph (1) and (2) of subsection (a) which are paid or accrued in carrying on a trade or business or an activity described in section 212. For purposes of subparagraph (B), an amount paid in a taxable year beginning before January 1, 2018, with respect to a State or local income tax imposed for a taxable year beginning after December 31, 2017, shall be treated as paid on the last day of the taxable year for which such tax is so imposed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 11043. LIMITATION ON DEDUCTION FOR QUALIFIED RESIDENCE INTEREST.

(a) IN GENERAL.—Section 163(h)(3) is amended by adding at the end the following new subparagraph:

''(F) SPECIAL RULES FOR TAXABLE YEARS 2018 THROUGH 2025.—

''(i) IN GENERAL.—In the case of taxable years beginning after December 31, 2017, and before January 1, 2026—

''(I) DISALLOWANCE OF HOME EQUITY INDEBTEDNESS INTEREST.—Subparagraph (A)(ii) shall not apply.

''(II) LIMITATION ON ACQUISITION INDEBTEDNESS.—Subparagraph (B)(ii) shall be applied by substituting '$750,000 ($375,000' for '$1,000,000 ($500,000'.

''(III) TREATMENT OF INDEBTEDNESS INCURRED ON OR BEFORE DECEMBER 15, 2017.—Subclause (II) shall not apply to any indebtedness incurred on or before December 15, 2017, and, in applying such subclause to any indebtedness incurred after such date, the limitation under such subclause shall be reduced (but not below zero) by the amount of any indebtedness incurred on or before December 15, 2017, which is treated as acquisition indebtedness for purposes of this subsection for the taxable year.

''(IV) BINDING CONTRACT EXCEPTION.—In the case of a taxpayer who enters into a written binding contract before December 15, 2017, to close on the purchase of a principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, subclause (III) shall be applied by substituting 'April 1, 2018' for 'December 15, 2017'.

''(ii) TREATMENT OF LIMITATION IN TAXABLE YEARS AFTER DECEMBER 31, 2025.—In the case of taxable years beginning after December 31, 2025, the limitation under subparagraph (B)(ii) shall be applied to the aggregate amount of indebtedness of the taxpayer described in subparagraph (B)(i) without regard to the taxable year in which the indebtedness was incurred.

''(iii) TREATMENT OF REFINANCINGS OF INDEBTEDNESS.—

''(I) IN GENERAL.—In the case of any indebtedness which is incurred to refinance indebtedness, such refinanced indebtedness shall be treated for purposes of clause (i)(III) as incurred on the date that the original indebtedness was incurred to the extent the amount of the indebtedness resulting from such refinancing does not exceed the amount of the refinanced indebtedness.

''(II) LIMITATION ON PERIOD OF REFINANCING.—Subclause (I) shall not apply to any indebtedness after the expiration of the term of the original indebtedness or, if the principal of such original indebtedness is not amortized over its term, the expiration of the term of the 1st refinancing of such indebtedness (or if earlier, the date which is 30 years after the date of such 1st refinancing).

''(iv) COORDINATION WITH EXCLUSION OF INCOME FROM DISCHARGE OF INDEBTEDNESS.—Section 108(h)(2) shall be applied without regard to this subparagraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11044. MODIFICATION OF DEDUCTION FOR PERSONAL CASUALTY LOSSES.

(a) IN GENERAL.—Subsection (h) of section 165 is amended by adding at the end the following new paragraph:

''(5) LIMITATION FOR TAXABLE YEARS 2018 THROUGH 2025.—

''(A) IN GENERAL.—In the case of an individual, except as provided in subparagraph (B), any personal casualty loss which (but for this paragraph) would be deductible in a taxable year beginning after December 31, 2017, and before January 1, 2026, shall be allowed as a deduction under subsection (a) only to the extent it is attributable to a Federally declared disaster (as defined in subsection (i)(5)).

''(B) EXCEPTION RELATED TO PERSONAL CASUALTY GAINS.—If a taxpayer has personal casualty gains for any taxable year to which subparagraph (A) applies—

''(i) subparagraph (A) shall not apply to the portion of the personal casualty loss not attributable to a Federally declared disaster (as so defined) to the extent such loss does not exceed such gains, and

''(ii) in applying paragraph (2) for purposes of subparagraph (A) to the portion of personal casualty loss which is so attributable to such a disaster, the amount of personal casualty gains taken into account under paragraph (2)(A) shall be reduced by the portion of such gains taken into account under clause (i).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses incurred in taxable years beginning after December 31, 2017.

SEC. 11045. SUSPENSION OF MISCELLANEOUS ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 67 is amended by adding at the end the following new subsection:

''(g) SUSPENSION FOR TAXABLE YEARS 2018 THROUGH 2025.—Notwithstanding subsection (a), no miscellaneous itemized deduction shall be allowed for any taxable year beginning after December 31, 2017, and before January 1, 2026.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11046. SUSPENSION OF OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 68 is amended by adding at the end the following new subsection:

''(f) SECTION NOT TO APPLY.—This section shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11047. SUSPENSION OF EXCLUSION FOR QUALIFIED BICYCLE COMMUTING REIMBURSEMENT.

(a) IN GENERAL.—Section 132(f) is amended by adding at the end the following new paragraph:

''(8) SUSPENSION OF QUALIFIED BICYCLE COMMUTING REIMBURSEMENT EXCLUSION.—Paragraph (1)(D) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11048. SUSPENSION OF EXCLUSION FOR QUALIFIED MOVING EXPENSE REIMBURSEMENT.

(a) IN GENERAL.—Section 132(g) is amended—

(1) by striking ''For purposes of this section, the term'' and inserting ''For purposes of this section—

''(1) IN GENERAL.—The term'', and

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

''(2) SUSPENSION FOR TAXABLE YEARS 2018 THROUGH 2025.—Except in the case of a member of the Armed Forces of the United States on active duty who moves pursuant to a military order and incident to a permanent change of station, subsection (a)(6) shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11049. SUSPENSION OF DEDUCTION FOR MOVING EXPENSES.

(a) IN GENERAL.—Section 217 is amended by adding at the end the following new subsection:

''(k) SUSPENSION OF DEDUCTION FOR TAXABLE YEARS 2018 THROUGH 2025.—Except in the case of an individual to whom subsection (g) applies, this section shall not apply to any taxable year beginning after December 31, 2017, and before January 1, 2026.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11050. LIMITATION ON WAGERING LOSSES.

(a) IN GENERAL.—Section 165(d) is amended by adding at the end the following: ''For purposes of the preceding sentence, in the case of taxable years beginning after December 31, 2017, and before January 1, 2026, the term 'losses from wagering transactions' includes any deduction otherwise allowable under this chapter incurred in carrying on any wagering transaction.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 11051. REPEAL OF DEDUCTION FOR ALIMONY PAYMENTS.

(a) IN GENERAL.—Part VII of subchapter B is amended by striking by striking section 215 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) CORRESPONDING REPEAL OF PROVISIONS PROVIDING FOR INCLUSION OF ALIMONY IN GROSS INCOME.—

(A) Subsection (a) of section 61 is amended by striking paragraph (8) and by redesignating paragraphs (9) through (15) as paragraphs (8) through (14), respectively.

(B) Part II of subchapter B of chapter 1 is amended by striking section 71 (and by striking the item relating to such section in the table of sections for such part).

(C) Subpart F of part I of subchapter J of chapter 1 is amended by striking section 682 (and by striking the item relating to such section in the table of sections for such subpart).

(2) RELATED TO REPEAL OF SECTION 215.—

(A) Section 62(a) is amended by striking paragraph (10).

(B) Section 3402(m)(1) is amended by striking ''(other than paragraph (10) thereof)''.

(C) Section 6724(d)(3) is amended by striking subparagraph (C) and by redesignating subparagraph (D) as subparagraph (C).

(3) RELATED TO REPEAL OF SECTION 71.—

(A) Section 121(d)(3) is amended—

(i) by striking ''(as defined in section 71(b)(2))'' in subparagraph (B), and

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

''(C) DIVORCE OR SEPARATION INSTRUMENT.—For purposes of this paragraph, the term 'divorce or separation instrument' means—

''(i) a decree of divorce or separate maintenance or a written instrument incident to such a decree,

''(ii) a written separation agreement, or

''(iii) a decree (not described in clause (i)) requiring a spouse to make payments for the support or maintenance of the other spouse.''.

(B) Section 152(d)(5) is amended to read as follows:

''(5) SPECIAL RULES FOR SUPPORT.—

''(A) IN GENERAL.—For purposes of this subsection—

''(i) payments to a spouse of alimony or separate maintenance payments shall not be treated as a payment by the payor spouse for the support of any dependent, and

''(ii) 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.

''(B) ALIMONY OR SEPARATE MAINTENANCE PAYMENT.—For purposes of subparagraph (A), the term 'alimony or separate maintenance payment' means any payment in cash if—

''(i) such payment is received by (or on behalf of) a spouse under a divorce or separation instrument (as defined in section 121(d)(3)(C)),

''(ii) in the case of an individual legally separated from the individual's spouse under a decree of divorce or of separate maintenance, the payee spouse and the payor spouse are not members of the same household at the time such payment is made, and

''(iii) there is no liability to make any such payment for any period after the death of the payee spouse and there is no liability to make any payment (in cash or property) as a substitute for such payments after the death of the payee spouse.''.

(C) Section 219(f)(1) is amended by striking the third sentence.

(D) Section 220(f)(7) is amended by striking ''subparagraph (A) of section 71(b)(2)'' and inserting ''clause (i) of section 121(d)(3)(C)''.

(E) Section 223(f)(7) is amended by striking ''subparagraph (A) of section 71(b)(2)'' and inserting ''clause (i) of section 121(d)(3)(C)''.

(F) Section 382(l)(3)(B)(iii) is amended by striking ''section 71(b)(2)'' and inserting ''section 121(d)(3)(C)''.

(G) Section 408(d)(6) is amended by striking ''subparagraph (A) of section 71(b)(2)'' and inserting ''clause (i) of section 121(d)(3)(C)''.

(4) ADDITIONAL CONFORMING AMENDMENTS.—Section 7701(a)(17) is amended—

(A) by striking ''sections 682 and 2516'' and inserting ''section 2516'', and

(B) by striking ''such sections'' each place it appears and inserting ''such section''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) any divorce or separation instrument (as defined in section 71(b)(2) of the Internal Revenue Code of 1986 as in effect before the date of the enactment of this Act) executed after December 31, 2018, and

(2) any divorce or separation instrument (as so defined) executed on or before such date and modified after such date if the modification expressly provides that the amendments made by this section apply to such modification.

PART VI—INCREASE IN ESTATE AND GIFT TAX EXEMPTION

SEC. 11061. INCREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) IN GENERAL.—Section 2010(c)(3) is amended by adding at the end the following new subparagraph:

''(C) INCREASE IN BASIC EXCLUSION AMOUNT.—In the case of estates of decedents dying or gifts made after December 31, 2017, and before January 1, 2026, subparagraph (A) shall be applied by substituting '$10,000,000' for '$5,000,000'.''.

(b) CONFORMING AMENDMENT.—Subsection (g) of section 2001 is amended to read as follows:

''(g) MODIFICATIONS TO TAX PAYABLE.—

''(1) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

''(A) the tax imposed by chapter 12 with respect to such gifts, and

''(B) the credit allowed against such tax under section 2505, including in computing—

''(i) the applicable credit amount under section 2505(a)(1), and

''(ii) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).

''(2) MODIFICATIONS TO ESTATE TAX PAYABLE TO REFLECT DIFFERENT BASIC EXCLUSION AMOUNTS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this section with respect to any difference between—

''(A) the basic exclusion amount under section 2010(c)(3) applicable at the time of the decedent's death, and

''(B) the basic exclusion amount under such section applicable with respect to any gifts made by the decedent.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

PART VII—EXTENSION OF TIME LIMIT FOR CONTESTING IRS LEVY

SEC. 11071. EXTENSION OF TIME LIMIT FOR CONTESTING IRS LEVY.

(a) EXTENSION OF TIME FOR RETURN OF PROPERTY SUBJECT TO LEVY.—Subsection (b) of section 6343 is amended by striking ''9 months'' and inserting ''2 years''.

(b) PERIOD OF LIMITATION ON SUITS.—Subsection (c) of section 6532 is amended—

(1) by striking ''9 months'' in paragraph (1) and inserting ''2 years'', and

(2) by striking ''9-month'' in paragraph (2) and inserting ''2-year''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) levies made after the date of the enactment of this Act, and

(2) levies made on or before such date if the 9-month period has not expired under section 6343(b) of the Internal Revenue Code of 1986 (without regard to this section) as of such date.

PART VIII—INDIVIDUAL MANDATE

SEC. 11081. ELIMINATION OF SHARED RESPONSIBILITY PAYMENT FOR INDIVIDUALS FAILING TO MAINTAIN MINIMUM ESSENTIAL COVERAGE.

(a) IN GENERAL.—Section 5000A(c) is amended—

(1) in paragraph (2)(B)(iii), by striking ''2.5 percent'' and inserting ''Zero percent'', and

(2) in paragraph (3)—

(A) by striking ''$695'' in subparagraph (A) and inserting ''$0'', and

(B) by striking subparagraph (D).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2018.

Subtitle B—Alternative Minimum Tax

SEC. 12001. REPEAL OF TAX FOR CORPORATIONS.

(a) IN GENERAL.—Section 55(a) is amended by striking ''There'' and inserting ''In the case of a taxpayer other than a corporation, there''.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(c)(6) is amended by adding at the end the following new subparagraph:

''(E) CORPORATIONS.—In the case of a corporation, this subsection shall be applied by treating the corporation as having a tentative minimum tax of zero.''.

(2) Section 53(d)(2) is amended by inserting '', except that in the case of a corporation, the tentative minimum tax shall be treated as zero'' before the period at the end.

(3)(A) Section 55(b)(1) is amended to read as follows:

''(1) AMOUNT OF TENTATIVE TAX.—

''(A) IN GENERAL.—The tentative minimum tax for the taxable year is the sum of—

''(i) 26 percent of so much of the taxable excess as does not exceed $175,000, plus

''(ii) 28 percent of so much of the taxable excess as exceeds $175,000.

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

''(B) TAXABLE EXCESS.—For purposes of this subsection, the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

''(C) MARRIED INDIVIDUAL FILING SEPARATE RETURN.—In the case of a married individual filing a separate return, subparagraph (A) shall be applied by substituting 50 percent of the dollar amount otherwise applicable under clause (i) and clause (ii) thereof. For purposes of the preceding sentence, marital status shall be determined under section 7703.''.

(B) Section 55(b)(3) is amended by striking ''paragraph (1)(A)(i)'' and inserting ''paragraph (1)(A)''.

(C) Section 59(a) is amended—

(i) by striking ''subparagraph (A)(i) or (B)(i) of section 55(b)(1) (whichever applies) in lieu of the highest rate of tax specified in section 1 or 11 (whichever applies)'' in paragraph (1)(C) and inserting ''section 55(b)(1) in lieu of the highest rate of tax specified in section 1'', and

(ii) in paragraph (2), by striking ''means'' and all that follows and inserting ''means the amount determined under the first sentence of section 55(b)(1)(A).''.

(D) Section 897(a)(2)(A) is amended by striking ''section 55(b)(1)(A)'' and inserting ''section 55(b)(1)''.

(E) Section 911(f) is amended—

(i) in paragraph (1)(B)—

(I) by striking ''section 55(b)(1)(A)(ii)'' and inserting ''section 55(b)(1)(B)'', and

(II) by striking ''section 55(b)(1)(A)(i)'' and inserting ''section 55(b)(1)(A)'', and

(ii) in paragraph (2)(B), by striking ''section 55(b)(1)(A)(ii)'' each place it appears and inserting ''section 55(b)(1)(B)''.

(4) Section 55(c)(1) is amended by striking '', the section 936 credit allowable under section 27(b), and the Puerto Rico economic activity credit under section 30A''.

(5) Section 55(d), as amended by section 11002, is amended—

(A) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively,

(B) in paragraph (2) (as so redesignated), by inserting ''and'' at the end of subparagraph (B), by striking '', and'' at the end of subparagraph (C) and inserting a period, and by striking subparagraph (D), and

(C) in paragraph (3) (as so redesignated)—

(i) by striking ''(b)(1)(A)(i)'' in subparagraph (B)(i) and inserting ''(b)(1)(A)'', and

(ii) by striking ''paragraph (3)'' in subparagraph (B)(iii) and inserting ''paragraph (2)''.

(6) Section 55 is amended by striking subsection (e).

(7) Section 56(b)(2) is amended by striking subparagraph (C) and by redesignating subparagraph (D) as subparagraph (C).

(8)(A) Section 56 is amended by striking subsections (c) and (g).

(B) Section 847 is amended by striking the last sentence of paragraph (9).

(C) Section 848 is amended by striking subsection (i).

(9) Section 58(a) is amended by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(10) Section 59 is amended by striking subsections (b) and (f).

(11) Section 11(d) is amended by striking ''the taxes imposed by subsection (a) and section 55'' and inserting ''the tax imposed by subsection (a)''.

(12) Section 12 is amended by striking paragraph (7).

(13) Section 168(k) is amended by striking paragraph (4).

(14) Section 882(a)(1) is amended by striking '', 55,''.

(15) Section 962(a)(1) is amended by striking ''sections 11 and 55'' and inserting ''section 11''.

(16) Section 1561(a) is amended—

(A) by inserting ''and'' at the end of paragraph (1), by striking '', and'' at the end of paragraph (2) and inserting a period, and by striking paragraph (3), and

(B) by striking the last sentence.

(17) Section 6425(c)(1)(A) is amended to read as follows:

''(A) the tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever is applicable, over''.

(18) Section 6655(e)(2) is amended by striking ''and alternative minimum taxable income'' each place it appears in subparagraphs (A) and (B)(i).

(19) Section 6655(g)(1)(A) is amended by inserting ''plus'' at the end of clause (i), by striking clause (ii), and by redesignating clause (iii) as clause (ii).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 12002. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY OF CORPORATIONS.

(a) CREDITS TREATED AS REFUNDABLE.—Section 53 is amended by adding at the end the following new subsection:

''(e) PORTION OF CREDIT TREATED AS REFUNDABLE.—

''(1) IN GENERAL.—In the case of any taxable year of a corporation beginning in 2018, 2019, 2020, or 2021, the limitation under subsection (c) shall be increased by the AMT refundable credit amount for such year.

''(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1), the AMT refundable credit amount is an amount equal to 50 percent (100 percent in the case of a taxable year beginning in 2021) of the excess (if any) of—

''(A) the minimum tax credit determined under subsection (b) for the taxable year, over

''(B) the minimum tax credit allowed under subsection (a) for such year (before the application of this subsection for such year).

''(3) CREDIT REFUNDABLE.—For purposes of this title (other than this section), the credit allowed by reason of this subsection shall be treated as a credit allowed under subpart C (and not this subpart).

''(4) SHORT TAXABLE YEARS.—In the case of any taxable year of less than 365 days, the AMT refundable credit amount determined under paragraph (2) with respect to such taxable year shall be the amount which bears the same ratio to such amount determined without regard to this paragraph as the number of days in such taxable year bears to 365.''.

(b) TREATMENT OF REFERENCES.—Section 53(d) is amended by adding at the end the following new paragraph:

''(3) AMT TERM REFERENCES.—In the case of a corporation, any references in this subsection to section 55, 56, or 57 shall be treated as a reference to such section as in effect before the amendments made by Tax Cuts and Jobs Act.''.

(c) CONFORMING AMENDMENT.—Section 1374(b)(3)(B) is amended by striking the last sentence thereof.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) CONFORMING AMENDMENT.—The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2021.

SEC. 12003. INCREASED EXEMPTION FOR INDIVIDUALS.

(a) IN GENERAL.—Section 55(d), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR TAXABLE YEARS BEGINNING AFTER 2017 AND BEFORE 2026.—

''(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2017, and before January 1, 2026—

''(i) paragraph (1) shall be applied—

''(I) by substituting '$109,400' for '$78,750' in subparagraph (A), and

''(II) by substituting '$70,300' for '$50,600' in subparagraph (B), and

''(ii) paragraph (2) shall be applied—

''(I) by substituting '$1,000,000' for '$150,000' in subparagraph (A),

''(II) by substituting '50 percent of the dollar amount applicable under subparagraph (A)' for '$112,500' in subparagraph (B), and

''(III) in the case of a taxpayer described in paragraph (1)(D), without regard to the substitution under subclause (I).

''(B) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2018, the amounts described in clause (ii) shall each 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 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(ii) AMOUNTS DESCRIBED.—The amounts described in this clause are the $109,400 amount in subparagraph (A)(i)(I), the $70,300 amount in subparagraph (A)(i)(II), and the $1,000,000 amount in subparagraph (A)(ii)(I).

''(iii) ROUNDING.—Any increased amount determined under clause (i) shall be rounded to the nearest multiple of $100.

''(iv) COORDINATION WITH CURRENT ADJUSTMENTS.—In the case of any taxable year to which subparagraph (A) applies, no adjustment shall be made under paragraph (3) to any of the numbers which are substituted under subparagraph (A) and adjusted under this subparagraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

Subtitle C—Business-related Provisions

PART I—CORPORATE PROVISIONS

SEC. 13001. 21-PERCENT CORPORATE TAX RATE.

(a) IN GENERAL.—Subsection (b) of section 11 is amended to read as follows:

''(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) shall be 21 percent of taxable income.''.

(b) CONFORMING AMENDMENTS.—

(1) The following sections are each amended by striking ''section 11(b)(1)'' and inserting ''section 11(b)'':

(A) Section 280C(c)(3)(B)(ii)(II).

(B) Paragraphs (2)(B) and (6)(A)(ii) of section 860E(e).

(C) Section 7874(e)(1)(B).

(2)(A) Part I of subchapter P of chapter 1 is amended by striking section 1201 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 12 is amended by striking paragraphs (4) and (6), and by redesignating paragraph (5) as paragraph (4).

(C) Section 453A(c)(3) is amended by striking ''or 1201 (whichever is appropriate)''.

(D) Section 527(b) is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes ''is hereby imposed'' and inserting:

''(b) TAX IMPOSED.—A tax''.

(E) Sections 594(a) is amended by striking ''taxes imposed by section 11 or 1201(a)'' and inserting ''tax imposed by section 11''.

(F) Section 691(c)(4) is amended by striking ''1201,''.

(G) Section 801(a) is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes ''is hereby imposed'' and inserting:

''(a) TAX IMPOSED.—A tax''.

(H) Section 831(e) is amended by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(I) Sections 832(c)(5) and 834(b)(1)(D) are each amended by striking ''sec. 1201 and following,''.

(J) Section 852(b)(3)(A) is amended by striking ''section 1201(a)'' and inserting ''section 11(b)''.

(K) Section 857(b)(3) is amended—

(i) by striking subparagraph (A) and redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively,

(ii) in subparagraph (C), as so redesignated—

(I) by striking ''subparagraph (A)(ii)'' in clause (i) thereof and inserting ''paragraph (1)'',

(II) by striking ''the tax imposed by subparagraph (A)(ii)'' in clauses (ii) and (iv) thereof and inserting ''the tax imposed by paragraph (1) on undistributed capital gain'',

(iii) in subparagraph (E), as so redesignated, by striking ''subparagraph (B) or (D)'' and inserting ''subparagraph (A) or (C)'', and

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

''(F) UNDISTRIBUTED CAPITAL GAIN.—For purposes of this paragraph, the term 'undistributed capital gain' means the excess of the net capital gain over the deduction for dividends paid (as defined in section 561) determined with reference to capital gain dividends only.''.

(L) Section 882(a)(1), as amended by section 12001, is further amended by striking ''or 1201(a)''.

(M) Section 904(b) is amended—

(i) by striking ''or 1201(a)'' in paragraph (2)(C),

(ii) by striking paragraph (3)(D) and inserting the following:

''(D) CAPITAL GAIN RATE DIFFERENTIAL.—There is a capital gain rate differential for any year if subsection (h) of section 1 applies to such taxable year.'', and

(iii) by striking paragraph (3)(E) and inserting the following:

''(E) RATE DIFFERENTIAL PORTION.—The rate differential portion of foreign source net capital gain, net capital gain, or the excess of net capital gain from sources within the United States over net capital gain, as the case may be, is the same proportion of such amount as—

''(i) the excess of—

''(I) the highest rate of tax set forth in subsection (a), (b), (c), (d), or (e) of section 1 (whichever applies), over

''(II) the alternative rate of tax determined under section 1(h), bears to

''(ii) that rate referred to in subclause (I).''.

(N) Section 1374(b) is amended by striking paragraph (4).

(O) Section 1381(b) is amended by striking ''taxes imposed by section 11 or 1201'' and inserting ''tax imposed by section 11''.

(P) Sections 6425(c)(1)(A), as amended by section 12001, and 6655(g)(1)(A)(i) are each amended by striking ''or 1201(a),''.

(Q) Section 7518(g)(6)(A) is amended by striking ''or 1201(a)''.

(3)(A) Section 1445(e)(1) is amended—

(i) by striking ''35 percent'' and inserting ''the highest rate of tax in effect for the taxable year under section 11(b)'', and

(ii) by striking ''of the gain'' and inserting ''multiplied by the gain''.

(B) Section 1445(e)(2) is amended by striking ''35 percent of the amount'' and inserting ''the highest rate of tax in effect for the taxable year under section 11(b) multiplied by the amount''.

(C) Section 1445(e)(6) is amended—

(i) by striking ''35 percent'' and inserting ''the highest rate of tax in effect for the taxable year under section 11(b)'', and

(ii) by striking ''of the amount'' and inserting ''multiplied by the amount''.

(D) Section 1446(b)(2)(B) is amended by striking ''section 11(b)(1)'' and inserting ''section 11(b)''.

(4) Section 852(b)(1) is amended by striking the last sentence.

(5)(A) Part I of subchapter B of chapter 5 is amended by striking section 1551 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 535(c)(5) is amended to read as follows:

''(5) CROSS REFERENCE.—For limitation on credit provided in paragraph (2) or (3) in the case of certain controlled corporations, see section 1561.''.

(6)(A) Section 1561, as amended by section 12001, is amended to read as follows:

''SEC. 1561. LIMITATION ON ACCUMULATED EARNINGS CREDIT IN THE CASE OF CERTAIN CONTROLLED CORPORATIONS.

''(a) IN GENERAL.—The component members of a controlled group of corporations on a December 31 shall, for their taxable years which include such December 31, be limited for purposes

of this subtitle to one $250,000 ($150,000 if any component member is a corporation described in section 535(c)(2)(B)) amount for purposes of computing the accumulated earnings credit under section 535(c)(2) and (3). Such amount shall be divided equally among the component members of such group on such December 31 unless the Secretary prescribes regulations permitting an unequal allocation of such amount.

''(b) CERTAIN SHORT TAXABLE YEARS.—If a corporation has a short taxable year which does not include a December 31 and is a component member of a controlled group of corporations with respect to such taxable year, then for purposes of this subtitle, the amount to be used in computing the accumulated earnings credit under section 535(c)(2) and (3) of such corporation for such taxable year shall be the amount specified in subsection (a) with respect to such group, divided by the number of corporations which are component members of such group on the last day of such taxable year. For purposes of the preceding sentence, section 1563(b) shall be applied as if such last day were substituted for December 31.''.

(B) The table of sections for part II of subchapter B of chapter 5 is amended by striking the item relating to section 1561 and inserting the following new item:

''Sec. 1561. Limitation on accumulated earnings credit in the case of certain controlled corporations.''.

(7) Section 7518(g)(6)(A) is amended—

(A) by striking ''With respect to the portion'' and inserting ''In the case of a taxpayer other than a corporation, with respect to the portion'', and

(B) by striking ''(34 percent in the case of a corporation)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2017.

(2) WITHHOLDING.—The amendments made by subsection (b)(3) shall apply to distributions made after December 31, 2017.

(3) CERTAIN TRANSFERS.—The amendments made by subsection (b)(6) shall apply to transfers made after December 31, 2017.

(d) NORMALIZATION REQUIREMENTS.—

(1) IN GENERAL.—A normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of section 167 or 168 of the Internal Revenue Code of 1986 if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method.

(2) ALTERNATIVE METHOD FOR CERTAIN TAXPAYERS.—If, as of the first day of the taxable year that includes the date of enactment of this Act—

(A) the taxpayer was required by a regulatory agency to compute depreciation for public utility property on the basis of an average life or composite rate method, and

(B) the taxpayer's books and underlying records did not contain the vintage account data necessary to apply the average rate assumption method,

the taxpayer will be treated as using a normalization method of accounting if, with respect to such jurisdiction, the taxpayer uses the alternative method for public utility property that is subject to the regulatory authority of that jurisdiction.

(3) DEFINITIONS.—For purposes of this subsection—

(A) EXCESS TAX RESERVE.—The term ''excess tax reserve'' means the excess of—

(i) the reserve for deferred taxes (as described in section 168(i)(9)(A)(ii) of the Internal Revenue Code of 1986) as of the day before the corporate rate reductions provided in the amendments made by this section take effect, over

(ii) the amount which would be the balance in such reserve if the amount of such reserve were determined by assuming that the corporate rate reductions provided in this Act were in effect for all prior periods.

(B) AVERAGE RATE ASSUMPTION METHOD.—The average rate assumption method is the method under which the excess in the reserve for deferred taxes is reduced over the remaining lives of the property as used in its regulated books of account which gave rise to the reserve for deferred taxes. Under such method, during the time period in which the timing differences for the property reverse, the amount of the adjustment to the reserve for the deferred taxes is calculated by multiplying—

(i) the ratio of the aggregate deferred taxes for the property to the aggregate timing differences for the property as of the beginning of the period in question, by

(ii) the amount of the timing differences which reverse during such period.

(C) ALTERNATIVE METHOD.—The ''alternative method'' is the method in which the taxpayer—

(i) computes the excess tax reserve on all public utility property included in the plant account on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and

(ii) reduces the excess tax reserve ratably over the remaining regulatory life of the property.

(4) TAX INCREASED FOR NORMALIZATION VIOLATION.—If, for any taxable year ending after the date of the enactment of this Act, the taxpayer does not use a normalization method of accounting for the corporate rate reductions provided in the amendments made by this section—

(A) the taxpayer's tax for the taxable year shall be increased by the amount by which it reduces its excess tax reserve more rapidly than permitted under a normalization method of accounting, and

(B) such taxpayer shall not be treated as using a normalization method of accounting for purposes of subsections (f)(2) and (i)(9)(C) of section 168 of the Internal Revenue Code of 1986.

SEC. 13002. REDUCTION IN DIVIDEND RECEIVED DEDUCTIONS TO REFLECT LOWER CORPORATE INCOME TAX RATES.

(a) DIVIDENDS RECEIVED BY CORPORATIONS.—

(1) IN GENERAL.—Section 243(a)(1) is amended by striking ''70 percent'' and inserting ''50 percent''.

(2) DIVIDENDS FROM 20-PERCENT OWNED CORPORATIONS.—Section 243(c)(1) is amended—

(A) by striking ''80 percent'' and inserting ''65 percent'', and

(B) by striking ''70 percent'' and inserting ''50 percent''.

(3) CONFORMING AMENDMENT.—The heading for section 243(c) is amended by striking ''RETENTION OF 80-PERCENT DIVIDEND RECEIVED DEDUCTION'' and inserting ''INCREASED PERCENTAGE''.

(b) DIVIDENDS RECEIVED FROM FSC.—Section 245(c)(1)(B) is amended—

(1) by striking ''70 percent'' and inserting ''50 percent'', and

(2) by striking ''80 percent'' and inserting ''65 percent''.

(c) LIMITATION ON AGGREGATE AMOUNT OF DEDUCTIONS.—Section 246(b)(3) is amended—

(1) by striking ''80 percent'' in subparagraph (A) and inserting ''65 percent'', and

(2) by striking ''70 percent'' in subparagraph (B) and inserting ''50 percent''.

(d) REDUCTION IN DEDUCTION WHERE PORTFOLIO STOCK IS DEBT-FINANCED.—Section 246A(a)(1) is amended—

(1) by striking ''70 percent'' and inserting ''50 percent'', and

(2) by striking ''80 percent'' and inserting ''65 percent''.

(e) INCOME FROM SOURCES WITHIN THE UNITED STATES.—Section 861(a)(2) is amended—

(1) by striking ''100/70th'' and inserting ''100/50th'' in subparagraph (B), and

(2) in the flush sentence at the end—

(A) by striking ''100/80th'' and inserting ''100/65th'', and

(B) by striking ''100/70th'' and inserting ''100/50th''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

PART II—SMALL BUSINESS REFORMS

SEC. 13101. MODIFICATIONS OF RULES FOR EXPENSING DEPRECIABLE BUSINESS ASSETS.

(a) INCREASE IN LIMITATION.—

(1) DOLLAR LIMITATION.—Section 179(b)(1) is amended by striking ''$500,000'' and inserting ''$1,000,000''.

(2) REDUCTION IN LIMITATION.—Section 179(b)(2) is amended by striking ''$2,000,000'' and inserting ''$2,500,000''.

(3) INFLATION ADJUSTMENTS.—

(A) IN GENERAL.—Subparagraph (A) of section 179(b)(6), as amended by section 11002(d), is amended—

(i) by striking ''2015'' and inserting ''2018'', and

(ii) in clause (ii), by striking ''calendar year 2014'' and inserting ''calendar year 2017''.

(B) SPORT UTILITY VEHICLES.—Section 179(b)(6) is amended—

(i) in subparagraph (A), by striking ''paragraphs (1) and (2)'' and inserting ''paragraphs (1), (2), and (5)(A)'', and

(ii) in subparagraph (B), by inserting ''($100 in the case of any increase in the amount under paragraph (5)(A))'' after ''$10,000''.

(b) Section 179 Property To Include Qualified Real Property.—

(1) IN GENERAL.—Subparagraph (B) of section 179(d)(1) is amended to read as follows:

''(B) which is—

''(i) section 1245 property (as defined in section 1245(a)(3)), or

''(ii) at the election of the taxpayer, qualified real property (as defined in subsection (f)), and''.

(2) QUALIFIED REAL PROPERTY DEFINED.—Subsection (f) of section 179 is amended to read as follows:

''(f) QUALIFIED REAL PROPERTY.—For purposes of this section, the term 'qualified real property' means—

''(1) any qualified improvement property described in section 168(e)(6), and

''(2) any of the following improvements to nonresidential real property placed in service after the date such property was first placed in service:

''(A) Roofs.

''(B) Heating, ventilation, and air-conditioning property.

''(C) Fire protection and alarm systems.

''(D) Security systems.''.

(c) REPEAL OF EXCLUSION FOR CERTAIN PROPERTY.—The last sentence of section 179(d)(1) is amended by inserting ''(other than paragraph (2) thereof)'' after ''section 50(b)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after December 31, 2017.

SEC. 13102. SMALL BUSINESS ACCOUNTING METHOD REFORM AND SIMPLIFICATION.

(a) MODIFICATION OF LIMITATION ON CASH METHOD OF ACCOUNTING.—

(1) INCREASED LIMITATION.—So much of section 448(c) as precedes paragraph (2) is amended to read as follows:

''(c) GROSS RECEIPTS TEST.—For purposes of this section—

''(1) IN GENERAL.—A corporation or partnership meets the gross receipts test of this subsection for any taxable year if the average annual gross receipts of such entity for the 3-taxable-year period ending with the taxable year which precedes such taxable year does not exceed $25,000,000.''.

(2) APPLICATION OF EXCEPTION ON ANNUAL BASIS.—Section 448(b)(3) is amended to read as follows:

''(3) ENTITIES WHICH MEET GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if such entity (or any predecessor) meets the gross receipts test of subsection (c) for such taxable year.''.

(3) INFLATION ADJUSTMENT.—Section 448(c) is amended by adding at the end the following new paragraph:

''(4) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2018, the dollar amount in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of $1,000,000, such amount shall be rounded to the nearest multiple of $1,000,000.''.

(4) COORDINATION WITH SECTION 481.—Section 448(d)(7) is amended to read as follows:

''(7) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this section shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(5) APPLICATION OF EXCEPTION TO CORPORATIONS ENGAGED IN FARMING.—

(A) IN GENERAL.—Section 447(c) is amended—

(i) by inserting ''for any taxable year'' after ''not being a corporation'' in the matter preceding paragraph (1), and

(ii) by amending paragraph (2) to read as follows:

''(2) a corporation which meets the gross receipts test of section 448(c) for such taxable year.''.

(B) COORDINATION WITH SECTION 481.—Section 447(f) is amended to read as follows:

''(f) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this section shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(C) CONFORMING AMENDMENTS.—Section 447 is amended—

(i) by striking subsections (d), (e), (h), and (i), and

(ii) by redesignating subsections (f) and (g) (as amended by subparagraph (B)) as subsections (d) and (e), respectively.

(b) EXEMPTION FROM UNICAP REQUIREMENTS.—

(1) IN GENERAL.—Section 263A is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—

''(1) IN GENERAL.—In the case of any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3)) which meets the gross receipts test of section 448(c) for any taxable year, this section shall not apply with respect to such taxpayer for such taxable year.

''(2) APPLICATION OF GROSS RECEIPTS TEST TO INDIVIDUALS, ETC.—In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if each trade or business of such taxpayer were a corporation or partnership.

''(3) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this subsection shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(2) CONFORMING AMENDMENT.—Section 263A(b)(2) is amended to read as follows:

''(2) PROPERTY ACQUIRED FOR RESALE.—Real or personal property described in section 1221(a)(1) which is acquired by the taxpayer for resale.''.

(c) EXEMPTION FROM INVENTORIES.—Section 471 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—

''(1) IN GENERAL.—In the case of any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3)) which meets the gross receipts test of section 448(c) for any taxable year—

''(A) subsection (a) shall not apply with respect to such taxpayer for such taxable year, and

''(B) the taxpayer's method of accounting for inventory for such taxable year shall not be treated as failing to clearly reflect income if such method either—

''(i) treats inventory as non-incidental materials and supplies, or

''(ii) conforms to such taxpayer's method of accounting reflected in an applicable financial statement of the taxpayer with respect to such taxable year or, if the taxpayer does not have any applicable financial statement with respect to such taxable year, the books and records of the taxpayer prepared in accordance with the taxpayer's accounting procedures.

''(2) APPLICABLE FINANCIAL STATEMENT.—For purposes of this subsection, the term 'applicable financial statement' has the meaning given the term in section 451(b)(3).

''(3) APPLICATION OF GROSS RECEIPTS TEST TO INDIVIDUALS, ETC.—In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if each trade or business of such taxpayer were a corporation or partnership.

''(4) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this subsection shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(d) EXEMPTION FROM PERCENTAGE COMPLETION FOR LONG-TERM CONTRACTS.—

(1) IN GENERAL.—Section 460(e)(1)(B) is amended—

(A) by inserting ''(other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3))'' after ''taxpayer'' in the matter preceding clause (i), and

(B) by amending clause (ii) to read as follows:

''(ii) who meets the gross receipts test of section 448(c) for the taxable year in which such contract is entered into.''.

(2) CONFORMING AMENDMENTS.—Section 460(e) is amended by striking paragraphs (2) and (3), by redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) RULES RELATED TO GROSS RECEIPTS TEST.—

''(A) APPLICATION OF GROSS RECEIPTS TEST TO INDIVIDUALS, ETC.—For purposes of paragraph (1)(B)(ii), in the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if each trade or business of such taxpayer were a corporation or partnership.

''(B) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to paragraph (1)(B)(ii) shall be treated as initiated by the taxpayer and made with the consent of the Secretary. Such change shall be effected on a cut-off basis for all similarly classified contracts entered into on or after the year of change.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) PRESERVATION OF SUSPENSE ACCOUNT RULES WITH RESPECT TO ANY EXISTING SUSPENSE ACCOUNTS.—So much of the amendments made by subsection (a)(5)(C) as relate to section 447(i) of the Internal Revenue Code of 1986 shall not apply with respect to any suspense account established under such section before the date of the enactment of this Act.

(3) EXEMPTION FROM PERCENTAGE COMPLETION FOR LONG-TERM CONTRACTS.—The amendments made by subsection (d) shall apply to contracts entered into after December 31, 2017, in taxable years ending after such date.

PART III—COST RECOVERY AND ACCOUNTING METHODS

Subpart A—Cost Recovery

SEC. 13201. TEMPORARY 100-PERCENT EXPENSING FOR CERTAIN BUSINESS ASSETS.

(a) INCREASED EXPENSING.—

(1) IN GENERAL.—Section 168(k) is amended—

(A) in paragraph (1)(A), by striking ''50 percent'' and inserting ''the applicable percentage'', and

(B) in paragraph (5)(A)(i), by striking ''50 percent'' and inserting ''the applicable percentage''.

(2) APPLICABLE PERCENTAGE.—Paragraph (6) of section 168(k) is amended to read as follows:

''(6) APPLICABLE PERCENTAGE.—For purposes of this subsection—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'applicable percentage' means—

''(i) in the case of property placed in service after September 27, 2017, and before January 1, 2023, 100 percent,

''(ii) in the case of property placed in service after December 31, 2022, and before January 1, 2024, 80 percent,

''(iii) in the case of property placed in service after December 31, 2023, and before January 1, 2025, 60 percent,

''(iv) in the case of property placed in service after December 31, 2024, and before January 1, 2026, 40 percent, and

''(v) in the case of property placed in service after December 31, 2025, and before January 1, 2027, 20 percent.

''(B) RULE FOR PROPERTY WITH LONGER PRODUCTION PERIODS.—In the case of property described in subparagraph (B) or (C) of paragraph (2), the term 'applicable percentage' means—

''(i) in the case of property placed in service after September 27, 2017, and before January 1, 2024, 100 percent,

''(ii) in the case of property placed in service after December 31, 2023, and before January 1, 2025, 80 percent,

''(iii) in the case of property placed in service after December 31, 2024, and before January 1, 2026, 60 percent,

''(iv) in the case of property placed in service after December 31, 2025, and before January 1, 2027, 40 percent, and

''(v) in the case of property placed in service after December 31, 2026, and before January 1, 2028, 20 percent.

''(C) RULE FOR PLANTS BEARING FRUITS AND NUTS.—In the case of a specified plant described in paragraph (5), the term 'applicable percentage' means—

''(i) in the case of a plant which is planted or grafted after September 27, 2017, and before January 1, 2023, 100 percent,

''(ii) in the case of a plant which is planted or grafted after December 31, 2022, and before January 1, 2024, 80 percent,

''(iii) in the case of a plant which is planted or grafted after December 31, 2023, and before January 1, 2025, 60 percent,

''(iv) in the case of a plant which is planted or grafted after December 31, 2024, and before January 1, 2026, 40 percent, and

''(v) in the case of a plant which is planted or grafted after December 31, 2025, and before January 1, 2027, 20 percent.''.

(3) CONFORMING AMENDMENT.—

(A) Paragraph (5) of section 168(k) is amended by striking subparagraph (F).

(B) Section 168(k) is amended by adding at the end the following new paragraph:

''(8) PHASE DOWN.—In the case of qualified property acquired by the taxpayer before September 28, 2017, and placed in service by the taxpayer after September 27, 2017, paragraph (6) shall be applied by substituting for each percentage therein—

''(A) '50 percent' in the case of—

''(i) property placed in service before January 1, 2018, and

''(ii) property described in subparagraph (B) or (C) of paragraph (2) which is placed in service in 2018,

''(B) '40 percent' in the case of—

''(i) property placed in service in 2018 (other than property described in subparagraph (B) or (C) of paragraph (2)), and

''(ii) property described in subparagraph (B) or (C) of paragraph (2) which is placed in service in 2019,

''(C) '30 percent' in the case of—

''(i) property placed in service in 2019 (other than property described in subparagraph (B) or (C) of paragraph (2)), and

''(ii) property described in subparagraph (B) or (C) of paragraph (2) which is placed in service in 2020, and

''(D) '0 percent' in the case of—

''(i) property placed in service after 2019 (other than property described in subparagraph (B) or (C) of paragraph (2)), and

''(ii) property described in subparagraph (B) or (C) of paragraph (2) which is placed in service after 2020.''.

(b) EXTENSION.—

(1) IN GENERAL.—Section 168(k) is amended—

(A) in paragraph (2)—

(i) in subparagraph (A)(iii), clauses (i)(III) and (ii) of subparagraph (B), and subparagraph (E)(i), by striking ''January 1, 2020'' each place it appears and inserting ''January 1, 2027'', and

(ii) in subparagraph (B)—

(I) in clause (i)(II), by striking ''January 1, 2021'' and inserting ''January 1, 2028'', and

(II) in the heading of clause (ii), by striking ''PRE-JANUARY 1, 2020'' and inserting ''PRE-JANUARY 1, 2027'', and

(B) in paragraph (5)(A), by striking ''January 1, 2020'' and inserting ''January 1, 2027''.

(2) CONFORMING AMENDMENTS.—

(A) Clause (ii) of section 460(c)(6)(B) is amended by striking ''January 1, 2020 (January 1, 2021'' and inserting ''January 1, 2027 (January 1, 2028''.

(B) The heading of section 168(k) is amended by striking ''ACQUIRED AFTER DECEMBER 31, 2007, AND BEFORE JANUARY 1, 2020''.

(c) APPLICATION TO USED PROPERTY.—

(1) IN GENERAL.—Section 168(k)(2)(A)(ii) is amended to read as follows:

''(ii) the original use of which begins with the taxpayer or the acquisition of which by the taxpayer meets the requirements of clause (ii) of subparagraph (E), and''.

(2) ACQUISITION REQUIREMENTS.—Section 168(k)(2)(E)(ii) is amended to read as follows:

''(ii) ACQUISITION REQUIREMENTS.—An acquisition of property meets the requirements of this clause if—

''(I) such property was not used by the taxpayer at any time prior to such acquisition, and

''(II) the acquisition of such property meets the requirements of paragraphs (2)(A), (2)(B), (2)(C), and (3) of section 179(d).'',

(3) ANTI-ABUSE RULES.—Section 168(k)(2)(E) is further amended by amending clause (iii)(I) to read as follows:

''(I) property is used by a lessor of such property and such use is the lessor's first use of such property,''.

(d) EXCEPTION FOR CERTAIN PROPERTY.—Section 168(k), as amended by this section, is amended by adding at the end the following new paragraph:

''(9) EXCEPTION FOR CERTAIN PROPERTY.—The term 'qualified property' shall not include—

''(A) any property which is primarily used in a trade or business described in clause (iv) of section 163(j)(7)(A), or

''(B) any property used in a trade or business that has had floor plan financing indebtedness (as defined in paragraph (9) of section 163(j)), if the floor plan financing interest related to such indebtedness was taken into account under paragraph (1)(C) of such section.''.

(e) SPECIAL RULE.—Section 168(k), as amended by this section, is amended by adding at the end the following new paragraph:

''(10) SPECIAL RULE FOR PROPERTY PLACED IN SERVICE DURING CERTAIN PERIODS.—

''(A) IN GENERAL.—In the case of qualified property placed in service by the taxpayer during the first taxable year ending after September 27, 2017, if the taxpayer elects to have this paragraph apply for such taxable year, paragraphs (1)(A) and (5)(A)(i) shall be applied by substituting '50 percent' for 'the applicable percentage'.

''(B) FORM OF ELECTION.—Any election under this paragraph shall be made at such time and in such form and manner as the Secretary may prescribe.''.

(f) COORDINATION WITH SECTION 280F.—Clause (iii) of section 168(k)(2)(F) is amended by striking ''placed in service by the taxpayer after December 31, 2017'' and inserting ''acquired by the taxpayer before September 28, 2017, and placed in service by the taxpayer after September 27, 2017''.

(g) QUALIFIED FILM AND TELEVISION AND LIVE THEATRICAL PRODUCTIONS.—

(1) IN GENERAL.—Clause (i) of section 168(k)(2)(A), as amended by section 13204, is amended—

(A) in subclause (II), by striking ''or'',

(B) in subclause (III), by adding ''or'' after the comma, and

(C) by adding at the end the following:

''(IV) which is a qualified film or television production (as defined in subsection (d) of section 181) for which a deduction would have been allowable under section 181 without regard to subsections (a)(2) and (g) of such section or this subsection, or

''(V) which is a qualified live theatrical production (as defined in subsection (e) of section 181) for which a deduction would have been allowable under section 181 without regard to subsections (a)(2) and (g) of such section or this subsection,''.

(2) PRODUCTION PLACED IN SERVICE.—Paragraph (2) of section 168(k) is amended by adding at the end the following:

''(H) PRODUCTION PLACED IN SERVICE.—For purposes of subparagraph (A)—

''(i) a qualified film or television production shall be considered to be placed in service at the time of initial release or broadcast, and

''(ii) a qualified live theatrical production shall be considered to be placed in service at the time of the initial live staged performance.''.

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to property which—

(A) is acquired after September 27, 2017, and

(B) is placed in service after such date.

For purposes of the preceding sentence, property shall not be treated as acquired after the date on which a written binding contract is entered into for such acquisition.

(2) SPECIFIED PLANTS.—The amendments made by this section shall apply to specified plants planted or grafted after September 27, 2017.

SEC. 13202. MODIFICATIONS TO DEPRECIATION LIMITATIONS ON LUXURY AUTOMOBILES AND PERSONAL USE PROPERTY.

(a) LUXURY AUTOMOBILES.—

(1) IN GENERAL.—280F(a)(1)(A) is amended—

(A) in clause (i), by striking ''$2,560'' and inserting ''$10,000'',

(B) in clause (ii), by striking ''$4,100'' and inserting ''$16,000'',

(C) in clause (iii), by striking ''$2,450'' and inserting ''$9,600'', and

(D) in clause (iv), by striking ''$1,475'' and inserting ''$5,760''.

(2) CONFORMING AMENDMENTS.—

(A) Clause (ii) of section 280F(a)(1)(B) is amended by striking ''$1,475'' in the text and heading and inserting ''$5,760''.

(B) Paragraph (7) of section 280F(d) is amended—

(i) in subparagraph (A), by striking ''1988'' and inserting ''2018'', and

(ii) in subparagraph (B)(i)(II), by striking ''1987'' and inserting ''2017''.

(b) REMOVAL OF COMPUTER EQUIPMENT FROM LISTED PROPERTY.—

(1) IN GENERAL.—Section 280F(d)(4)(A) is amended—

(A) by inserting ''and'' at the end of clause (iii),

(B) by striking clause (iv), and

(C) by redesignating clause (v) as clause (iv).

(2) CONFORMING AMENDMENT.—Section 280F(d)(4) is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2017, in taxable years ending after such date.

SEC. 13203. MODIFICATIONS OF TREATMENT OF CERTAIN FARM PROPERTY.

(a) TREATMENT OF CERTAIN FARM PROPERTY AS 5-YEAR PROPERTY.—Clause (vii) of section 168(e)(3)(B) is amended by striking ''after December 31, 2008, and which is placed in service before January 1, 2010'' and inserting ''after December 31, 2017''.

(b) REPEAL OF REQUIRED USE OF 150-PERCENT DECLINING BALANCE METHOD.—Section 168(b)(2) is amended by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2017, in taxable years ending after such date.

SEC. 13204. APPLICABLE RECOVERY PERIOD FOR REAL PROPERTY.

(a) IMPROVEMENTS TO REAL PROPERTY.—

(1) ELIMINATION OF QUALIFIED LEASEHOLD IMPROVEMENT, QUALIFIED RESTAURANT, AND QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Subsection (e) of section 168 is amended—

(A) in subparagraph (E) of paragraph (3)—

(i) by striking clauses (iv), (v), and (ix),

(ii) in clause (vii), by inserting ''and'' at the end,

(iii) in clause (viii), by striking '', and'' and inserting a period, and

(iv) by redesignating clauses (vi), (vii), and (viii), as so amended, as clauses (iv), (v), and (vi), respectively, and

(B) by striking paragraphs (6), (7), and (8).

(2) APPLICATION OF STRAIGHT LINE METHOD TO QUALIFIED IMPROVEMENT PROPERTY.—Paragraph (3) of section 168(b) is amended—

(A) by striking subparagraphs (G), (H), and (I), and

(B) by inserting after subparagraph (F) the following new subparagraph:

''(G) Qualified improvement property described in subsection (e)(6).''.

(3) ALTERNATIVE DEPRECIATION SYSTEM.—

(A) ELECTING REAL PROPERTY TRADE OR BUSINESS.—Subsection (g) of section 168 is amended—

(i) in paragraph (1)—

(I) in subparagraph (D), by striking ''and'' at the end,

(II) in subparagraph (E), by inserting ''and'' at the end, and

(III) by inserting after subparagraph (E) the following new subparagraph:

''(F) any property described in paragraph (8),'', and

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

''(8) ELECTING REAL PROPERTY TRADE OR BUSINESS.—The property described in this paragraph shall consist of any nonresidential real property, residential rental property, and qualified

improvement property held by an electing real property trade or business (as defined in 163(j)(7)(B)).''.

(B) QUALIFIED IMPROVEMENT PROPERTY.—The table contained in subparagraph (B) of section 168(g)(3) is amended—

(i) by inserting after the item relating to subparagraph (D)(ii) the following new item:

''(D)(v) ..... 20''

, and

(ii) by striking the item relating to subparagraph (E)(iv) and all that follows through the item relating to subparagraph (E)(ix) and inserting the following:

''(E)(iv) 20
(E)(v) 30
(E)(vi) ..... 35''.

(C) APPLICABLE RECOVERY PERIOD FOR RESIDENTIAL RENTAL PROPERTY.—The table contained in subparagraph (C) of section 168(g)(2) is amended by striking clauses (iii) and (iv) and inserting the following:

''(iii) Residential rental property 30 years
(iv) Nonresidential real property .. 40 years
(v) Any railroad grading or tunnel bore or water utility property ..... 50 years''.

(4) CONFORMING AMENDMENTS.—

(A) Clause (i) of section 168(k)(2)(A) is amended—

(i) in subclause (II), by inserting ''or'' after the comma,

(ii) in subclause (III), by striking ''or'' at the end, and

(iii) by striking subclause (IV).

(B) Section 168 is amended—

(i) in subsection (e), as amended by paragraph (1)(B), by adding at the end the following:

''(6) QUALIFIED IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified improvement property' means any improvement to an interior portion of a building which is nonresidential real property if such improvement is placed in service after the date such building was first placed in service.

''(B) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator, or

''(iii) the internal structural framework of the building.'', and

(ii) in subsection (k), by striking paragraph (3).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 2017.

(2) AMENDMENTS RELATED TO ELECTING REAL PROPERTY TRADE OR BUSINESS.—The amendments made by subsection (a)(3)(A) shall apply to taxable years beginning after December 31, 2017.

SEC. 13205. USE OF ALTERNATIVE DEPRECIATION SYSTEM FOR ELECTING FARMING BUSINESSES.

(a) IN GENERAL.—Section 168(g)(1), as amended by section 13204, is amended by striking ''and'' at the end of subparagraph (E), by inserting ''and'' at the end of subparagraph (F), and by inserting after subparagraph (F) the following new subparagraph:

''(G) any property with a recovery period of 10 years or more which is held by an electing farming business (as defined in section 163(j)(7)(C)),''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13206. AMORTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) IN GENERAL.—Section 174 is amended to read as follows:

''SEC. 174. AMORTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

''(a) IN GENERAL.—In the case of a taxpayer's specified research or experimental expenditures for any taxable year—

''(1) except as provided in paragraph (2), no deduction shall be allowed for such expenditures, and

''(2) the taxpayer shall—

''(A) charge such expenditures to capital account, and

''(B) be allowed an amortization deduction of such expenditures ratably over the 5-year period (15-year period in the case of any specified research or experimental expenditures which are attributable to foreign research (within the meaning of section 41(d)(4)(F))) beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

''(b) SPECIFIED RESEARCH OR EXPERIMENTAL EXPENDITURES.—For purposes of this section, the term 'specified research or experimental expenditures' means, with respect to any taxable year, research or experimental expenditures which are paid or incurred by the taxpayer during such taxable year in connection with the taxpayer's trade or business.

''(c) SPECIAL RULES.—

''(1) LAND AND OTHER PROPERTY.—This section shall not apply to any expenditure for the acquisition or improvement of land, or for the acquisition or improvement of property to be used in connection with the research or experimentation and of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion); but for purposes of this section allowances under section 167, and allowances under section 611, shall be considered as expenditures.

''(2) EXPLORATION EXPENDITURES.—This section shall not apply to any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

''(3) SOFTWARE DEVELOPMENT.—For purposes of this section, any amount paid or incurred in connection with the development of any software shall be treated as a research or experimental expenditure.

''(d) TREATMENT UPON DISPOSITION, RETIREMENT, OR ABANDONMENT.—If any property with respect to which specified research or experimental expenditures are paid or incurred is disposed, retired, or abandoned during the period during which such expenditures are allowed as an amortization deduction under this section, no deduction shall be allowed with respect to such expenditures on account of such disposition, retirement, or abandonment and such amortization deduction shall continue with respect to such expenditures.''.

(b) CHANGE IN METHOD OF ACCOUNTING.—The amendments made by subsection (a) shall be treated as a change in method of accounting for purposes of section 481 of the Internal Revenue Code of 1986 and—

(1) such change shall be treated as initiated by the taxpayer,

(2) such change shall be treated as made with the consent of the Secretary, and

(3) such change shall be applied only on a cut-off basis for any research or experimental expenditures paid or incurred in taxable years beginning after December 31, 2021, and no adjustments under section 481(a) shall be made.

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking the item relating to section 174 and inserting the following new item:

''Sec. 174. Amortization of research and experimental expenditures.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 41(d)(1)(A) is amended by striking ''expenses under section 174'' and inserting ''specified research or experimental expenditures under section 174''.

(2) Subsection (c) of section 280C is amended—

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

''(1) IN GENERAL.—If—

''(A) the amount of the credit determined for the taxable year under section 41(a)(1), exceeds

''(B) the amount allowable as a deduction for such taxable year for qualified research expenses or basic research expenses,

the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.'',

(B) by striking paragraph (2),

(C) by redesignating paragraphs (3) (as amended by this Act) and (4) as paragraphs (2) and (3), respectively, and

(D) in paragraph (2), as redesignated by subparagraph (C), by striking ''paragraphs (1) and (2)'' and inserting ''paragraph (1)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2021.

SEC. 13207. EXPENSING OF CERTAIN COSTS OF REPLANTING CITRUS PLANTS LOST BY REASON OF CASUALTY.

(a) IN GENERAL.—Section 263A(d)(2) is amended by adding at the end the following new subparagraph:

''(C) SPECIAL TEMPORARY RULE FOR CITRUS PLANTS LOST BY REASON OF CASUALTY.—

''(i) IN GENERAL.—In the case of the replanting of citrus plants, subparagraph (A) shall apply to amounts paid or incurred by a person (other than the taxpayer described in subparagraph (A)) if—

''(I) the taxpayer described in subparagraph (A) has an equity interest of not less than 50 percent in the replanted citrus plants at all times during the taxable year in which such amounts were paid or incurred and such other person holds any part of the remaining equity interest, or

''(II) such other person acquired the entirety of such taxpayer's equity interest in the land on which the lost or damaged citrus plants were located at the time of such loss or damage, and the replanting is on such land.

''(ii) TERMINATION.—Clause (i) shall not apply to any cost paid or incurred after the date which is 10 years after the date of the enactment of the Tax Cuts and Jobs Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to costs paid or incurred after the date of the enactment of this Act.

Subpart B—Accounting Methods

SEC. 13221. CERTAIN SPECIAL RULES FOR TAXABLE YEAR OF INCLUSION.

(a) INCLUSION NOT LATER THAN FOR FINANCIAL ACCOUNTING PURPOSES.—Section 451 is amended by redesignating subsections (b) through (i) as subsections (c) through (j), respectively, and by inserting after subsection (a) the following new subsection:

''(b) INCLUSION NOT LATER THAN FOR FINANCIAL ACCOUNTING PURPOSES.—

''(1) INCOME TAKEN INTO ACCOUNT IN FINANCIAL STATEMENT.—

''(A) IN GENERAL.—In the case of a taxpayer the taxable income of which is computed under an accrual method of accounting, the all events test with respect to any item of gross income (or portion thereof) shall not be treated as met any later than when such item (or portion thereof) is taken into account as revenue in—

''(i) an applicable financial statement of the taxpayer, or

''(ii) such other financial statement as the Secretary may specify for purposes of this subsection.

''(B) EXCEPTION.—This paragraph shall not apply to—

''(i) a taxpayer which does not have a financial statement described in clause (i) or (ii) of subparagraph (A) for a taxable year, or

''(ii) any item of gross income in connection with a mortgage servicing contract.

''(C) ALL EVENTS TEST.—For purposes of this section, the all events test is met with respect to any item of gross income if all the events have

occurred which fix the right to receive such income and the amount of such income can be determined with reasonable accuracy.

''(2) COORDINATION WITH SPECIAL METHODS OF ACCOUNTING.—Paragraph (1) shall not apply with respect to any item of gross income for which the taxpayer uses a special method of accounting provided under any other provision of this chapter, other than any provision of part V of subchapter P (except as provided in clause (ii) of paragraph (1)(B)).

''(3) APPLICABLE FINANCIAL STATEMENT.—For purposes of this subsection, the term 'applicable financial statement' means—

''(A) a financial statement which is certified as being prepared in accordance with generally accepted accounting principles and which is—

''(i) a 10–K (or successor form), or annual statement to shareholders, required to be filed by the taxpayer with the United States Securities and Exchange Commission,

''(ii) an audited financial statement of the taxpayer which is used for—

''(I) credit purposes,

''(II) reporting to shareholders, partners, or other proprietors, or to beneficiaries, or

''(III) any other substantial nontax purpose,

but only if there is no statement of the taxpayer described in clause (i), or

''(iii) filed by the taxpayer with any other Federal agency for purposes other than Federal tax purposes, but only if there is no statement of the taxpayer described in clause (i) or (ii),

''(B) a financial statement which is made on the basis of international financial reporting standards and is filed by the taxpayer with an agency of a foreign government which is equivalent to the United States Securities and Exchange Commission and which has reporting standards not less stringent than the standards required by such Commission, but only if there is no statement of the taxpayer described in subparagraph (A), or

''(C) a financial statement filed by the taxpayer with any other regulatory or governmental body specified by the Secretary, but only if there is no statement of the taxpayer described in subparagraph (A) or (B).

''(4) ALLOCATION OF TRANSACTION PRICE.—For purposes of this subsection, in the case of a contract which contains multiple performance obligations, the allocation of the transaction price to each performance obligation shall be equal to the amount allocated to each performance obligation for purposes of including such item in revenue in the applicable financial statement of the taxpayer.

''(5) GROUP OF ENTITIES.—For purposes of paragraph (1), if the financial results of a taxpayer are reported on the applicable financial statement (as defined in paragraph (3)) for a group of entities, such statement shall be treated as the applicable financial statement of the taxpayer.''.

(b) TREATMENT OF ADVANCE PAYMENTS.—Section 451, as amended by subsection (a), is amended by redesignating subsections (c) through (j) as subsections (d) through (k), respectively, and by inserting after subsection (b) the following new subsection:

''(c) TREATMENT OF ADVANCE PAYMENTS.—

''(1) IN GENERAL.—A taxpayer which computes taxable income under the accrual method of accounting, and receives any advance payment during the taxable year, shall—

''(A) except as provided in subparagraph (B), include such advance payment in gross income for such taxable year, or

''(B) if the taxpayer elects the application of this subparagraph with respect to the category of advance payments to which such advance payment belongs, the taxpayer shall—

''(i) to the extent that any portion of such advance payment is required under subsection (b) to be included in gross income in the taxable year in which such payment is received, so include such portion, and

''(ii) include the remaining portion of such advance payment in gross income in the taxable year following the taxable year in which such payment is received.

''(2) ELECTION.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the election under paragraph (1)(B) shall be made at such time, in such form and manner, and with respect to such categories of advance payments, as the Secretary may provide.

''(B) PERIOD TO WHICH ELECTION APPLIES.—An election under paragraph (1)(B) shall be effective for the taxable year with respect to which it is first made and for all subsequent taxable years, unless the taxpayer secures the consent of the Secretary to revoke such election. For purposes of this title, the computation of taxable income under an election made under paragraph (1)(B) shall be treated as a method of accounting.

''(3) TAXPAYERS CEASING TO EXIST.—Except as otherwise provided by the Secretary, the election under paragraph (1)(B) shall not apply with respect to advance payments received by the taxpayer during a taxable year if such taxpayer ceases to exist during (or with the close of) such taxable year.

''(4) ADVANCE PAYMENT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'advance payment' means any payment—

''(i) the full inclusion of which in the gross income of the taxpayer for the taxable year of receipt is a permissible method of accounting under this section (determined without regard to this subsection),

''(ii) any portion of which is included in revenue by the taxpayer in a financial statement described in clause (i) or (ii) of subsection (b)(1)(A) for a subsequent taxable year, and

''(iii) which is for goods, services, or such other items as may be identified by the Secretary for purposes of this clause.

''(B) EXCLUSIONS.—Except as otherwise provided by the Secretary, such term shall not include—

''(i) rent,

''(ii) insurance premiums governed by subchapter L,

''(iii) payments with respect to financial instruments,

''(iv) payments with respect to warranty or guarantee contracts under which a third party is the primary obligor,

''(v) payments subject to section 871(a), 881, 1441, or 1442,

''(vi) payments in property to which section 83 applies, and

''(vii) any other payment identified by the Secretary for purposes of this subparagraph.

''(C) RECEIPT.—For purposes of this subsection, an item of gross income is received by the taxpayer if it is actually or constructively received, or if it is due and payable to the taxpayer.

''(D) ALLOCATION OF TRANSACTION PRICE.—For purposes of this subsection, rules similar to subsection (b)(4) shall apply.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(d) COORDINATION WITH SECTION 481.—

(1) IN GENERAL.—In the case of any qualified change in method of accounting for the taxpayer's first taxable year beginning after December 31, 2017—

(A) such change shall be treated as initiated by the taxpayer, and

(B) such change shall be treated as made with the consent of the Secretary of the Treasury.

(2) QUALIFIED CHANGE IN METHOD OF ACCOUNTING.—For purposes of this subsection, the term ''qualified change in method of accounting'' means any change in method of accounting which—

(A) is required by the amendments made by this section, or

(B) was prohibited under the Internal Revenue Code of 1986 prior to such amendments and is permitted under such Code after such amendments.

(e) SPECIAL RULES FOR ORIGINAL ISSUE DISCOUNT.—Notwithstanding subsection (c), in the case of income from a debt instrument having original issue discount—

(1) the amendments made by this section shall apply to taxable years beginning after December 31, 2018, and

(2) the period for taking into account any adjustments under section 481 by reason of a qualified change in method of accounting (as defined in subsection (d)) shall be 6 years.

PART IV—BUSINESS-RELATED EXCLUSIONS AND DEDUCTIONS

SEC. 13301. LIMITATION ON DEDUCTION FOR INTEREST.

(a) IN GENERAL.—Section 163(j) is amended to read as follows:

''(j) LIMITATION ON BUSINESS INTEREST.—

''(1) IN GENERAL.—The amount allowed as a deduction under this chapter for any taxable year for business interest shall not exceed the sum of—

''(A) the business interest income of such taxpayer for such taxable year,

''(B) 30 percent of the adjusted taxable income of such taxpayer for such taxable year, plus

''(C) the floor plan financing interest of such taxpayer for such taxable year.

The amount determined under subparagraph (B) shall not be less than zero.

''(2) CARRYFORWARD OF DISALLOWED BUSINESS INTEREST.—The amount of any business interest not allowed as a deduction for any taxable year by reason of paragraph (1) shall be treated as business interest paid or accrued in the succeeding taxable year.

''(3) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—In the case of any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3)) which meets the gross receipts test of section 448(c) for any taxable year, paragraph (1) shall not apply to such taxpayer for such taxable year. In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if such taxpayer were a corporation or partnership.

''(4) APPLICATION TO PARTNERSHIPS, ETC.—

''(A) IN GENERAL.—In the case of any partnership—

''(i) this subsection shall be applied at the partnership level and any deduction for business interest shall be taken into account in determining the non-separately stated taxable income or loss of the partnership, and

''(ii) the adjusted taxable income of each partner of such partnership—

''(I) shall be determined without regard to such partner's distributive share of any items of income, gain, deduction, or loss of such partnership, and

''(II) shall be increased by such partner's distributive share of such partnership's excess taxable income.

For purposes of clause (ii)(II), a partner's distributive share of partnership excess taxable income shall be determined in the same manner as the partner's distributive share of nonseparately stated taxable income or loss of the partnership.

''(B) SPECIAL RULES FOR CARRYFORWARDS.—

''(i) IN GENERAL.—The amount of any business interest not allowed as a deduction to a partnership for any taxable year by reason of paragraph (1) for any taxable year—

''(I) shall not be treated under paragraph (2) as business interest paid or accrued by the partnership in the succeeding taxable year, and

''(II) shall, subject to clause (ii), be treated as excess business interest which is allocated to each partner in the same manner as the nonseparately stated taxable income or loss of the partnership.

''(ii) TREATMENT OF EXCESS BUSINESS INTEREST ALLOCATED TO PARTNERS.—If a partner is allocated any excess business interest from a partnership under clause (i) for any taxable year—

''(I) such excess business interest shall be treated as business interest paid or accrued by the partner in the next succeeding taxable year in which the partner is allocated excess taxable income from such partnership, but only to the extent of such excess taxable income, and

''(II) any portion of such excess business interest remaining after the application of subclause (I) shall, subject to the limitations of subclause (I), be treated as business interest paid or accrued in succeeding taxable years.

For purposes of applying this paragraph, excess taxable income allocated to a partner from a partnership for any taxable year shall not be taken into account under paragraph (1)(A) with respect to any business interest other than excess business interest from the partnership until all such excess business interest for such taxable year and all preceding taxable years has been treated as paid or accrued under clause (ii).

''(iii) BASIS ADJUSTMENTS.—

''(I) IN GENERAL.—The adjusted basis of a partner in a partnership interest shall be reduced (but not below zero) by the amount of excess business interest allocated to the partner under clause (i)(II).

''(II) SPECIAL RULE FOR DISPOSITIONS.—If a partner disposes of a partnership interest, the adjusted basis of the partner in the partnership interest shall be increased immediately before the disposition by the amount of the excess (if any) of the amount of the basis reduction under subclause (I) over the portion of any excess business interest allocated to the partner under clause (i)(II) which has previously been treated under clause (ii) as business interest paid or accrued by the partner. The preceding sentence shall also apply to transfers of the partnership interest (including by reason of death) in a transaction in which gain is not recognized in whole or in part. No deduction shall be allowed to the transferor or transferee under this chapter for any excess business interest resulting in a basis increase under this subclause.

''(C) EXCESS TAXABLE INCOME.—The term 'excess taxable income' means, with respect to any partnership, the amount which bears the same ratio to the partnership's adjusted taxable income as—

''(i) the excess (if any) of—

''(I) the amount determined for the partnership under paragraph (1)(B), over

''(II) the amount (if any) by which the business interest of the partnership, reduced by the floor plan financing interest, exceeds the business interest income of the partnership, bears to

''(ii) the amount determined for the partnership under paragraph (1)(B).

''(D) APPLICATION TO S CORPORATIONS.—Rules similar to the rules of subparagraphs (A) and (C) shall apply with respect to any S corporation and its shareholders.

''(5) BUSINESS INTEREST.—For purposes of this subsection, the term 'business interest' means any interest paid or accrued on indebtedness properly allocable to a trade or business. Such term shall not include investment interest (within the meaning of subsection (d)).

''(6) BUSINESS INTEREST INCOME.—For purposes of this subsection, the term 'business interest income' means the amount of interest includible in the gross income of the taxpayer for the taxable year which is properly allocable to a trade or business. Such term shall not include investment income (within the meaning of subsection (d)).

''(7) TRADE OR BUSINESS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'trade or business' shall not include—

''(i) the trade or business of performing services as an employee,

''(ii) any electing real property trade or business,

''(iii) any electing farming business, or

''(iv) the trade or business of the furnishing or sale of—

''(I) electrical energy, water, or sewage disposal services,

''(II) gas or steam through a local distribution system, or

''(III) transportation of gas or steam by pipeline,

if the rates for such furnishing or sale, as the case may be, have been established or approved by a State or political subdivision thereof, by any agency or instrumentality of the United States, by a public service or public utility commission or other similar body of any State or political subdivision thereof, or by the governing or ratemaking body of an electric cooperative.

''(B) ELECTING REAL PROPERTY TRADE OR BUSINESS.—For purposes of this paragraph, the term 'electing real property trade or business' means any trade or business which is described in section 469(c)(7)(C) and which makes an election under this subparagraph. Any such election shall be made at such time and in such manner as the Secretary shall prescribe, and, once made, shall be irrevocable.

''(C) ELECTING FARMING BUSINESS.—For purposes of this paragraph, the term 'electing farming business' means—

''(i) a farming business (as defined in section 263A(e)(4)) which makes an election under this subparagraph, or

''(ii) any trade or business of a specified agricultural or horticultural cooperative (as defined in section 199A(g)(2)) with respect to which the cooperative makes an election under this subparagraph.

Any such election shall be made at such time and in such manner as the Secretary shall prescribe, and, once made, shall be irrevocable.

''(8) ADJUSTED TAXABLE INCOME.—For purposes of this subsection, the term 'adjusted taxable income' means the taxable income of the taxpayer—

''(A) computed without regard to—

''(i) any item of income, gain, deduction, or loss which is not properly allocable to a trade or business,

''(ii) any business interest or business interest income,

''(iii) the amount of any net operating loss deduction under section 172,

''(iv) the amount of any deduction allowed under section 199A, and

''(v) in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion, and

''(B) computed with such other adjustments as provided by the Secretary.

''(9) FLOOR PLAN FINANCING INTEREST DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'floor plan financing interest' means interest paid or accrued on floor plan financing indebtedness.

''(B) FLOOR PLAN FINANCING INDEBTEDNESS.—The term 'floor plan financing indebtedness' means indebtedness—

''(i) used to finance the acquisition of motor vehicles held for sale or lease, and

''(ii) secured by the inventory so acquired.

''(C) MOTOR VEHICLE.—The term 'motor vehicle' means a motor vehicle that is any of the following:

''(i) Any self-propelled vehicle designed for transporting persons or property on a public street, highway, or road.

''(ii) A boat.

''(iii) Farm machinery or equipment.

''(10) CROSS REFERENCES.—

''(A) For requirement that an electing real property trade or business use the alternative depreciation system, see section 168(g)(1)(F).

''(B) For requirement that an electing farming business use the alternative depreciation system, see section 168(g)(1)(G).''.

(b) TREATMENT OF CARRYFORWARD OF DISALLOWED BUSINESS INTEREST IN CERTAIN CORPORATE ACQUISITIONS.—

(1) IN GENERAL.—Section 381(c) is amended by inserting after paragraph (19) the following new paragraph:

''(20) CARRYFORWARD OF DISALLOWED BUSINESS INTEREST.—The carryover of disallowed business interest described in section 163(j)(2) to taxable years ending after the date of distribution or transfer.''.

(2) APPLICATION OF LIMITATION.—Section 382(d) is amended by adding at the end the following new paragraph:

''(3) APPLICATION TO CARRYFORWARD OF DISALLOWED INTEREST.—The term 'pre-change loss' shall include any carryover of disallowed interest described in section 163(j)(2) under rules similar to the rules of paragraph (1).''.

(3) CONFORMING AMENDMENT.—Section 382(k)(1) is amended by inserting after the first sentence the following: ''Such term shall include any corporation entitled to use a carryforward of disallowed interest described in section 381(c)(20).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13302. MODIFICATION OF NET OPERATING LOSS DEDUCTION.

(a) LIMITATION ON DEDUCTION.—

(1) IN GENERAL.—Section 172(a) is amended to read as follows:

''(a) DEDUCTION ALLOWED.—There shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

''(1) the aggregate of the net operating loss carryovers to such year, plus the net operating loss carrybacks to such year, or

''(2) 80 percent of taxable income computed without regard to the deduction allowable under this section.

For purposes of this subtitle, the term 'net operating loss deduction' means the deduction allowed by this subsection.''.

(2) COORDINATION OF LIMITATION WITH CARRYBACKS AND CARRYOVERS.—Section 172(b)(2) is amended by striking ''shall be computed—'' and all that follows and inserting ''shall—

''(A) be computed with the modifications specified in subsection (d) other than paragraphs (1), (4), and (5) thereof, and by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

''(B) not be considered to be less than zero, and

''(C) not exceed the amount determined under subsection (a)(2) for such prior taxable year.''.

(3) CONFORMING AMENDMENT.—Section 172(d)(6) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(C) subsection (a)(2) shall be applied by substituting 'real estate investment trust taxable income (as defined in section 857(b)(2) but without regard to the deduction for dividends paid (as defined in section 561))' for 'taxable income'.''.

(b) REPEAL OF NET OPERATING LOSS CARRYBACK; INDEFINITE CARRYFORWARD.—

(1) IN GENERAL.—Section 172(b)(1)(A) is amended—

(A) by striking ''shall be a net operating loss carryback to each of the 2 taxable years'' in clause (i) and inserting ''except as otherwise provided in this paragraph, shall not be a net operating loss carryback to any taxable year'', and

(B) by striking ''to each of the 20 taxable years'' in clause (ii) and inserting ''to each taxable year''.

(2) CONFORMING AMENDMENT.—Section 172(b)(1) is amended by striking subparagraphs (B) through (F).

(c) TREATMENT OF FARMING LOSSES.—

(1) ALLOWANCE OF CARRYBACKS.—Section 172(b)(1), as amended by subsection (b)(2), is amended by adding at the end the following new subparagraph:

''(B) FARMING LOSSES.—

''(i) IN GENERAL.—In the case of any portion of a net operating loss for the taxable year which is a farming loss with respect to the taxpayer, such loss shall be a net operating loss

carryback to each of the 2 taxable years preceding the taxable year of such loss.

''(ii) FARMING LOSS.—For purposes of this section, the term 'farming loss' means the lesser of—

''(I) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

''(II) the amount of the net operating loss for such taxable year.

''(iii) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), a farming loss for any taxable year shall be treated as a separate net operating loss for such taxable year to be taken into account after the remaining portion of the net operating loss for such taxable year.

''(iv) ELECTION.—Any taxpayer entitled to a 2-year carryback under clause (i) from any loss year may elect not to have such clause apply to such loss year. Such election shall be made in such manner as prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 172 is amended by striking subsections (f), (g), and (h), and by redesignating subsection (i) as subsection (f).

(B) Section 537(b)(4) is amended by inserting ''(as in effect before the date of enactment of the Tax Cuts and Jobs Act)'' after ''as defined in section 172(f)''.

(d) TREATMENT OF CERTAIN INSURANCE LOSSES.—

(1) TREATMENT OF CARRYFORWARDS AND CARRYBACKS.—Section 172(b)(1), as amended by subsections (b)(2) and (c)(1), is amended by adding at the end the following new subparagraph:

''(C) INSURANCE COMPANIES.—In the case of an insurance company (as defined in section 816(a)) other than a life insurance company, the net operating loss for any taxable year—

''(i) shall be a net operating loss carryback to each of the 2 taxable years preceding the taxable year of such loss, and

''(ii) shall be a net operating loss carryover to each of the 20 taxable years following the taxable year of the loss.''.

(2) EXEMPTION FROM LIMITATION.—Section 172, as amended by subsection (c)(2)(A), is amended by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following new subsection:

''(f) SPECIAL RULE FOR INSURANCE COMPANIES.—In the case of an insurance company (as defined in section 816(a)) other than a life insurance company—

''(1) the amount of the deduction allowed under subsection (a) shall be the aggregate of the net operating loss carryovers to such year, plus the net operating loss carrybacks to such year, and

''(2) subparagraph (C) of subsection (b)(2) shall not apply.''.

(e) EFFECTIVE DATE.—

(1) NET OPERATING LOSS LIMITATION.—The amendments made by subsections (a) and (d)(2) shall apply to losses arising in taxable years beginning after December 31, 2017.

(2) CARRYFORWARDS AND CARRYBACKS.—The amendments made by subsections (b), (c), and (d)(1) shall apply to net operating losses arising in taxable years ending after December 31, 2017.

SEC. 13303. LIKE-KIND EXCHANGES OF REAL PROPERTY.

(a) IN GENERAL.—Section 1031(a)(1) is amended by striking ''property'' each place it appears and inserting ''real property''.

(b) CONFORMING AMENDMENTS.—

(1)(A) Paragraph (2) of section 1031(a) is amended to read as follows:

''(2) EXCEPTION FOR REAL PROPERTY HELD FOR SALE.—This subsection shall not apply to any exchange of real property held primarily for sale.''.

(B) Section 1031 is amended by striking subsection (i).

(2) Section 1031 is amended by striking subsection (e).

(3) Section 1031, as amended by paragraph (2), is amended by inserting after subsection (d) the following new subsection:

''(e) APPLICATION TO CERTAIN PARTNERSHIPS.—For purposes of this section, an interest in a partnership which has in effect a valid election under section 761(a) to be excluded from the application of all of subchapter K shall be treated as an interest in each of the assets of such partnership and not as an interest in a partnership.''.

(4) Section 1031(h) is amended to read as follows:

''(h) SPECIAL RULES FOR FOREIGN REAL PROPERTY.—Real property located in the United States and real property located outside the United States are not property of a like kind.''.

(5) The heading of section 1031 is amended by striking ''***PROPERTY***'' and inserting ''***REAL PROPERTY***''.

(6) The table of sections for part III of subchapter O of chapter 1 is amended by striking the item relating to section 1031 and inserting the following new item:

''Sec. 1031. Exchange of real property held for productive use or investment.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to exchanges completed after December 31, 2017.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange if—

(A) the property disposed of by the taxpayer in the exchange is disposed of on or before December 31 2017, or

(B) the property received by the taxpayer in the exchange is received on or before December 31, 2017.

SEC. 13304. LIMITATION ON DEDUCTION BY EMPLOYERS OF EXPENSES FOR FRINGE BENEFITS.

(a) NO DEDUCTION ALLOWED FOR ENTERTAINMENT EXPENSES.—

(1) IN GENERAL.—Section 274(a) is amended—

(A) in paragraph (1)(A), by striking ''unless'' and all that follows through ''trade or business,'',

(B) by striking the flush sentence at the end of paragraph (1), and

(C) by striking paragraph (2)(C).

(2) CONFORMING AMENDMENTS.—

(A) Section 274(d) is amended—

(i) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and

(ii) in the flush text following paragraph (3) (as so redesignated)—

(I) by striking '', entertainment, amusement, recreation, or use of the facility or property,'' in item (B), and

(II) by striking ''(D) the business relationship to the taxpayer of persons entertained, using the facility or property, or receiving the gift'' and inserting ''(D) the business relationship to the taxpayer of the person receiving the benefit'',

(B) Section 274 is amended by striking subsection (l).

(C) Section 274(n) is amended by striking ''AND ENTERTAINMENT'' in the heading.

(D) Section 274(n)(1) is amended to read as follows:

''(1) IN GENERAL.—The amount allowable as a deduction under this chapter for any expense for food or beverages shall not exceed 50 percent of the amount of such expense which would (but for this paragraph) be allowable as a deduction under this chapter.''.

(E) Section 274(n)(2) is amended—

(i) in subparagraph (B), by striking ''in the case of an expense for food or beverages,'',

(ii) by striking subparagraph (C) and redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively,

(iii) by striking ''of subparagraph (E)'' the last sentence and inserting ''of subparagraph (D)'', and

(iv) by striking ''in subparagraph (D)'' in the last sentence and inserting ''in subparagraph (C)''.

(F) Clause (iv) of section 7701(b)(5)(A) is amended to read as follows:

''(iv) a professional athlete who is temporarily in the United States to compete in a sports event—

''(I) which is organized for the primary purpose of benefiting an organization which is described in section 501(c)(3) and exempt from tax under section 501(a),

''(II) all of the net proceeds of which are contributed to such organization, and,

''(III) which utilizes volunteers for substantially all of the work performed in carrying out such event.''.

(b) ONLY 50 PERCENT OF EXPENSES FOR MEALS PROVIDED ON OR NEAR BUSINESS PREMISES ALLOWED AS DEDUCTION.—Paragraph (2) of section 274(n), as amended by subsection (a), is amended—

(1) by striking subparagraph (B),

(2) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively,

(3) by striking ''of subparagraph (D)'' in the last sentence and inserting ''of subparagraph (C)'', and

(4) by striking ''in subparagraph (C)'' in the last sentence and inserting ''in subparagraph (B)''.

(c) TREATMENT OF TRANSPORTATION BENEFITS.—Section 274, as amended by subsection (a), is amended—

(1) in subsection (a)—

(A) in the heading, by striking ''OR RECREATION'' and inserting ''RECREATION, OR QUALIFIED TRANSPORTATION FRINGES'', and

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

''(4) QUALIFIED TRANSPORTATION FRINGES.—No deduction shall be allowed under this chapter for the expense of any qualified transportation fringe (as defined in section 132(f)) provided to an employee of the taxpayer.'', and

(2) by inserting after subsection (k) the following new subsection:

''(l) TRANSPORTATION AND COMMUTING BENEFITS.—

''(1) IN GENERAL.—No deduction shall be allowed under this chapter for any expense incurred for providing any transportation, or any payment or reimbursement, to an employee of the taxpayer in connection with travel between the employee's residence and place of employment, except as necessary for ensuring the safety of the employee.

''(2) EXCEPTION.—In the case of any qualified bicycle commuting reimbursement (as described in section 132(f)(5)(F)), this subsection shall not apply for any amounts paid or incurred after December 31, 2017, and before January 1, 2026.''.

(d) ELIMINATION OF DEDUCTION FOR MEALS PROVIDED AT CONVENIENCE OF EMPLOYER.—Section 274, as amended by subsection (c), is amended—

(1) by redesignating subsection (o) as subsection (p), and

(2) by inserting after subsection (n) the following new subsection:

''(o) MEALS PROVIDED AT CONVENIENCE OF EMPLOYER.—No deduction shall be allowed under this chapter for—

''(1) any expense for the operation of a facility described in section 132(e)(2), and any expense for food or beverages, including under section 132(e)(1), associated with such facility, or

''(2) any expense for meals described in section 119(a).''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts incurred or paid after December 31, 2017.

(2) EFFECTIVE DATE FOR ELIMINATION OF DEDUCTION FOR MEALS PROVIDED AT CONVENIENCE OF EMPLOYER.—The amendments made by subsection (d) shall apply to amounts incurred or paid after December 31, 2025.

SEC. 13305. REPEAL OF DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by striking section 199 (and by striking the item relating to such section in the table of sections for such part).

(b) CONFORMING AMENDMENTS.—

(1) Sections 74(d)(2)(B), 86(b)(2)(A), 135(c)(4)(A), 137(b)(3)(A), 219(g)(3)(A)(ii), 221(b)(2)(C), 222(b)(2)(C), 246(b)(1), and 469(i)(3)(F)(iii) are each amended by striking ''199,''.

(2) Section 170(b)(2)(D), as amended by subtitle A, is amended by striking clause (iv), and by redesignating clauses (v) and (vi) as clauses (iv) and (v).

(3) Section 172(d) is amended by striking paragraph (7).

(4) Section 613(a), as amended by section 11011, is amended by striking ''and without the deduction under section 199''.

(5) Section 613A(d)(1), as amended by section 11011, is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (B), (C), (D), and (E), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13306. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) DENIAL OF DEDUCTION.—

(1) IN GENERAL.—Subsection (f) of section 162 is amended to read as follows:

''(f) FINES, PENALTIES, AND OTHER AMOUNTS.—

''(1) IN GENERAL.—Except as provided in the following paragraphs of this subsection, no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or governmental entity in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

''(2) EXCEPTION FOR AMOUNTS CONSTITUTING RESTITUTION OR PAID TO COME INTO COMPLIANCE WITH LAW.—

''(A) IN GENERAL.—Paragraph (1) shall not apply to any amount that—

''(i) the taxpayer establishes—

''(I) constitutes restitution (including remediation of property) for damage or harm which was or may be caused by the violation of any law or the potential violation of any law, or

''(II) is paid to come into compliance with any law which was violated or otherwise involved in the investigation or inquiry described in paragraph (1),

''(ii) is identified as restitution or as an amount paid to come into compliance with such law, as the case may be, in the court order or settlement agreement, and

''(iii) in the case of any amount of restitution for failure to pay any tax imposed under this title in the same manner as if such amount were such tax, would have been allowed as a deduction under this chapter if it had been timely paid.

The identification under clause (ii) alone shall not be sufficient to make the establishment required under clause (i).

''(B) LIMITATION.—Subparagraph (A) shall not apply to any amount paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation.

''(3) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.—Paragraph (1) shall not apply to any amount paid or incurred by reason of any order of a court in a suit in which no government or governmental entity is a party.

''(4) EXCEPTION FOR TAXES DUE.—Paragraph (1) shall not apply to any amount paid or incurred as taxes due.

''(5) TREATMENT OF CERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—For purposes of this subsection, the following nongovernmental entities shall be treated as governmental entities:

''(A) Any nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(g)(7)).

''(B) To the extent provided in regulations, any nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

(b) REPORTING OF DEDUCTIBLE AMOUNTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6050W the following new section:

''SEC. 6050X. INFORMATION WITH RESPECT TO CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

''(a) REQUIREMENT OF REPORTING.—

''(1) IN GENERAL.—The appropriate official of any government or any entity described in section 162(f)(5) which is involved in a suit or agreement described in paragraph (2) shall make a return in such form as determined by the Secretary setting forth—

''(A) the amount required to be paid as a result of the suit or agreement to which paragraph (1) of section 162(f) applies,

''(B) any amount required to be paid as a result of the suit or agreement which constitutes restitution or remediation of property, and

''(C) any amount required to be paid as a result of the suit or agreement for the purpose of coming into compliance with any law which was violated or involved in the investigation or inquiry.

''(2) SUIT OR AGREEMENT DESCRIBED.—

''(A) IN GENERAL.—A suit or agreement is described in this paragraph if—

''(i) it is—

''(I) a suit with respect to a violation of any law over which the government or entity has authority and with respect to which there has been a court order, or

''(II) an agreement which is entered into with respect to a violation of any law over which the government or entity has authority, or with respect to an investigation or inquiry by the government or entity into the potential violation of any law over which such government or entity has authority, and

''(ii) the aggregate amount involved in all court orders and agreements with respect to the violation, investigation, or inquiry is $600 or more.

''(B) ADJUSTMENT OF REPORTING THRESHOLD.—The Secretary shall adjust the $600 amount in subparagraph (A)(ii) as necessary in order to ensure the efficient administration of the internal revenue laws.

''(3) TIME OF FILING.—The return required under this subsection shall be filed at the time the agreement is entered into, as determined by the Secretary.

''(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS INVOLVED IN THE SETTLEMENT.—Every person required to make a return under subsection (a) shall furnish to each person who is a party to the suit or agreement a written statement showing—

''(1) the name of the government or entity, and

''(2) the information supplied to the Secretary under subsection (a)(1).

The written statement required under the preceding sentence shall be furnished to the person at the same time the government or entity provides the Secretary with the information required under subsection (a).

''(c) APPROPRIATE OFFICIAL DEFINED.—For purposes of this section, the term 'appropriate official' means the officer or employee having control of the suit, investigation, or inquiry or the person appropriately designated for purposes of this section.''.

(2) CONFORMING AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050W the following new item:

''Sec. 6050X. Information with respect to certain fines, penalties, and other amounts.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 13307. DENIAL OF DEDUCTION FOR SETTLEMENTS SUBJECT TO NONDISCLOSURE AGREEMENTS PAID IN CONNECTION WITH SEXUAL HARASSMENT OR SEXUAL ABUSE.

(a) DENIAL OF DEDUCTION.—Section 162 is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

''(q) PAYMENTS RELATED TO SEXUAL HARASSMENT AND SEXUAL ABUSE.—No deduction shall be allowed under this chapter for—

''(1) any settlement or payment related to sexual harassment or sexual abuse if such settlement or payment is subject to a nondisclosure agreement, or

''(2) attorney's fees related to such a settlement or payment.''.

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

SEC. 13308. REPEAL OF DEDUCTION FOR LOCAL LOBBYING EXPENSES.

(a) IN GENERAL.—Section 162(e) is amended by striking paragraphs (2) and (7) and by redesignating paragraphs (3), (4), (5), (6), and (8) as paragraphs (2), (3), (4), (5), and (6), respectively.

(b) CONFORMING AMENDMENT.—Section 6033(e)(1)(B)(ii) is amended by striking ''section 162(e)(5)(B)(ii)'' and inserting ''section 162(e)(4)(B)(ii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred on or after the date of the enactment of this Act.

SEC. 13309. RECHARACTERIZATION OF CERTAIN GAINS IN THE CASE OF PARTNERSHIP PROFITS INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF INVESTMENT SERVICES.

(a) IN GENERAL.—Part IV of subchapter O of chapter 1 is amended—

(1) by redesignating section 1061 as section 1062, and

(2) by inserting after section 1060 the following new section:

''SEC. 1061. PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.

''(a) IN GENERAL.—If one or more applicable partnership interests are held by a taxpayer at

any time during the taxable year, the excess (if any) of—

''(1) the taxpayer's net long-term capital gain with respect to such interests for such taxable year, over

''(2) the taxpayer's net long-term capital gain with respect to such interests for such taxable year computed by applying paragraphs (3) and (4) of sections 1222 by substituting '3 years' for '1 year',

shall be treated as short-term capital gain, notwithstanding section 83 or any election in effect under section 83(b).

''(b) SPECIAL RULE.—To the extent provided by the Secretary, subsection (a) shall not apply to income or gain attributable to any asset not held for portfolio investment on behalf of third party investors.

''(c) APPLICABLE PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in this paragraph or paragraph (4), the term 'applicable partnership interest' means any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of substantial services by the taxpayer, or any other related person, in any applicable trade or business. The previous sentence shall not apply to an interest held by a person who is employed by another entity that is conducting a trade or business (other than an applicable trade or business) and only provides services to such other entity.

''(2) APPLICABLE TRADE OR BUSINESS.—The term 'applicable trade or business' means any activity conducted on a regular, continuous, and substantial basis which, regardless of whether the activity is conducted in one or more entities, consists, in whole or in part, of—

''(A) raising or returning capital, and

''(B) either—

''(i) investing in (or disposing of) specified assets (or identifying specified assets for such investing or disposition), or

''(ii) developing specified assets.

''(3) SPECIFIED ASSET.—The term 'specified asset' means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), commodities (as defined in section 475(e)(2)), real estate held for rental or investment, cash or cash equivalents, options or derivative contracts with respect to any of the foregoing, and an interest in a partnership to the extent of the partnership's proportionate interest in any of the foregoing.

''(4) EXCEPTIONS.—The term 'applicable partnership interest' shall not include—

''(A) any interest in a partnership directly or indirectly held by a corporation, or

''(B) any capital interest in the partnership which provides the taxpayer with a right to share in partnership capital commensurate with—

''(i) the amount of capital contributed (determined at the time of receipt of such partnership interest), or

''(ii) the value of such interest subject to tax under section 83 upon the receipt or vesting of such interest.

''(5) THIRD PARTY INVESTOR.—The term 'third party investor' means a person who—

''(A) holds an interest in the partnership which does not constitute property held in connection with an applicable trade or business; and

''(B) is not (and has not been) actively engaged, and is (and was) not related to a person so engaged, in (directly or indirectly) providing substantial services described in paragraph (1) for such partnership or any applicable trade or business.

''(d) TRANSFER OF APPLICABLE PARTNERSHIP INTEREST TO RELATED PERSON.—

''(1) IN GENERAL.—If a taxpayer transfers any applicable partnership interest, directly or indirectly, to a person related to the taxpayer, the taxpayer shall include in gross income (as short term capital gain) the excess (if any) of—

''(A) so much of the taxpayer's long-term capital gains with respect to such interest for such taxable year attributable to the sale or exchange of any asset held for not more than 3 years as is allocable to such interest, over

''(B) any amount treated as short term capital gain under subsection (a) with respect to the transfer of such interest.

''(2) RELATED PERSON.—For purposes of this paragraph, a person is related to the taxpayer if—

''(A) the person is a member of the taxpayer's family within the meaning of section 318(a)(1), or

''(B) the person performed a service within the current calendar year or the preceding three calendar years in any applicable trade or business in which or for which the taxpayer performed a service.

''(e) REPORTING.—The Secretary shall require such reporting (at the time and in the manner prescribed by the Secretary) as is necessary to carry out the purposes of this section.

''(f) REGULATIONS.—The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section''.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter O of chapter 1 is amended by striking the item relating to 1061 and inserting the following new items:

''Sec. 1061. Partnership interests held in connection with performance of services.

''Sec. 1062. Cross references.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13310. PROHIBITION ON CASH, GIFT CARDS, AND OTHER NON-TANGIBLE PERSONAL PROPERTY AS EMPLOYEE ACHIEVEMENT AWARDS.

(a) IN GENERAL.—Subparagraph (A) of section 274(j)(3) is amended—

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

''(i) IN GENERAL.—The term''.

(2) by redesignating clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively, and conforming the margins accordingly, and

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

''(ii) TANGIBLE PERSONAL PROPERTY.—For purposes of clause (i), the term 'tangible personal property' shall not include—

''(I) cash, cash equivalents, gift cards, gift coupons, or gift certificates (other than arrangements conferring only the right to select and receive tangible personal property from a limited array of such items pre-selected or pre-approved by the employer), or

''(II) vacations, meals, lodging, tickets to theater or sporting events, stocks, bonds, other securities, and other similar items.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

SEC. 13311. ELIMINATION OF DEDUCTION FOR LIVING EXPENSES INCURRED BY MEMBERS OF CONGRESS.

(a) IN GENERAL.—Subsection (a) of section 162 is amended in the matter following paragraph (3) by striking ''in excess of $3,000''.

(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. 13312. CERTAIN CONTRIBUTIONS BY GOVERNMENTAL ENTITIES NOT TREATED AS CONTRIBUTIONS TO CAPITAL.

(a) IN GENERAL.—Section 118 is amended—

(1) by striking subsections (b), (c), and (d),

(2) by redesignating subsection (e) as subsection (d), and

(3) by inserting after subsection (a) the following new subsections:

''(b) EXCEPTIONS.—For purposes of subsection (a), the term 'contribution to the capital of the taxpayer' does not include—

''(1) any contribution in aid of construction or any other contribution as a customer or potential customer, and

''(2) any contribution by any governmental entity or civic group (other than a contribution made by a shareholder as such).

''(c) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out this section, including regulations or other guidance for determining whether any contribution constitutes a contribution in aid of construction.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions made after the date of enactment of this Act.

(2) EXCEPTION.—The amendments made by this section shall not apply to any contribution, made after the date of enactment of this Act by a governmental entity, which is made pursuant to a master development plan that has been approved prior to such date by a governmental entity.

SEC. 13313. REPEAL OF ROLLOVER OF PUBLICLY TRADED SECURITIES GAIN INTO SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 is amended by striking section 1044 (and by striking the item relating to such section in the table of sections of such part).

(b) CONFORMING AMENDMENTS.—Section 1016(a)(23) is amended—

(1) by striking ''1044,'', and

(2) by striking ''1044(d),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2017.

SEC. 13314. CERTAIN SELF-CREATED PROPERTY NOT TREATED AS A CAPITAL ASSET.

(a) PATENTS, ETC.—Section 1221(a)(3) is amended by inserting ''a patent, invention, model or design (whether or not patented), a secret formula or process,'' before ''a copyright''.

(b) CONFORMING AMENDMENT.—Section 1231(b)(1)(C) is amended by inserting ''a patent, invention, model or design (whether or not patented), a secret formula or process,'' before ''a copyright''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after December 31, 2017.

PART V—BUSINESS CREDITS

SEC. 13401. MODIFICATION OF ORPHAN DRUG CREDIT.

(a) CREDIT RATE.—Subsection (a) of section 45C is amended by striking ''50 percent'' and inserting ''25 percent''.

(b) ELECTION OF REDUCED CREDIT.—Subsection (b) of section 280C is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) ELECTION OF REDUCED CREDIT.—

''(A) IN GENERAL.—In the case of any taxable year for which an election is made under this paragraph—

''(i) paragraphs (1) and (2) shall not apply, and

''(ii) the amount of the credit under section 45C(a) shall be the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCED CREDIT.—The amount of credit determined under this subparagraph for any taxable year shall be the amount equal to the excess of—

''(i) the amount of credit determined under section 45C(a) without regard to this paragraph, over

''(ii) the product of—

''(I) the amount described in clause (i), and

''(II) the maximum rate of tax under section 11(b).

''(C) ELECTION.—An election under this paragraph for any taxable year shall be made not later than the time for filing the return of tax

for such year (including extensions), shall be made on such return, and shall be made in such manner as the Secretary shall prescribe. Such an election, once made, shall be irrevocable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13402. REHABILITATION CREDIT LIMITED TO CERTIFIED HISTORIC STRUCTURES.

(a) IN GENERAL.—Subsection (a) of section 47 is amended to read as follows:

''(a) GENERAL RULE.—

''(1) IN GENERAL.—For purposes of section 46, for any taxable year during the 5-year period beginning in the taxable year in which a qualified rehabilitated building is placed in service, the rehabilitation credit for such year is an amount equal to the ratable share for such year.

''(2) RATABLE SHARE.—For purposes of paragraph (1), the ratable share for any taxable year during the period described in such paragraph is the amount equal to 20 percent of the qualified rehabilitation expenditures with respect to the qualified rehabilitated building, as allocated ratably to each year during such period.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 47(c) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by amending clause (iii) to read as follows:

''(iii) such building is a certified historic structure, and'',

(ii) by striking subparagraph (B), and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively, and

(B) in paragraph (2)(B), by amending clause (iv) to read as follows:

''(iv) CERTIFIED HISTORIC STRUCTURE.—Any expenditure attributable to the rehabilitation of a qualified rehabilitated building unless the rehabilitation is a certified rehabilitation (within the meaning of subparagraph (C)).''.

(2) Paragraph (4) of section 145(d) is amended—

(A) by striking ''of section 47(c)(1)(C)'' each place it appears and inserting ''of section 47(c)(1)(B)'', and

(B) by striking ''section 47(c)(1)(C)(i)'' and inserting ''section 47(c)(1)(B)(i)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

(2) TRANSITION RULE.—In the case of qualified rehabilitation expenditures with respect to any building—

(A) owned or leased by the taxpayer during the entirety of the period after December 31, 2017, and

(B) with respect to which the 24-month period selected by the taxpayer under clause (i) of section 47(c)(1)(B) of the Internal Revenue Code (as amended by subsection (b)), or the 60-month period applicable under clause (ii) of such section, begins not later than 180 days after the date of the enactment of this Act,

the amendments made by this section shall apply to such expenditures paid or incurred after the end of the taxable year in which the 24-month period, or the 60-month period, referred to in subparagraph (B) ends.

SEC. 13403. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

(a) IN GENERAL.—

(1) ALLOWANCE OF CREDIT.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

''SEC. 45S. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

''(a) ESTABLISHMENT OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the paid family and medical leave credit is an amount equal to the applicable percentage of the amount of wages paid to qualifying employees during any period in which such employees are on family and medical leave.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 12.5 percent increased (but not above 25 percent) by 0.25 percentage points for each percentage point by which the rate of payment (as described under subsection (c)(1)(B)) exceeds 50 percent.

''(b) LIMITATION.—

''(1) IN GENERAL.—The credit allowed under subsection (a) with respect to any employee for any taxable year shall not exceed an amount equal to the product of the normal hourly wage rate of such employee for each hour (or fraction thereof) of actual services performed for the employer and the number of hours (or fraction thereof) for which family and medical leave is taken.

''(2) NON-HOURLY WAGE RATE.—For purposes of paragraph (1), in the case of any employee who is not paid on an hourly wage rate, the wages of such employee shall be prorated to an hourly wage rate under regulations established by the Secretary.

''(3) MAXIMUM AMOUNT OF LEAVE SUBJECT TO CREDIT.—The amount of family and medical leave that may be taken into account with respect to any employee under subsection (a) for any taxable year shall not exceed 12 weeks.

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

''(1) IN GENERAL.—The term 'eligible employer' means any employer who has in place a written policy that meets the following requirements:

''(A) The policy provides—

''(i) in the case of a qualifying employee who is not a part-time employee (as defined in section 4980E(d)(4)(B)), not less than 2 weeks of annual paid family and medical leave, and

''(ii) in the case of a qualifying employee who is a part-time employee, an amount of annual paid family and medical leave that is not less than an amount which bears the same ratio to the amount of annual paid family and medical leave that is provided to a qualifying employee described in clause (i) as—

''(I) the number of hours the employee is expected to work during any week, bears to

''(II) the number of hours an equivalent qualifying employee described in clause (i) is expected to work during the week.

''(B) The policy requires that the rate of payment under the program is not less than 50 percent of the wages normally paid to such employee for services performed for the employer.

''(2) SPECIAL RULE FOR CERTAIN EMPLOYERS.—

''(A) IN GENERAL.—An added employer shall not be treated as an eligible employer unless such employer provides paid family and medical leave in compliance with a written policy which ensures that the employer—

''(i) will not interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under the policy, and

''(ii) will not discharge or in any other manner discriminate against any individual for opposing any practice prohibited by the policy.

''(B) ADDED EMPLOYER; ADDED EMPLOYEE.—For purposes of this paragraph—

''(i) ADDED EMPLOYEE.—The term 'added employee' means a qualifying employee who is not covered by title I of the Family and Medical Leave Act of 1993, as amended.

''(ii) ADDED EMPLOYER.—The term 'added employer' means an eligible employer (determined without regard to this paragraph), whether or not covered by that title I, who offers paid family and medical leave to added employees.

''(3) AGGREGATION RULE.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(4) TREATMENT OF BENEFITS MANDATED OR PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For purposes of this section, any leave which is paid by a State or local government or required by State or local law shall not be taken into account in determining the amount of paid family and medical leave provided by the employer.

''(5) NO INFERENCE.—Nothing in this subsection shall be construed as subjecting an employer to any penalty, liability, or other consequence (other than ineligibility for the credit allowed by reason of subsection (a) or recapturing the benefit of such credit) for failure to comply with the requirements of this subsection.

''(d) QUALIFYING EMPLOYEES.—For purposes of this section, the term 'qualifying employee' means any employee (as defined in section 3(e) of the Fair Labor Standards Act of 1938, as amended) who—

''(1) has been employed by the employer for 1 year or more, and

''(2) for the preceding year, had compensation not in excess of an amount equal to 60 percent of the amount applicable for such year under clause (i) of section 414(q)(1)(B).

''(e) FAMILY AND MEDICAL LEAVE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of this section, the term 'family and medical leave' means leave for any 1 or more of the purposes described under subparagraph (A), (B), (C), (D), or (E) of paragraph (1), or paragraph (3), of section 102(a) of the Family and Medical Leave Act of 1993, as amended, whether the leave is provided under that Act or by a policy of the employer.

''(2) EXCLUSION.—If an employer provides paid leave as vacation leave, personal leave, or medical or sick leave (other than leave specifically for 1 or more of the purposes referred to in paragraph (1)), that paid leave shall not be considered to be family and medical leave under paragraph (1).

''(3) DEFINITIONS.—In this subsection, the terms 'vacation leave', 'personal leave', and 'medical or sick leave' mean those 3 types of leave, within the meaning of section 102(d)(2) of that Act.

''(f) DETERMINATIONS MADE BY SECRETARY OF TREASURY.—For purposes of this section, any determination as to whether an employer or an employee satisfies the applicable requirements for an eligible employer (as described in subsection (c)) or qualifying employee (as described in subsection (d)), respectively, shall be made by the Secretary based on such information, to be provided by the employer, as the Secretary determines to be necessary or appropriate.

''(g) WAGES.—For purposes of this section, the term 'wages' has the meaning given such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section). Such term shall not include any amount taken into account for purposes of determining any other credit allowed under this subpart.

''(h) ELECTION TO HAVE CREDIT NOT APPLY.—

''(1) IN GENERAL.—A taxpayer may elect to have this section not apply for any taxable year.

''(2) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (3) of section 51(j) shall apply for purposes of this subsection.

''(i) TERMINATION.—This section shall not apply to wages paid in taxable years beginning after December 31, 2019.''.

(b) CREDIT PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking ''plus'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', plus'', and by adding at the end the following new paragraph:

''(37) in the case of an eligible employer (as defined in section 45S(c)), the paid family and medical leave credit determined under section 45S(a).''.

(c) CREDIT ALLOWED AGAINST AMT.—Subparagraph (B) of section 38(c)(4) is amended by redesignating clauses (ix) through (xi) as clauses (x) through (xii), respectively, and by inserting after clause (viii) the following new clause:

''(ix) the credit determined under section 45S,''.

(d) CONFORMING AMENDMENTS.—

(1) DENIAL OF DOUBLE BENEFIT.—Section 280C(a) is amended by inserting ''45S(a),'' after ''45P(a),''.

(2) ELECTION TO HAVE CREDIT NOT APPLY.—Section 6501(m) is amended by inserting ''45S(h),'' after ''45H(g),''.

(3) CLERICAL AMENDMENT.—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. 45S. Employer credit for paid family and medical leave.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid in taxable years beginning after December 31, 2017.

SEC. 13404. REPEAL OF TAX CREDIT BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 is amended by striking subparts H, I, and J (and by striking the items relating to such subparts in the table of subparts for such part).

(b) PAYMENTS TO ISSUERS.—Subchapter B of chapter 65 is amended by striking section 6431 (and by striking the item relating to such section in the table of sections for such subchapter).

(c) CONFORMING AMENDMENTS.—

(1) Part IV of subchapter U of chapter 1 is amended by striking section 1397E (and by striking the item relating to such section in the table of sections for such part).

(2) Section 54(l)(3)(B) is amended by inserting ''(as in effect before its repeal by the Tax Cuts and Jobs Act)'' after ''section 1397E(I)''.

(3) Section 6211(b)(4)(A) is amended by striking '', and 6431'' and inserting ''and'' before ''36B''.

(4) Section 6401(b)(1) is amended by striking ''G, H, I, and J'' and inserting ''and G''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2017.

PART VI—PROVISIONS RELATED TO SPECIFIC ENTITIES AND INDUSTRIES

Subpart A—Partnership Provisions

SEC. 13501. TREATMENT OF GAIN OR LOSS OF FOREIGN PERSONS FROM SALE OR EXCHANGE OF INTERESTS IN PARTNERSHIPS ENGAGED IN TRADE OR BUSINESS WITHIN THE UNITED STATES.

(a) AMOUNT TREATED AS EFFECTIVELY CONNECTED.—

(1) IN GENERAL.—Section 864(c) is amended by adding at the end the following:

''(8) GAIN OR LOSS OF FOREIGN PERSONS FROM SALE OR EXCHANGE OF CERTAIN PARTNERSHIP INTERESTS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subtitle, if a nonresident alien individual or foreign corporation owns, directly or indirectly, an interest in a partnership which is engaged in any trade or business within the United States, gain or loss on the sale or exchange of all (or any portion of) such interest shall be treated as effectively connected with the conduct of such trade or business to the extent such gain or loss does not exceed the amount determined under subparagraph (B).

''(B) AMOUNT TREATED AS EFFECTIVELY CONNECTED.—The amount determined under this subparagraph with respect to any partnership interest sold or exchanged—

''(i) in the case of any gain on the sale or exchange of the partnership interest, is—

''(I) the portion of the partner's distributive share of the amount of gain which would have been effectively connected with the conduct of a trade or business within the United States if the partnership had sold all of its assets at their fair market value as of the date of the sale or exchange of such interest, or

''(II) zero if no gain on such deemed sale would have been so effectively connected, and

''(ii) in the case of any loss on the sale or exchange of the partnership interest, is—

''(I) the portion of the partner's distributive share of the amount of loss on the deemed sale described in clause (i)(I) which would have been so effectively connected, or

''(II) zero if no loss on such deemed sale would be have been so effectively connected.

For purposes of this subparagraph, a partner's distributive share of gain or loss on the deemed sale shall be determined in the same manner as such partner's distributive share of the non-separately stated taxable income or loss of such partnership.

''(C) COORDINATION WITH UNITED STATES REAL PROPERTY INTERESTS.—If a partnership described in subparagraph (A) holds any United States real property interest (as defined in section 897(c)) at the time of the sale or exchange of the partnership interest, then the gain or loss treated as effectively connected income under subparagraph (A) shall be reduced by the amount so treated with respect to such United States real property interest under section 897.

''(D) SALE OR EXCHANGE.—For purposes of this paragraph, the term 'sale or exchange' means any sale, exchange, or other disposition.

''(E) SECRETARIAL AUTHORITY.—The Secretary shall prescribe such regulations or other guidance as the Secretary determines appropriate for the application of this paragraph, including with respect to exchanges described in section 332, 351, 354, 355, 356, or 361.''.

(2) CONFORMING AMENDMENTS.—Section 864(c)(1) is amended—

(A) by striking ''and (7)'' in subparagraph (A), and inserting ''(7), and (8)'', and

(B) by striking ''or (7)'' in subparagraph (B), and inserting ''(7), or (8)''.

(b) WITHHOLDING REQUIREMENTS.—Section 1446 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following:

''(f) SPECIAL RULES FOR WITHHOLDING ON DISPOSITIONS OF PARTNERSHIP INTERESTS.—

''(1) IN GENERAL.—Except as provided in this subsection, if any portion of the gain (if any) on any disposition of an interest in a partnership would be treated under section 864(c)(8) as effectively connected with the conduct of a trade or business within the United States, the transferee shall be required to deduct and withhold a tax equal to 10 percent of the amount realized on the disposition.

''(2) EXCEPTION IF NONFOREIGN AFFIDAVIT FURNISHED.—

''(A) IN GENERAL.—No person shall be required to deduct and withhold any amount under paragraph (1) with respect to any disposition if the transferor furnishes to the transferee an affidavit by the transferor stating, under penalty of perjury, the transferor's United States taxpayer identification number and that the transferor is not a foreign person.

''(B) FALSE AFFIDAVIT.—Subparagraph (A) shall not apply to any disposition if—

''(i) the transferee has actual knowledge that the affidavit is false, or the transferee receives a notice (as described in section 1445(d)) from a transferor's agent or transferee's agent that such affidavit or statement is false, or

''(ii) the Secretary by regulations requires the transferee to furnish a copy of such affidavit or statement to the Secretary and the transferee fails to furnish a copy of such affidavit or statement to the Secretary at such time and in such manner as required by such regulations.

''(C) RULES FOR AGENTS.—The rules of section 1445(d) shall apply to a transferor's agent or transferee's agent with respect to any affidavit described in subparagraph (A) in the same manner as such rules apply with respect to the disposition of a United States real property interest under such section.

''(3) AUTHORITY OF SECRETARY TO PRESCRIBE REDUCED AMOUNT.—At the request of the transferor or transferee, the Secretary may prescribe a reduced amount to be withheld under this section if the Secretary determines that to substitute such reduced amount will not jeopardize the collection of the tax imposed under this title with respect to gain treated under section 864(c)(8) as effectively connected with the conduct of a trade or business with in the United States.

''(4) PARTNERSHIP TO WITHHOLD AMOUNTS NOT WITHHELD BY THE TRANSFEREE.—If a transferee fails to withhold any amount required to be withheld under paragraph (1), the partnership shall be required to deduct and withhold from distributions to the transferee a tax in an amount equal to the amount the transferee failed to withhold (plus interest under this title on such amount).

''(5) DEFINITIONS.—Any term used in this subsection which is also used under section 1445 shall have the same meaning as when used in such section.

''(6) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this subsection, including regulations providing for exceptions from the provisions of this subsection.''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to sales, exchanges, and dispositions on or after November 27, 2017.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to sales, exchanges, and dispositions after December 31, 2017.

SEC. 13502. MODIFY DEFINITION OF SUBSTANTIAL BUILT-IN LOSS IN THE CASE OF TRANSFER OF PARTNERSHIP INTEREST.

(a) IN GENERAL.—Paragraph (1) of section 743(d) is to read as follows:

''(1) IN GENERAL.—For purposes of this section, a partnership has a substantial built-in loss with respect to a transfer of an interest in the partnership if—

''(A) the partnership's adjusted basis in the partnership property exceeds by more than $250,000 the fair market value of such property, or

''(B) the transferee partner would be allocated a loss of more than $250,000 if the partnership assets were sold for cash equal to their fair market value immediately after such transfer.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of partnership interests after December 31, 2017.

SEC. 13503. CHARITABLE CONTRIBUTIONS AND FOREIGN TAXES TAKEN INTO ACCOUNT IN DETERMINING LIMITATION ON ALLOWANCE OF PARTNER'S SHARE OF LOSS.

(a) IN GENERAL.—Subsection (d) of section 704 is amended—

(1) by striking ''A partner's distributive share'' and inserting the following:

''(1) IN GENERAL.—A partner's distributive share'',

(2) by striking ''Any excess of such loss'' and inserting the following:

''(2) CARRYOVER.—Any excess of such loss'', and

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

''(3) SPECIAL RULES.—

''(A) IN GENERAL.—In determining the amount of any loss under paragraph (1), there shall be taken into account the partner's distributive share of amounts described in paragraphs (4) and (6) of section 702(a).

''(B) EXCEPTION.—In the case of a charitable contribution of property whose fair market value exceeds its adjusted basis, subparagraph (A) shall not apply to the extent of the partner's distributive share of such excess.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2017.

SEC. 13504. REPEAL OF TECHNICAL TERMINATION OF PARTNERSHIPS.

(a) IN GENERAL.—Paragraph (1) of section 708(b) is amended—

(1) by striking '', or'' at the end of subparagraph (A) and all that follows and inserting a period, and

(2) by striking ''only if—'' and all that follows through ''no part of any business'' and inserting the following: ''only if no part of any business''.

(b) CONFORMING AMENDMENT.—

(1) Section 168(i)(7)(B) is amended by striking the second sentence.

(2) Section 743(e) is amended by striking paragraph (4) and redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2017.

Subpart B—Insurance Reforms

SEC. 13511. NET OPERATING LOSSES OF LIFE INSURANCE COMPANIES.

(a) IN GENERAL.—Section 805(b) is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(b) CONFORMING AMENDMENTS.—

(1) Part I of subchapter L of chapter 1 is amended by striking section 810 (and by striking the item relating to such section in the table of sections for such part).

(2)(A) Part III of subchapter L of chapter 1 is amended by striking section 844 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 831(b)(3) is amended by striking ''except as provided in section 844,''

(3) Section 381 is amended by striking subsection (d).

(4) Section 805(a)(4)(B)(ii) is amended to read as follows:

''(ii) the deduction allowed under section 172,''.

(5) Section 805(a) is amended by striking paragraph (5).

(6) Section 805(b)(2)(A)(iv) is amended to read as follows:

''(iv) any net operating loss carryback to the taxable year under section 172, and''.

(7) Section 953(b)(1)(B) is amended to read as follows:

''(B) So much of section 805(a)(8) as relates to the deduction allowed under section 172.''.

(8) Section 1351(i)(3) is amended by striking ''or the operations loss deduction under section 810,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to losses arising in taxable years beginning after December 31, 2017.

SEC. 13512. REPEAL OF SMALL LIFE INSURANCE COMPANY DEDUCTION.

(a) IN GENERAL.—Part I of subchapter L of chapter 1 is amended by striking section 806 (and by striking the item relating to such section in the table of sections for such part).

(b) CONFORMING AMENDMENTS.—

(1) Section 453B(e) is amended—

(A) by striking ''(as defined in section 806(b)(3))'' in paragraph (2)(B), and

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

''(3) NONINSURANCE BUSINESS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'noninsurance business' means any activity which is not an insurance business.

''(B) CERTAIN ACTIVITIES TREATED AS INSURANCE BUSINESSES.—For purposes of subparagraph (A), any activity which is not an insurance business shall be treated as an insurance business if—

''(i) it is of a type traditionally carried on by life insurance companies for investment purposes, but only if the carrying on of such activity (other than in the case of real estate) does not constitute the active conduct of a trade or business, or

''(ii) it involves the performance of administrative services in connection with plans providing life insurance, pension, or accident and health benefits.''.

(2) Section 465(c)(7)(D)(v)(II) is amended by striking ''section 806(b)(3)'' and inserting ''section 453B(e)(3)''.

(3) Section 801(a)(2) is amended by striking subparagraph (C).

(4) Section 804 is amended by striking ''means—'' and all that follows and inserting ''means the general deductions provided in section 805.''.

(5) Section 805(a)(4)(B), as amended by this Act, is amended by striking clause (i) and by redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(6) Section 805(b)(2)(A), as amended by this Act, is amended by striking clause (iii) and by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(7) Section 842(c) is amended by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(8) Section 953(b)(1), as amended by section 13511, is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13513. ADJUSTMENT FOR CHANGE IN COMPUTING RESERVES.

(a) IN GENERAL.—Paragraph (1) of section 807(f) is amended to read as follows:

''(1) TREATMENT AS CHANGE IN METHOD OF ACCOUNTING.—If the basis for determining any item referred to in subsection (c) as of the close of any taxable year differs from the basis for such determination as of the close of the preceding taxable year, then so much of the difference between—

''(A) the amount of the item at the close of the taxable year, computed on the new basis, and

''(B) the amount of the item at the close of the taxable year, computed on the old basis,

as is attributable to contracts issued before the taxable year shall be taken into account under section 481 as adjustments attributable to a change in method of accounting initiated by the taxpayer and made with the consent of the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13514. REPEAL OF SPECIAL RULE FOR DISTRIBUTIONS TO SHAREHOLDERS FROM PRE-1984 POLICYHOLDERS SURPLUS ACCOUNT.

(a) IN GENERAL.—Subpart D of part I of subchapter L is amended by striking section 815 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENT.—Section 801 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(d) PHASED INCLUSION OF REMAINING BALANCE OF POLICYHOLDERS SURPLUS ACCOUNTS.—In the case of any stock life insurance company which has a balance (determined as of the close of such company's last taxable year beginning before January 1, 2018) in an existing policyholders surplus account (as defined in section 815 of the Internal Revenue Code of 1986, as in effect before its repeal), the tax imposed by section 801 of such Code for the first 8 taxable years beginning after December 31, 2017, shall be the amount which would be imposed by such section for such year on the sum of—

(1) life insurance company taxable income for such year (within the meaning of such section 801 but not less than zero), plus

(2) 1/8 of such balance.

SEC. 13515. MODIFICATION OF PRORATION RULES FOR PROPERTY AND CASUALTY INSURANCE COMPANIES.

(a) IN GENERAL.—Section 832(b)(5)(B) is amended—

(1) by striking ''15 percent'' and inserting ''the applicable percentage'', and

(2) by inserting at the end the following new sentence: ''For purposes of this subparagraph, the applicable percentage is 5.25 percent divided by the highest rate in effect under section 11(b).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13516. REPEAL OF SPECIAL ESTIMATED TAX PAYMENTS.

(a) IN GENERAL.—Part III of subchapter L of chapter 1 is amended by striking section 847 (and by striking the item relating to such section in the table of sections for such part).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13517. COMPUTATION OF LIFE INSURANCE TAX RESERVES.

(a) IN GENERAL.—

(1) APPROPRIATE RATE OF INTEREST.—The second sentence of section 807(c) is amended to read as follows: ''For purposes of paragraph (3), the appropriate rate of interest is the highest rate or rates permitted to be used to discount the obligations by the National Association of Insurance Commissioners as of the date the reserve is determined.''.

(2) METHOD OF COMPUTING RESERVES.—Section 807(d) is amended—

(A) by striking paragraphs (1), (2), (4), and (5),

(B) by redesignating paragraph (6) as paragraph (4),

(C) by inserting before paragraph (3) the following new paragraphs:

''(1) DETERMINATION OF RESERVE.—

''(A) IN GENERAL.—For purposes of this part (other than section 816), the amount of the life insurance reserves for any contract (other than a contract to which subparagraph (B) applies) shall be the greater of—

''(i) the net surrender value of such contract, or

''(ii) 92.81 percent of the reserve determined under paragraph (2).

''(B) VARIABLE CONTRACTS.—For purposes of this part (other than section 816), the amount of the life insurance reserves for a variable contract shall be equal to the sum of—

''(i) the greater of—

''(I) the net surrender value of such contract, or

''(II) the portion of the reserve that is separately accounted for under section 817, plus

''(ii) 92.81 percent of the excess (if any) of the reserve determined under paragraph (2) over the amount in clause (i).

''(C) STATUTORY CAP.—In no event shall the reserves determined under subparagraphs (A) or (B) for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining statutory reserves (as defined in paragraph (4)).

''(D) NO DOUBLE COUNTING.—In no event shall any amount or item be taken into account more than once in determining any reserve under this subchapter.

''(2) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined by using the tax reserve method applicable to such contract.''.

(D) by striking ''(other than a qualified long-term care insurance contract, as defined in section 7702B(b)), a 2-year full preliminary term method'' in paragraph (3)(A)(iii) and inserting '', the reserve method prescribed by the National Association of Insurance Commissioners which covers such contract as of the date the reserve is determined'',

(E) by striking ''(as of the date of issuance)'' in paragraph (3)(A)(iv)(I) and inserting ''(as of the date the reserve is determined)'',

(F) by striking ''as of the date of the issuance of'' in paragraph (3)(A)(iv)(II) and inserting ''as of the date the reserve is determined for'',

(G) by striking ''in effect on the date of the issuance of the contract'' in paragraph (3)(B)(i) and inserting ''applicable to the contract and in effect as of the date the reserve is determined'', and

(H) by striking ''in effect on the date of the issuance of the contract'' in paragraph (3)(B)(ii) and inserting ''applicable to the contract and in effect as of the date the reserve is determined''.

(3) SPECIAL RULES.—Section 807(e) is amended—

(A) by striking paragraphs (2) and (5),

(B) by redesignating paragraphs (3), (4), (6), and (7) as paragraphs (2), (3), (4), and (5), respectively,

(C) by amending paragraph (2) (as so redesignated) to read as follows:

''(2) QUALIFIED SUPPLEMENTAL BENEFITS.—

''(A) QUALIFIED SUPPLEMENTAL BENEFITS TREATED SEPARATELY.—For purposes of this part, the amount of the life insurance reserve for any qualified supplemental benefit shall be computed separately as though such benefit were under a separate contract.

''(B) QUALIFIED SUPPLEMENTAL BENEFIT.—For purposes of this paragraph, the term 'qualified supplemental benefit' means any supplemental benefit described in subparagraph (C) if—

''(i) there is a separately identified premium or charge for such benefit, and

''(ii) any net surrender value under the contract attributable to any other benefit is not available to fund such benefit.

''(C) SUPPLEMENTAL BENEFITS.—For purposes of this paragraph, the supplemental benefits described in this subparagraph are any—

''(i) guaranteed insurability,

''(ii) accidental death or disability benefit,

''(iii) convertibility,

''(iv) disability waiver benefit, or

''(v) other benefit prescribed by regulations,

which is supplemental to a contract for which there is a reserve described in subsection (c).'', and

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

''(6) REPORTING RULES.—The Secretary shall require reporting (at such time and in such manner as the Secretary shall prescribe) with respect to the opening balance and closing balance of reserves and with respect to the method of computing reserves for purposes of determining income.''.

(4) DEFINITION OF LIFE INSURANCE CONTRACT.—Section 7702 is amended—

(A) by striking clause (i) of subsection (c)(3)(B) and inserting the following:

''(i) reasonable mortality charges which meet the requirements prescribed in regulations to be promulgated by the Secretary or that do not exceed the mortality charges specified in the prevailing commissioners' standard tables as defined in subsection (f)(10),'' and

(B) by adding at the end of subsection (f) the following new paragraph:

''(10) PREVAILING COMMISSIONERS' STANDARD TABLES.—For purposes of subsection (c)(3)(B)(i), the term 'prevailing commissioners' standard tables' means the most recent commissioners' standard tables prescribed by the National Association of Insurance Commissioners which are permitted to be used in computing reserves for that type of contract under the insurance laws of at least 26 States when the contract was issued. If the prevailing commissioners' standard tables as of the beginning of any calendar year (hereinafter in this paragraph referred to as the 'year of change') are different from the prevailing commissioners' standard tables as of the beginning of the preceding calendar year, the issuer may use the prevailing commissioners' standard tables as of the beginning of the preceding calendar year with respect to any contract issued after the change and before the close of the 3-year period beginning on the first day of the year of change.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 808 is amended by adding at the end the following new subsection:

''(g) PREVAILING STATE ASSUMED INTEREST RATE.—For purposes of this subchapter—

''(1) IN GENERAL.—The term 'prevailing State assumed interest rate' means, with respect to any contract, the highest assumed interest rate permitted to be used in computing life insurance reserves for insurance contracts or annuity contracts (as the case may be) under the insurance laws of at least 26 States. For purposes of the preceding sentence, the effect of nonforfeiture laws of a State on interest rates for reserves shall not be taken into account.

''(2) WHEN RATE DETERMINED.—The prevailing State assumed interest rate with respect to any contract shall be determined as of the beginning of the calendar year in which the contract was issued.''.

(2) Paragraph (1) of section 811(d) is amended by striking ''the greater of the prevailing State assumed interest rate or applicable Federal interest rate in effect under section 807'' and inserting ''the interest rate in effect under section 808(g)''.

(3) Subparagraph (A) of section 846(f)(6) is amended by striking ''except that'' and all that follows and inserting ''except that the limitation of subsection (a)(3) shall apply, and''.

(4) Section 848(e)(1)(B)(iii) is amended by striking ''807(e)(4)'' and inserting ''807(e)(3)''.

(5) Subparagraph (B) of section 954(i)(5) is amended by striking ''shall be substituted for the prevailing State assumed interest rate,'' and inserting ''shall apply,''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) TRANSITION RULE.—For the first taxable year beginning after December 31, 2017, the reserve with respect to any contract (as determined under section 807(d) of the Internal Revenue Code of 1986) at the end of the preceding taxable year shall be determined as if the amendments made by this section had applied to such reserve in such preceding taxable year.

(3) TRANSITION RELIEF.—

(A) IN GENERAL.—If—

(i) the reserve determined under section 807(d) of the Internal Revenue Code of 1986 (determined after application of paragraph (2)) with respect to any contract as of the close of the year preceding the first taxable year beginning after December 31, 2017, differs from

(ii) the reserve which would have been determined with respect to such contract as of the close of such taxable year under such section determined without regard to paragraph (2),

then the difference between the amount of the reserve described in clause (i) and the amount of the reserve described in clause (ii) shall be taken into account under the method provided in subparagraph (B).

(B) METHOD.—The method provided in this subparagraph is as follows:

(i) If the amount determined under subparagraph (A)(i) exceeds the amount determined under subparagraph (A)(ii), 1/8 of such excess shall be taken into account, for each of the 8 succeeding taxable years, as a deduction under section 805(a)(2) or 832(c)(4) of such Code, as applicable.

(ii) If the amount determined under subparagraph (A)(ii) exceeds the amount determined under subparagraph (A)(i), 1/8 of such excess shall be included in gross income, for each of the 8 succeeding taxable years, under section 803(a)(2) or 832(b)(1)(C) of such Code, as applicable.

SEC. 13518. MODIFICATION OF RULES FOR LIFE INSURANCE PRORATION FOR PURPOSES OF DETERMINING THE DIVIDENDS RECEIVED DEDUCTION.

(a) IN GENERAL.—Section 812 is amended to read as follows:

''SEC. 812. DEFINITION OF COMPANY'S SHARE AND POLICYHOLDER'S SHARE.

''(a) COMPANY'S SHARE.—For purposes of section 805(a)(4), the term 'company's share' means, with respect to any taxable year beginning after December 31, 2017, 70 percent.

''(b) POLICYHOLDER'S SHARE.—For purposes of section 807, the term 'policyholder's share' means, with respect to any taxable year beginning after December 31, 2017, 30 percent.''.

(b) CONFORMING AMENDMENT.—Section 817A(e)(2) is amended by striking '', 807(d)(2)(B), and 812'' and inserting ''and 807(d)(2)(B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13519. CAPITALIZATION OF CERTAIN POLICY ACQUISITION EXPENSES.

(a) IN GENERAL.—

(1) Section 848(a)(2) is amended by striking ''120-month'' and inserting ''180-month''.

(2) Section 848(c)(1) is amended by striking ''1.75 percent'' and inserting ''2.09 percent''.

(3) Section 848(c)(2) is amended by striking ''2.05 percent'' and inserting ''2.45 percent''.

(4) Section 848(c)(3) is amended by striking ''7.7 percent'' and inserting ''9.2 percent''.

(b) CONFORMING AMENDMENTS.—Section 848(b)(1) is amended by striking ''120-month'' and inserting ''180-month''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to net premiums for taxable years beginning after December 31, 2017.

(2) TRANSITION RULE.—Specified policy acquisition expenses first required to be capitalized in a taxable year beginning before January 1, 2018, will continue to be allowed as a deduction ratably over the 120-month period beginning with the first month in the second half of such taxable year.

SEC. 13520. TAX REPORTING FOR LIFE SETTLEMENT TRANSACTIONS.

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61, as amended by section 13306, is amended by adding at the end the following new section:

''SEC. 6050Y. RETURNS RELATING TO CERTAIN LIFE INSURANCE CONTRACT TRANSACTIONS.

''(a) REQUIREMENT OF REPORTING OF CERTAIN PAYMENTS.—

''(1) IN GENERAL.—Every person who acquires a life insurance contract or any interest in a life insurance contract in a reportable policy sale during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

''(A) the name, address, and TIN of such person,

''(B) the name, address, and TIN of each recipient of payment in the reportable policy sale,

''(C) the date of such sale,

''(D) the name of the issuer of the life insurance contract sold and the policy number of such contract, and

''(E) the amount of each payment.

''(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

''(A) the name, address, and phone number of the information contact of the person required to make such return, and

''(B) the information required to be shown on such return with respect to such person, except that in the case of an issuer of a life insurance contract, such statement is not required to include the information specified in paragraph (1)(E).

''(b) REQUIREMENT OF REPORTING OF SELLER'S BASIS IN LIFE INSURANCE CONTRACTS.—

''(1) IN GENERAL.—Upon receipt of the statement required under subsection (a)(2) or upon notice of a transfer of a life insurance contract to a foreign person, each issuer of a life insurance contract shall make a return (at such time and in such manner as the Secretary shall prescribe) setting forth—

''(A) the name, address, and TIN of the seller who transfers any interest in such contract in such sale,

''(B) the investment in the contract (as defined in section 72(e)(6)) with respect to such seller, and

''(C) the policy number of such contract.

''(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

''(A) the name, address, and phone number of the information contact of the person required to make such return, and

''(B) the information required to be shown on such return with respect to each seller whose name is required to be set forth in such return.

''(c) REQUIREMENT OF REPORTING WITH RESPECT TO REPORTABLE DEATH BENEFITS.—

''(1) IN GENERAL.—Every person who makes a payment of reportable death benefits during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

''(A) the name, address, and TIN of the person making such payment,

''(B) the name, address, and TIN of each recipient of such payment,

''(C) the date of each such payment,

''(D) the gross amount of each such payment, and

''(E) such person's estimate of the investment in the contract (as defined in section 72(e)(6)) with respect to the buyer.

''(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

''(A) the name, address, and phone number of the information contact of the person required to make such return, and

''(B) the information required to be shown on such return with respect to each recipient of payment whose name is required to be set forth in such return.

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

''(1) PAYMENT.—The term 'payment' means, with respect to any reportable policy sale, the amount of cash and the fair market value of any consideration transferred in the sale.

''(2) REPORTABLE POLICY SALE.—The term 'reportable policy sale' has the meaning given such term in section 101(a)(3)(B).

''(3) ISSUER.—The term 'issuer' means any life insurance company that bears the risk with respect to a life insurance contract on the date any return or statement is required to be made under this section.

''(4) REPORTABLE DEATH BENEFITS.—The term 'reportable death benefits' means amounts paid by reason of the death of the insured under a life insurance contract that has been transferred in a reportable policy sale.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61, as amended by section 13306, is amended by inserting after the item relating to section 6050X the following new item:

''Sec. 6050Y. Returns relating to certain life insurance contract transactions.''.

(c) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 6724 is amended—

(A) by striking ''or'' at the end of clause (xxiv) of paragraph (1)(B), by striking ''and'' at the end of clause (xxv) of such paragraph and inserting ''or'', and by inserting after such clause (xxv) the following new clause:

''(xxvi) section 6050Y (relating to returns relating to certain life insurance contract transactions), and'', and

(B) by striking ''or'' at the end of subparagraph (HH) of paragraph (2), by striking the period at the end of subparagraph (II) of such paragraph and inserting '', or'', and by inserting after such subparagraph (II) the following new subparagraph:

''(JJ) subsection (a)(2), (b)(2), or (c)(2) of section 6050Y (relating to returns relating to certain life insurance contract transactions).''.

(2) Section 6047 is amended—

(A) by redesignating subsection (g) as subsection (h),

(B) by inserting after subsection (f) the following new subsection:

''(g) INFORMATION RELATING TO LIFE INSURANCE CONTRACT TRANSACTIONS.—This section shall not apply to any information which is required to be reported under section 6050Y.'', and

(C) by adding at the end of subsection (h), as so redesignated, the following new paragraph:

''(4) For provisions requiring reporting of information relating to certain life insurance contract transactions, see section 6050Y.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) reportable policy sales (as defined in section 6050Y(d)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) after December 31, 2017, and

(2) reportable death benefits (as defined in section 6050Y(d)(4) of such Code (as added by subsection (a)) paid after December 31, 2017.

SEC. 13521. CLARIFICATION OF TAX BASIS OF LIFE INSURANCE CONTRACTS.

(a) CLARIFICATION WITH RESPECT TO ADJUSTMENTS.—Paragraph (1) of section 1016(a) is amended by striking subparagraph (A) and all that follows and inserting the following:

''(A) for—

''(i) taxes or other carrying charges described in section 266; or

''(ii) expenditures described in section 173 (relating to circulation expenditures),

for which deductions have been taken by the taxpayer in determining taxable income for the taxable year or prior taxable years; or

''(B) for mortality, expense, or other reasonable charges incurred under an annuity or life insurance contract;''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions entered into after August 25, 2009.

SEC. 13522. EXCEPTION TO TRANSFER FOR VALUABLE CONSIDERATION RULES.

(a) IN GENERAL.—Subsection (a) of section 101 is amended by inserting after paragraph (2) the following new paragraph:

''(3) EXCEPTION TO VALUABLE CONSIDERATION RULES FOR COMMERCIAL TRANSFERS.—

''(A) IN GENERAL.—The second sentence of paragraph (2) shall not apply in the case of a transfer of a life insurance contract, or any interest therein, which is a reportable policy sale.

''(B) REPORTABLE POLICY SALE.—For purposes of this paragraph, the term 'reportable policy sale' means the acquisition of an interest in a life insurance contract, directly or indirectly, if the acquirer has no substantial family, business, or financial relationship with the insured apart from the acquirer's interest in such life insurance contract. For purposes of the preceding sentence, the term 'indirectly' applies to the acquisition of an interest in a partnership, trust, or other entity that holds an interest in the life insurance contract.''.

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 101(a) is amended by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after December 31, 2017.

SEC. 13523. MODIFICATION OF DISCOUNTING RULES FOR PROPERTY AND CASUALTY INSURANCE COMPANIES.

(a) MODIFICATION OF RATE OF INTEREST USED TO DISCOUNT UNPAID LOSSES.—Paragraph (2) of section 846(c) is amended to read as follows:

''(2) DETERMINATION OF ANNUAL RATE.—The annual rate determined by the Secretary under this paragraph for any calendar year shall be a rate determined on the basis of the corporate bond yield curve (as defined in section 430(h)(2)(D)(i), determined by substituting '60-month period' for '24-month period' therein).''.

(b) MODIFICATION OF COMPUTATIONAL RULES FOR LOSS PAYMENT PATTERNS.—Section 846(d)(3) is amended by striking subparagraphs (B) through (G) and inserting the following new subparagraph:

''(B) TREATMENT OF CERTAIN LOSSES.—

''(i) 3-YEAR LOSS PAYMENT PATTERN.—In the case of any line of business not described in subparagraph (A)(ii), losses paid after the 1st year following the accident year shall be treated as paid equally in the 2nd and 3rd year following the accident year.

''(ii) 10-YEAR LOSS PAYMENT PATTERN.—

''(I) IN GENERAL.—The period taken into account under subparagraph (A)(ii) shall be extended to the extent required under subclause (II).

''(II) COMPUTATION OF EXTENSION.—The amount of losses which would have been treated as paid in the 10th year after the accident year shall be treated as paid in such 10th year and each subsequent year in an amount equal to the amount of the average of the losses treated as paid in the 7th, 8th, and 9th years after the accident year (or, if lesser, the portion of the unpaid losses not theretofore taken into account). To the extent such unpaid losses have not been treated as paid before the 24th year after the accident year, they shall be treated as paid in such 24th year.''.

(c) REPEAL OF HISTORICAL PAYMENT PATTERN ELECTION.—Section 846, as amended by this Act, is amended by striking subsection (e) and by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(e) TRANSITIONAL RULE.—For the first taxable year beginning after December 31, 2017—

(1) the unpaid losses and the expenses unpaid (as defined in paragraphs (5)(B) and (6) of section 832(b) of the Internal Revenue Code of 1986) at the end of the preceding taxable year, and

(2) the unpaid losses as defined in sections 807(c)(2) and 805(a)(1) of such Code at the end of the preceding taxable year,

shall be determined as if the amendments made by this section had applied to such unpaid losses and expenses unpaid in the preceding taxable year and by using the interest rate and loss payment patterns applicable to accident years ending with calendar year 2018, and any adjustment shall be taken into account ratably in such first taxable year and the 7 succeeding taxable years. For subsequent taxable years, such amendments shall be applied with respect to such unpaid losses and expenses unpaid by using the interest rate and loss payment patterns applicable to accident years ending with calendar year 2018.

Subpart C—Banks and Financial Instruments

SEC. 13531. LIMITATION ON DEDUCTION FOR FDIC PREMIUMS.

(a) IN GENERAL.—Section 162, as amended by sections 13307, is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

''(r) DISALLOWANCE OF FDIC PREMIUMS PAID BY CERTAIN LARGE FINANCIAL INSTITUTIONS.—

''(1) IN GENERAL.—No deduction shall be allowed for the applicable percentage of any FDIC premium paid or incurred by the taxpayer.

''(2) EXCEPTION FOR SMALL INSTITUTIONS.—Paragraph (1) shall not apply to any taxpayer for any taxable year if the total consolidated assets of such taxpayer (determined as of the close of such taxable year) do not exceed $10,000,000,000.

''(3) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means, with respect to any taxpayer for any taxable year, the ratio (expressed as a percentage but not greater than 100 percent) which—

''(A) the excess of—

''(i) the total consolidated assets of such taxpayer (determined as of the close of such taxable year), over

''(ii) $10,000,000,000, bears to

''(B) $40,000,000,000.

''(4) FDIC PREMIUMS.—For purposes of this subsection, the term 'FDIC premium' means any assessment imposed under section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)).

''(5) TOTAL CONSOLIDATED ASSETS.—For purposes of this subsection, the term 'total consolidated assets' has the meaning given such term under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365).

''(6) AGGREGATION RULE.—

''(A) IN GENERAL.—Members of an expanded affiliated group shall be treated as a single taxpayer for purposes of applying this subsection.

''(B) EXPANDED AFFILIATED GROUP.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'expanded affiliated group' means an affiliated group as defined in section 1504(a), determined—

''(I) by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears, and

''(II) without regard to paragraphs (2) and (3) of section 1504(b).

''(ii) CONTROL OF NON-CORPORATE ENTITIES.—A partnership or any other entity (other than a corporation) shall be treated as a member of an expanded affiliated group if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this clause).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13532. REPEAL OF ADVANCE REFUNDING BONDS.

(a) IN GENERAL.—Paragraph (1) of section 149(d) is amended by striking ''as part of an issue described in paragraph (2), (3), or (4).'' and inserting ''to advance refund another bond.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 149(d) is amended by striking paragraphs (2), (3), (4), and (6) and by redesignating paragraphs (5) and (7) as paragraphs (2) and (3).

(2) Section 148(f)(4)(C) is amended by striking clause (xiv) and by redesignating clauses (xv) to (xvii) as clauses (xiv) to (xvi).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to advance refunding bonds issued after December 31, 2017.

Subpart D—S Corporations

SEC. 13541. EXPANSION OF QUALIFYING BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) NO LOOK-THROUGH FOR ELIGIBILITY PURPOSES.—Section 1361(c)(2)(B)(v) is amended by adding at the end the following new sentence: ''This clause shall not apply for purposes of subsection (b)(1)(C).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 2018.

SEC. 13542. CHARITABLE CONTRIBUTION DEDUCTION FOR ELECTING SMALL BUSINESS TRUSTS.

(a) IN GENERAL.—Section 641(c)(2) is amended by inserting after subparagraph (D) the following new subparagraph:

''(E)(i) Section 642(c) shall not apply.

''(ii) For purposes of section 170(b)(1)(G), adjusted gross income shall be computed in the same manner as in the case of an individual, except that the deductions for costs which are paid or incurred in connection with the administration of the trust and which would not have been incurred if the property were not held in such trust shall be treated as allowable in arriving at adjusted gross income.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13543. MODIFICATION OF TREATMENT OF S CORPORATION CONVERSIONS TO C CORPORATIONS.

(a) ADJUSTMENTS ATTRIBUTABLE TO CONVERSION FROM S CORPORATION TO C CORPORATION.—Section 481 is amended by adding at the end the following new subsection:

''(d) ADJUSTMENTS ATTRIBUTABLE TO CONVERSION FROM S CORPORATION TO C CORPORATION.—

''(1) IN GENERAL.—In the case of an eligible terminated S corporation, any adjustment required by subsection (a)(2) which is attributable to such corporation's revocation described in paragraph (2)(A)(ii) shall be taken into account ratably during the 6-taxable year period beginning with the year of change.

''(2) ELIGIBLE TERMINATED S CORPORATION.—For purposes of this subsection, the term 'eligible terminated S corporation' means any C corporation—

''(A) which—

''(i) was an S corporation on the day before the date of the enactment of the Tax Cuts and Jobs Act, and

''(ii) during the 2-year period beginning on the date of such enactment makes a revocation of its election under section 1362(a), and

''(B) the owners of the stock of which, determined on the date such revocation is made, are the same owners (and in identical proportions) as on the date of such enactment.''.

(b) CASH DISTRIBUTIONS FOLLOWING POST-TERMINATION TRANSITION PERIOD FROM S CORPORATION STATUS.—Section 1371 is amended by adding at the end the following new subsection:

''(f) CASH DISTRIBUTIONS FOLLOWING POST-TERMINATION TRANSITION PERIOD.—In the case of a distribution of money by an eligible terminated S corporation (as defined in section 481(d)) after the post-termination transition period, the accumulated adjustments account shall be allocated to such distribution, and the distribution shall be chargeable to accumulated earnings and profits, in the same ratio as the amount of such accumulated adjustments account bears to the amount of such accumulated earnings and profits.''.

PART VII—EMPLOYMENT

Subpart A—Compensation

SEC. 13601. MODIFICATION OF LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.

(a) REPEAL OF PERFORMANCE-BASED COMPENSATION AND COMMISSION EXCEPTIONS FOR LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.—

(1) IN GENERAL.—Paragraph (4) of section 162(m) is amended by striking subparagraphs (B) and (C) and by redesignating subparagraphs (D), (E), (F), and (G) as subparagraphs (B), (C), (D), and (E), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Paragraphs (5)(E) and (6)(D) of section 162(m) are each amended by striking ''subparagraphs (B), (C), and (D)'' and inserting ''subparagraph (B)''.

(B) Paragraphs (5)(G) and (6)(G) of section 162(m) are each amended by striking ''(F) and (G)'' and inserting ''(D) and (E)''.

(b) MODIFICATION OF DEFINITION OF COVERED EMPLOYEES.—Paragraph (3) of section 162(m) is amended—

(1) in subparagraph (A), by striking ''as of the close of the taxable year, such employee is the chief executive officer of the taxpayer or is'' and inserting ''such employee is the principal executive officer or principal financial officer of the taxpayer at any time during the taxable year, or was'',

(2) in subparagraph (B)—

(A) by striking ''4'' and inserting ''3'', and

(B) by striking ''(other than the chief executive officer)'' and inserting ''(other than any individual described in subparagraph (A))'', and

(3) by striking ''or'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', or'', and by adding at the end the following:

''(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2016.''.

(c) EXPANSION OF APPLICABLE EMPLOYER.—

(1) IN GENERAL.—Section 162(m)(2) is amended to read as follows:

''(2) PUBLICLY HELD CORPORATION.—For purposes of this subsection, the term 'publicly held corporation' means any corporation which is an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c))—

''(A) the securities of which are required to be registered under section 12 of such Act (15 U.S.C. 78l), or

''(B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 78o(d)).''.

(2) CONFORMING AMENDMENT.—Section 162(m)(3), as amended by subsection (b), is amended by adding at the end the following flush sentence:

''Such term shall include any employee who would be described in subparagraph (B) if the reporting described in such subparagraph were required as so described.''.

(d) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Paragraph (4) of section 162(m), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

''(F) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Remuneration shall not fail to be applicable employee remuneration merely because it is includible in the income of, or paid to, a person other than the covered employee, including after the death of the covered employee.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) EXCEPTION FOR BINDING CONTRACTS.—The amendments made by this section shall not apply to remuneration which is provided pursuant to a written binding contract which was in effect on November 2, 2017, and which was not modified in any material respect on or after such date.

SEC. 13602. EXCISE TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.

(a) IN GENERAL.—Subchapter D of chapter 42 is amended by adding at the end the following new section:

''SEC. 4960. TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.

''(a) TAX IMPOSED.—There is hereby imposed a tax equal to the product of the rate of tax under section 11 and the sum of—

''(1) so much of the remuneration paid (other than any excess parachute payment) by an applicable tax-exempt organization for the taxable year with respect to employment of any covered employee in excess of $1,000,000, plus

''(2) any excess parachute payment paid by such an organization to any covered employee.

For purposes of the preceding sentence, remuneration shall be treated as paid when there is no substantial risk of forfeiture (within the meaning of section 457(f)(3)(B)) of the rights to such remuneration.

''(b) LIABILITY FOR TAX.—The employer shall be liable for the tax imposed under subsection (a).

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) APPLICABLE TAX-EXEMPT ORGANIZATION.—The term 'applicable tax-exempt organization' means any organization which for the taxable year—

''(A) is exempt from taxation under section 501(a),

''(B) is a farmers' cooperative organization described in section 521(b)(1),

''(C) has income excluded from taxation under section 115(1), or

''(D) is a political organization described in section 527(e)(1).

''(2) COVERED EMPLOYEE.—For purposes of this section, the term 'covered employee' means any employee (including any former employee) of an applicable tax-exempt organization if the employee—

''(A) is one of the 5 highest compensated employees of the organization for the taxable year, or

''(B) was a covered employee of the organization (or any predecessor) for any preceding taxable year beginning after December 31, 2016.

''(3) REMUNERATION.—For purposes of this section:

''(A) IN GENERAL.—The term 'remuneration' means wages (as defined in section 3401(a)), except that such term shall not include any designated Roth contribution (as defined in section 402A(c)) and shall include amounts required to be included in gross income under section 457(f).

''(B) EXCEPTION FOR REMUNERATION FOR MEDICAL SERVICES.—The term 'remuneration' shall not include the portion of any remuneration paid to a licensed medical professional (including a veterinarian) which is for the performance of medical or veterinary services by such professional.

''(4) REMUNERATION FROM RELATED ORGANIZATIONS.—

''(A) IN GENERAL.—Remuneration of a covered employee by an applicable tax-exempt organization shall include any remuneration paid with respect to employment of such employee by any related person or governmental entity.

''(B) RELATED ORGANIZATIONS.—A person or governmental entity shall be treated as related to an applicable tax-exempt organization if such person or governmental entity—

''(i) controls, or is controlled by, the organization,

''(ii) is controlled by one or more persons which control the organization,

''(iii) is a supported organization (as defined in section 509(f)(3)) during the taxable year with respect to the organization,

''(iv) is a supporting organization described in section 509(a)(3) during the taxable year with respect to the organization, or

''(v) in the case of an organization which is a voluntary employees' beneficiary association described in section 501(c)(9), establishes, maintains, or makes contributions to such voluntary employees' beneficiary association.

''(C) LIABILITY FOR TAX.—In any case in which remuneration from more than one employer is taken into account under this paragraph in determining the tax imposed by subsection (a), each such employer shall be liable for such tax in an amount which bears the same ratio to the total tax determined under subsection (a) with respect to such remuneration as—

''(i) the amount of remuneration paid by such employer with respect to such employee, bears to

''(ii) the amount of remuneration paid by all such employers to such employee.

''(5) EXCESS PARACHUTE PAYMENT.—For purposes of determining the tax imposed by subsection (a)(2)—

''(A) IN GENERAL.—The term 'excess parachute payment' means an amount equal to the excess of any parachute payment over the portion of the base amount allocated to such payment.

''(B) PARACHUTE PAYMENT.—The term 'parachute payment' means any payment in the nature of compensation to (or for the benefit of) a covered employee if—

''(i) such payment is contingent on such employee's separation from employment with the employer, and

''(ii) the aggregate present value of the payments in the nature of compensation to (or for the benefit of) such individual which are contingent on such separation equals or exceeds an amount equal to 3 times the base amount.

''(C) EXCEPTION.—Such term does not include any payment—

''(i) described in section 280G(b)(6) (relating to exemption for payments under qualified plans),

''(ii) made under or to an annuity contract described in section 403(b) or a plan described in section 457(b),

''(iii) to a licensed medical professional (including a veterinarian) to the extent that such payment is for the performance of medical or veterinary services by such professional, or

''(iv) to an individual who is not a highly compensated employee as defined in section 414(q).

''(D) BASE AMOUNT.—Rules similar to the rules of 280G(b)(3) shall apply for purposes of determining the base amount.

''(E) PROPERTY TRANSFERS; PRESENT VALUE.—Rules similar to the rules of paragraphs (3) and (4) of section 280G(d) shall apply.

''(6) COORDINATION WITH DEDUCTION LIMITATION.—Remuneration the deduction for which is not allowed by reason of section 162(m) shall not be taken into account for purposes of this section.

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to prevent avoidance of the tax under this section, including regulations to prevent avoidance of such tax through the performance of services other than as an employee or by providing compensation through a pass-through or other entity to avoid such tax.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter D of chapter 42 is amended by adding at the end the following new item:

''Sec. 4960. Tax on excess tax-exempt organization executive compensation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13603. TREATMENT OF QUALIFIED EQUITY GRANTS.

(a) IN GENERAL.—Section 83 is amended by adding at the end the following new subsection:

''(i) QUALIFIED EQUITY GRANTS.—

''(1) IN GENERAL.—For purposes of this subtitle—

''(A) TIMING OF INCLUSION.—If qualified stock is transferred to a qualified employee who makes an election with respect to such stock under this subsection, subsection (a) shall be applied by including the amount determined under such subsection with respect to such stock in income of the employee in the taxable year determined under subparagraph (B) in lieu of the taxable year described in subsection (a).

''(B) TAXABLE YEAR DETERMINED.—The taxable year determined under this subparagraph is the taxable year of the employee which includes the earliest of—

''(i) the first date such qualified stock becomes transferable (including, solely for purposes of this clause, becoming transferable to the employer),

''(ii) the date the employee first becomes an excluded employee,

''(iii) the first date on which any stock of the corporation which issued the qualified stock becomes readily tradable on an established securities market (as determined by the Secretary, but not including any market unless such market is recognized as an established securities market by the Secretary for purposes of a provision of this title other than this subsection),

''(iv) the date that is 5 years after the first date the rights of the employee in such stock are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, or

''(v) the date on which the employee revokes (at such time and in such manner as the Secretary provides) the election under this subsection with respect to such stock.

''(2) QUALIFIED STOCK.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified stock' means, with respect to any qualified employee, any stock in a corporation which is the employer of such employee, if—

''(i) such stock is received—

''(I) in connection with the exercise of an option, or

''(II) in settlement of a restricted stock unit, and

''(ii) such option or restricted stock unit was granted by the corporation—

''(I) in connection with the performance of services as an employee, and

''(II) during a calendar year in which such corporation was an eligible corporation.

''(B) LIMITATION.—The term 'qualified stock' shall not include any stock if the employee may sell such stock to, or otherwise receive cash in lieu of stock from, the corporation at the time that the rights of the employee in such stock first become transferable or not subject to a substantial risk of forfeiture.

''(C) ELIGIBLE CORPORATION.—For purposes of subparagraph (A)(ii)(II)—

''(i) IN GENERAL.—The term 'eligible corporation' means, with respect to any calendar year, any corporation if—

''(I) no stock of such corporation (or any predecessor of such corporation) is readily tradable on an established securities market (as determined under paragraph (1)(B)(iii)) during any preceding calendar year, and

''(II) such corporation has a written plan under which, in such calendar year, not less than 80 percent of all employees who provide services to such corporation in the United States (or any possession of the United States) are granted stock options, or are granted restricted stock units, with the same rights and privileges to receive qualified stock.

''(ii) SAME RIGHTS AND PRIVILEGES.—For purposes of clause (i)(II)—

''(I) except as provided in subclauses (II) and (III), the determination of rights and privileges with respect to stock shall be made in a similar manner as under section 423(b)(5),

''(II) employees shall not fail to be treated as having the same rights and privileges to receive qualified stock solely because the number of shares available to all employees is not equal in amount, so long as the number of shares available to each employee is more than a de minimis amount, and

''(III) rights and privileges with respect to the exercise of an option shall not be treated as the same as rights and privileges with respect to the settlement of a restricted stock unit.

''(iii) EMPLOYEE.—For purposes of clause (i)(II), the term 'employee' shall not include any employee described in section 4980E(d)(4) or any excluded employee.

''(iv) SPECIAL RULE FOR CALENDAR YEARS BEFORE 2018.—In the case of any calendar year beginning before January 1, 2018, clause (i)(II) shall be applied without regard to whether the rights and privileges with respect to the qualified stock are the same.

''(3) QUALIFIED EMPLOYEE; EXCLUDED EMPLOYEE.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified employee' means any individual who—

''(i) is not an excluded employee, and

''(ii) agrees in the election made under this subsection to meet such requirements as are determined by the Secretary to be necessary to ensure that the withholding requirements of the corporation under chapter 24 with respect to the qualified stock are met.

''(B) EXCLUDED EMPLOYEE.—The term 'excluded employee' means, with respect to any corporation, any individual—

''(i) who is a 1-percent owner (within the meaning of section 416(i)(1)(B)(ii)) at any time during the calendar year or who was such a 1 percent owner at any time during the 10 preceding calendar years,

''(ii) who is or has been at any prior time—

''(I) the chief executive officer of such corporation or an individual acting in such a capacity, or

''(II) the chief financial officer of such corporation or an individual acting in such a capacity,

''(iii) who bears a relationship described in section 318(a)(1) to any individual described in subclause (I) or (II) of clause (ii), or

''(iv) who is one of the 4 highest compensated officers of such corporation for the taxable year, or was one of the 4 highest compensated officers of such corporation for any of the 10 preceding taxable years, determined with respect to each such taxable year on the basis of the shareholder disclosure rules for compensation under the Securities Exchange Act of 1934 (as if such rules applied to such corporation).

''(4) ELECTION.—

''(A) TIME FOR MAKING ELECTION.—An election with respect to qualified stock shall be made under this subsection no later than 30 days after the first date the rights of the employee in such stock are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, and shall be made in a manner similar to the manner in which an election is made under subsection (b).

''(B) LIMITATIONS.—No election may be made under this section with respect to any qualified stock if—

''(i) the qualified employee has made an election under subsection (b) with respect to such qualified stock,

''(ii) any stock of the corporation which issued the qualified stock is readily tradable on an established securities market (as determined under paragraph (1)(B)(iii)) at any time before the election is made, or

''(iii) such corporation purchased any of its outstanding stock in the calendar year preceding the calendar year which includes the first date the rights of the employee in such stock are transferable or are not subject to a substantial risk of forfeiture, unless—

''(I) not less than 25 percent of the total dollar amount of the stock so purchased is deferral stock, and

''(II) the determination of which individuals from whom deferral stock is purchased is made on a reasonable basis.

''(C) DEFINITIONS AND SPECIAL RULES RELATED TO LIMITATION ON STOCK REDEMPTIONS.—

''(i) DEFERRAL STOCK.—For purposes of this paragraph, the term 'deferral stock' means stock with respect to which an election is in effect under this subsection.

''(ii) DEFERRAL STOCK WITH RESPECT TO ANY INDIVIDUAL NOT TAKEN INTO ACCOUNT IF INDIVIDUAL HOLDS DEFERRAL STOCK WITH LONGER DEFERRAL PERIOD.—Stock purchased by a corporation from any individual shall not be treated as deferral stock for purposes of subparagraph (B)(iii) if such individual (immediately after such purchase) holds any deferral stock with respect to which an election has been in effect under this subsection for a longer period than the election with respect to the stock so purchased.

''(iii) PURCHASE OF ALL OUTSTANDING DEFERRAL STOCK.—The requirements of subclauses (I) and (II) of subparagraph (B)(iii) shall be treated as met if the stock so purchased includes all of the corporation's outstanding deferral stock.

''(iv) REPORTING.—Any corporation which has outstanding deferral stock as of the beginning of any calendar year and which purchases any of its outstanding stock during such calendar year shall include on its return of tax for the taxable year in which, or with which, such calendar year ends the total dollar amount of its outstanding stock so purchased during such calendar year and such other information as the Secretary requires for purposes of administering this paragraph.

''(5) CONTROLLED GROUPS.—For purposes of this subsection, all persons treated as a single employer under section 414(b) shall be treated as 1 corporation.

''(6) NOTICE REQUIREMENT.—Any corporation which transfers qualified stock to a qualified employee shall, at the time that (or a reasonable period before) an amount attributable to such stock would (but for this subsection) first be includible in the gross income of such employee—

''(A) certify to such employee that such stock is qualified stock, and

''(B) notify such employee—

''(i) that the employee may be eligible to elect to defer income on such stock under this subsection, and

''(ii) that, if the employee makes such an election—

''(I) the amount of income recognized at the end of the deferral period will be based on the value of the stock at the time at which the rights of the employee in such stock first become transferable or not subject to substantial risk of forfeiture, notwithstanding whether the value of the stock has declined during the deferral period,

''(II) the amount of such income recognized at the end of the deferral period will be subject to withholding under section 3401(i) at the rate determined under section 3402(t), and

''(III) the responsibilities of the employee (as determined by the Secretary under paragraph (3)(A)(ii)) with respect to such withholding.

''(7) RESTRICTED STOCK UNITS.—This section (other than this subsection), including any election under subsection (b), shall not apply to restricted stock units.''.

(b) WITHHOLDING.—

(1) TIME OF WITHHOLDING.—Section 3401 is amended by adding at the end the following new subsection:

''(i) QUALIFIED STOCK FOR WHICH AN ELECTION IS IN EFFECT UNDER SECTION 83(I).—For purposes of subsection (a), qualified stock (as defined in section 83(i)) with respect to which an election is made under section 83(i) shall be treated as wages—

''(1) received on the earliest date described in section 83(i)(1)(B), and

''(2) in an amount equal to the amount included in income under section 83 for the taxable year which includes such date.''.

(2) AMOUNT OF WITHHOLDING.—Section 3402 is amended by adding at the end the following new subsection:

''(t) RATE OF WITHHOLDING FOR CERTAIN STOCK.—In the case of any qualified stock (as defined in section 83(i)(2)) with respect to which an election is made under section 83(i)—

''(1) the rate of tax under subsection (a) shall not be less than the maximum rate of tax in effect under section 1, and

''(2) such stock shall be treated for purposes of section 3501(b) in the same manner as a noncash fringe benefit.''.

(c) COORDINATION WITH OTHER DEFERRED COMPENSATION RULES.—

(1) ELECTION TO APPLY DEFERRAL TO STATUTORY OPTIONS.—

(A) INCENTIVE STOCK OPTIONS.—Section 422(b) is amended by adding at the end the following: ''Such term shall not include any option if an election is made under section 83(i) with respect to the stock received in connection with the exercise of such option.''.

(B) EMPLOYEE STOCK PURCHASE PLANS.—Section 423 is amended—

(i) in subsection (b)(5), by striking ''and'' before ''the plan'' and by inserting '', and the rules of section 83(i) shall apply in determining which employees have a right to make an election under such section'' before the semicolon at the end, and

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

''(d) COORDINATION WITH QUALIFIED EQUITY GRANTS.—An option for which an election is made under section 83(i) with respect to the stock received in connection with its exercise shall not be considered as granted pursuant an employee stock purchase plan.''.

(2) EXCLUSION FROM DEFINITION OF NONQUALIFIED DEFERRED COMPENSATION PLAN.—Subsection (d) of section 409A is amended by adding at the end the following new paragraph:

''(7) TREATMENT OF QUALIFIED STOCK.—An arrangement under which an employee may receive qualified stock (as defined in section 83(i)(2)) shall not be treated as a nonqualified deferred compensation plan with respect to such employee solely because of such employee's election, or ability to make an election, to defer recognition of income under section 83(i).''.

(d) INFORMATION REPORTING.—Section 6051(a) is amended by striking ''and'' at the end of paragraph (14)(B), by striking the period at the end of paragraph (15) and inserting a comma, and by inserting after paragraph (15) the following new paragraphs:

''(16) the amount includible in gross income under subparagraph (A) of section 83(i)(1) with respect to an event described in subparagraph (B) of such section which occurs in such calendar year, and

''(17) the aggregate amount of income which is being deferred pursuant to elections under section 83(i), determined as of the close of the calendar year.''.

(e) PENALTY FOR FAILURE OF EMPLOYER TO PROVIDE NOTICE OF TAX CONSEQUENCES.—Section 6652 is amended by adding at the end the following new subsection:

''(p) FAILURE TO PROVIDE NOTICE UNDER SECTION 83(I).—In the case of each failure to provide a notice as required by section 83(i)(6), at the time prescribed therefor, unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid, on notice and demand of the Secretary and in the same manner as tax, by the person failing to provide such notice, an amount equal to $100 for each such failure, but the total amount imposed on such person for all such failures during any calendar year shall not exceed $50,000.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to stock attributable to options exercised, or restricted stock units settled, after December 31, 2017.

(2) REQUIREMENT TO PROVIDE NOTICE.—The amendments made by subsection (e) shall apply to failures after December 31, 2017.

(g) TRANSITION RULE.—Until such time as the Secretary (or the Secretary's delegate) issues regulations or other guidance for purposes of implementing the requirements of paragraph (2)(C)(i)(II) of section 83(i) of the Internal Revenue Code of 1986 (as added by this section), or the requirements of paragraph (6) of such section, a corporation shall be treated as being in compliance with such requirements (respectively) if such corporation complies with a reasonable good faith interpretation of such requirements.

SEC. 13604. INCREASE IN EXCISE TAX RATE FOR STOCK COMPENSATION OF INSIDERS IN EXPATRIATED CORPORATIONS.

(a) IN GENERAL.—Section 4985(a)(1) is amended by striking ''section 1(h)(1)(C)'' and inserting ''section 1(h)(1)(D)''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to corporations first becoming expatriated corporations (as defined in section 4985 of the Internal Revenue Code of 1986) after the date of enactment of this Act.

Subpart B—Retirement Plans

SEC. 13611. REPEAL OF SPECIAL RULE PERMITTING RECHARACTERIZATION OF ROTH CONVERSIONS.

(a) IN GENERAL.—Section 408A(d)(6)(B) is amended by adding at the end the following new clause:

''(iii) CONVERSIONS.—Subparagraph (A) shall not apply in the case of a qualified rollover contribution to which subsection (d)(3) applies (including by reason of subparagraph (C) thereof).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13612. MODIFICATION OF RULES APPLICABLE TO LENGTH OF SERVICE AWARD PLANS.

(a) MAXIMUM DEFERRAL AMOUNT.—Clause (ii) of section 457(e)(11)(B) is amended by striking ''$3,000'' and inserting ''$6,000''.

(b) COST OF LIVING ADJUSTMENT.—Subparagraph (B) of section 457(e)(11) is amended by adding at the end the following:

''(iii) COST OF LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2017, the Secretary shall adjust the $6,000 amount under clause (ii) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2016, and any increase under this paragraph that is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(c) APPLICATION OF LIMITATION ON ACCRUALS.—Subparagraph (B) of section 457(e)(11), as amended by subsection (b), is amended by adding at the end the following:

''(iv) SPECIAL RULE FOR APPLICATION OF LIMITATION ON ACCRUALS FOR CERTAIN PLANS.—In the case of a plan described in subparagraph (A)(ii) which is a defined benefit plan (as defined in section 414(j)), the limitation under clause (ii) shall apply to the actuarial present value of the aggregate amount of length of service awards accruing with respect to any year of service. Such actuarial present value with respect to any year shall be calculated using reasonable actuarial assumptions and methods, assuming payment will be made under the most valuable form of payment under the plan with payment commencing at the later of the earliest age at which unreduced benefits are payable under the plan or the participant's age at the time of the calculation.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13613. EXTENDED ROLLOVER PERIOD FOR PLAN LOAN OFFSET AMOUNTS.

(a) IN GENERAL.—Paragraph (3) of section 402(c) 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 severance from employment of the participant.

''(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 AMENDMENTS.—Section 402(c)(3) is amended—

(1) by striking ''TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT'' in the heading and inserting ''TIME LIMIT ON TRANSFERS'', and

(2) by striking ''subparagraph (B)'' in subparagraph (A) and inserting ''subparagraphs (B) and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan loan offset amounts which are treated as distributed in taxable years beginning after December 31, 2017.

PART VIII—EXEMPT ORGANIZATIONS

SEC. 13701. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

(a) IN GENERAL.—Chapter 42 is amended by adding at the end the following new subchapter:

''Subchapter H—Excise Tax Based on Investment Income of Private Colleges and Universities

''Sec. 4968. Excise tax based on investment income of private colleges and universities.

''SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

''(a) TAX IMPOSED.—There is hereby imposed on each applicable educational institution for the taxable year a tax equal to 1.4 percent of the net investment income of such institution for the taxable year.

''(b) APPLICABLE EDUCATIONAL INSTITUTION.—For purposes of this subchapter—

''(1) IN GENERAL.—The term 'applicable educational institution' means an eligible educational institution (as defined in section 25A(f)(2))—

''(A) which had at least 500 students during the preceding taxable year,

''(B) more than 50 percent of the students of which are located in the United States,

''(C) which is not described in the first sentence of section 511(a)(2)(B) (relating to State colleges and universities), and

''(D) the aggregate fair market value of the assets of which at the end of the preceding taxable year (other than those assets which are used directly in carrying out the institution's exempt purpose) is at least $500,000 per student of the institution.

''(2) STUDENTS.—For purposes of paragraph (1), the number of students of an institution (including for purposes of determining the number of students at a particular location) shall be based on the daily average number of full-time students attending such institution (with part-time students taken into account on a full-time student equivalent basis).

''(c) NET INVESTMENT INCOME.—For purposes of this section, net investment income shall be determined under rules similar to the rules of section 4940(c).

''(d) ASSETS AND NET INVESTMENT INCOME OF RELATED ORGANIZATIONS.—

''(1) IN GENERAL.—For purposes of subsections (b)(1)(C) and (c), assets and net investment income of any related organization with respect to an educational institution shall be treated as assets and net investment income, respectively, of the educational institution, except that—

''(A) no such amount shall be taken into account with respect to more than 1 educational institution, and

''(B) unless such organization is controlled by such institution or is described in section 509(a)(3) with respect to such institution for the taxable year, assets and net investment income which are not intended or available for the use or benefit of the educational institution shall not be taken into account.

''(2) RELATED ORGANIZATION.—For purposes of this subsection, the term 'related organization' means, with respect to an educational institution, any organization which—

''(A) controls, or is controlled by, such institution,

''(B) is controlled by 1 or more persons which also control such institution, or

''(C) is a supported organization (as defined in section 509(f)(3)), or an organization described in section 509(a)(3), during the taxable year with respect to such institution.''.

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 42 is amended by adding at the end the following new item:

''SUBCHAPTER H—EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13702. UNRELATED BUSINESS TAXABLE INCOME SEPARATELY COMPUTED FOR EACH TRADE OR BUSINESS ACTIVITY.

(a) IN GENERAL.—Subsection (a) of section 512 is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR ORGANIZATION WITH MORE THAN 1 UNRELATED TRADE OR BUSINESS.—In the case of any organization with more than 1 unrelated trade or business—

''(A) unrelated business taxable income, including for purposes of determining any net operating loss deduction, shall be computed separately with respect to each such trade or business and without regard to subsection (b)(12),

''(B) the unrelated business taxable income of such organization shall be the sum of the unrelated business taxable income so computed with respect to each such trade or business, less a specific deduction under subsection (b)(12), and

''(C) for purposes of subparagraph (B), unrelated business taxable income with respect to any such trade or business shall not be less than zero.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except to the extent provided in paragraph (2), the amendment made by this section shall apply to taxable years beginning after December 31, 2017.

(2) CARRYOVERS OF NET OPERATING LOSSES.—If any net operating loss arising in a taxable year beginning before January 1, 2018, is carried over to a taxable year beginning on or after such date—

(A) subparagraph (A) of section 512(a)(6) of the Internal Revenue Code of 1986, as added by this Act, shall not apply to such net operating loss, and

(B) the unrelated business taxable income of the organization, after the application of subparagraph (B) of such section, shall be reduced by the amount of such net operating loss.

SEC. 13703. UNRELATED BUSINESS TAXABLE INCOME INCREASED BY AMOUNT OF CERTAIN FRINGE BENEFIT EXPENSES FOR WHICH DEDUCTION IS DISALLOWED.

(a) IN GENERAL.—Section 512(a), as amended by this Act, is further amended by adding at the end the following new paragraph:

''(7) INCREASE IN UNRELATED BUSINESS TAXABLE INCOME BY DISALLOWED FRINGE.—Unrelated business taxable income of an organization shall be increased by any amount for which a deduction is not allowable under this chapter by reason of section 274 and which is paid or incurred by such organization for any qualified transportation fringe (as defined in section 132(f)), any parking facility used in connection with qualified parking (as defined in section 132(f)(5)(C)), or any on-premises athletic facility (as defined in section 132(j)(4)(B)). The preceding sentence shall not apply to the extent the amount paid or incurred is directly connected with an unrelated trade or business which is regularly carried on by the organization. The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance providing for the appropriate allocation of depreciation and other costs with respect to facilities used for parking or for on-premises athletic facilities.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2017.

SEC. 13704. REPEAL OF DEDUCTION FOR AMOUNTS PAID IN EXCHANGE FOR COLLEGE ATHLETIC EVENT SEATING RIGHTS.

(a) IN GENERAL.—Section 170(l) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—No deduction shall be allowed under this section for any amount described in paragraph (2).'', and

(2) in paragraph (2)(B), by striking ''such amount would be allowable as a deduction under this section but for the fact that''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2017.

SEC. 13705. REPEAL OF SUBSTANTIATION EXCEPTION IN CASE OF CONTRIBUTIONS REPORTED BY DONEE.

(a) IN GENERAL.—Section 170(f)(8) is amended by striking subparagraph (D) and by redesignating subparagraph (E) as subparagraph (D).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2016.

PART IX—OTHER PROVISIONS

Subpart A—Craft Beverage Modernization and Tax Reform

SEC. 13801. PRODUCTION PERIOD FOR BEER, WINE, AND DISTILLED SPIRITS.

(a) IN GENERAL.—Section 263A(f) is amended—

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

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

''(4) EXEMPTION FOR AGING PROCESS OF BEER, WINE, AND DISTILLED SPIRITS.—

''(A) IN GENERAL.—For purposes of this subsection, the production period shall not include the aging period for—

''(i) beer (as defined in section 5052(a)),

''(ii) wine (as described in section 5041(a)), or

''(iii) distilled spirits (as defined in section 5002(a)(8)), except such spirits that are unfit for use for beverage purposes.

''(B) TERMINATION.—This paragraph shall not apply to interest costs paid or accrued after December 31, 2019.''.

(b) CONFORMING AMENDMENT.—Paragraph (5)(B)(ii) of section 263A(f), as redesignated by this section, is amended by inserting ''except as provided in paragraph (4),'' before ''ending on the date''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest costs paid or accrued in calendar years beginning after December 31, 2017.

SEC. 13802. REDUCED RATE OF EXCISE TAX ON BEER.

(a) IN GENERAL.—Paragraph (1) of section 5051(a) is amended to read as follows:

''(1) IN GENERAL.—

''(A) IMPOSITION OF TAX.—A tax is hereby imposed on all beer brewed or produced, and removed for consumption or sale, within the United States, or imported into the United States. Except as provided in paragraph (2), the rate of such tax shall be the amount determined under this paragraph.

''(B) RATE.—Except as provided in subparagraph (C), the rate of tax shall be $18 for per barrel.

''(C) SPECIAL RULE.—In the case of beer removed after December 31, 2017, and before January 1, 2020, the rate of tax shall be—

''(i) $16 on the first 6,000,000 barrels of beer—

''(I) brewed by the brewer and removed during the calendar year for consumption or sale, or

''(II) imported by the importer into the United States during the calendar year, and

''(ii) $18 on any barrels of beer to which clause (i) does not apply.

''(D) BARREL.—For purposes of this section, a barrel shall contain not more than 31 gallons of beer, and any tax imposed under this section shall be applied at a like rate for any other quantity or for fractional parts of a barrel.''.

(b) REDUCED RATE FOR CERTAIN DOMESTIC PRODUCTION.—Subparagraph (A) of section 5051(a)(2) is amended—

(1) in the heading, by striking ''$7 A BARREL'', and

(2) by inserting ''($3.50 in the case of beer removed after December 31, 2017, and before January 1, 2020)'' after ''$7''.

(c) APPLICATION OF REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (a) of section 5051 is amended—

(1) in subparagraph (C)(i)(II) of paragraph (1), as amended by subsection (a), by inserting ''but only if the importer is an electing importer under paragraph (4) and the barrels have been assigned to the importer pursuant to such paragraph'' after ''during the calendar year'', and

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

''(4) REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

''(A) IN GENERAL.—In the case of any barrels of beer which have been brewed or produced outside of the United States and imported into the United States, the rate of tax applicable under clause (i) of paragraph (1)(C) (referred to in this paragraph as the 'reduced tax rate') may be assigned by the brewer (provided that the brewer makes an election described in subparagraph (B)(ii)) to any electing importer of such barrels pursuant to the requirements established by the Secretary under subparagraph (B).

''(B) ASSIGNMENT.—The Secretary shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the reduced tax rate provided under this paragraph, which shall include—

''(i) a limitation to ensure that the number of barrels of beer for which the reduced tax rate has been assigned by a brewer—

''(I) to any importer does not exceed the number of barrels of beer brewed or produced by such brewer during the calendar year which were imported into the United States by such importer, and

''(II) to all importers does not exceed the 6,000,000 barrels to which the reduced tax rate applies,

''(ii) procedures that allow the election of a brewer to assign and an importer to receive the reduced tax rate provided under this paragraph,

''(iii) requirements that the brewer provide any information as the Secretary determines necessary and appropriate for purposes of carrying out this paragraph, and

''(iv) procedures that allow for revocation of eligibility of the brewer and the importer for the reduced tax rate provided under this paragraph in the case of any erroneous or fraudulent information provided under clause (iii) which the Secretary deems to be material to qualifying for such reduced rate.

''(C) CONTROLLED GROUP.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the brewer, as described under paragraph (5).''.

(d) CONTROLLED GROUP AND SINGLE TAXPAYER RULES.—Subsection (a) of section 5051, as amended by this section, is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (B), and

(B) by redesignating subparagraph (C) as subparagraph (B), and

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

''(5) CONTROLLED GROUP AND SINGLE TAXPAYER RULES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), in the case of a controlled group, the 6,000,000 barrel quantity specified in paragraph (1)(C)(i) and the 2,000,000 barrel quantity specified in paragraph (2)(A) shall be applied to the controlled group, and the 6,000,000 barrel quantity specified in paragraph (1)(C)(i) and the 60,000 barrel quantity specified in paragraph (2)(A) shall be apportioned among the brewers who are members of such group in such manner as the Secretary or their delegate shall by regulations prescribe. For purposes of the preceding sentence, the term 'controlled group' has the meaning assigned to it by subsection (a) of section 1563, except that for such purposes the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' in each place it appears in such subsection. Under regulations prescribed by the Secretary, principles similar to the principles of the preceding two sentences shall be applied to a group of brewers under common control where one or more of the brewers is not a corporation.

''(B) FOREIGN MANUFACTURERS AND IMPORTERS.—For purposes of paragraph (4), in the case of a controlled group, the 6,000,000 barrel quantity specified in paragraph (1)(C)(i) shall be applied to the controlled group and apportioned among the members of such group in such manner as the Secretary shall by regulations prescribe. For purposes of the preceding sentence, the term 'controlled group' has the meaning given such term under subparagraph (A). Under regulations prescribed by the Secretary, principles similar to the principles of the preceding two sentences shall be applied to a group of brewers under common control where one or more of the brewers is not a corporation.

''(C) SINGLE TAXPAYER.—Pursuant to rules issued by the Secretary, two or more entities (whether or not under common control) that produce beer marketed under a similar brand, license, franchise, or other arrangement shall be treated as a single taxpayer for purposes of the application of this subsection.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to beer removed after December 31, 2017.

SEC. 13803. TRANSFER OF BEER BETWEEN BONDED FACILITIES.

(a) IN GENERAL.—Section 5414 is amended—

(1) by striking ''Beer may be removed'' and inserting ''(a) IN GENERAL—Beer may be removed'', and

(2) by adding at the end the following:

''(b) TRANSFER OF BEER BETWEEN BONDED FACILITIES.—

''(1) IN GENERAL.—Beer may be removed from one bonded brewery to another bonded brewery, without payment of tax, and may be mingled with beer at the receiving brewery, subject to such conditions, including payment of the tax, and in such containers, as the Secretary by regulations shall prescribe, which shall include—

''(A) any removal from one brewery to another brewery belonging to the same brewer,

''(B) any removal from a brewery owned by one corporation to a brewery owned by another corporation when—

''(i) one such corporation owns the controlling interest in the other such corporation, or

''(ii) the controlling interest in each such corporation is owned by the same person or persons, and

''(C) any removal from one brewery to another brewery when—

''(i) the proprietors of transferring and receiving premises are independent of each other and neither has a proprietary interest, directly or indirectly, in the business of the other, and

''(ii) the transferor has divested itself of all interest in the beer so transferred and the transferee has accepted responsibility for payment of the tax.

''(2) TRANSFER OF LIABILITY FOR TAX.—For purposes of paragraph (1)(C), such relief from liability shall be effective from the time of removal from the transferor's bonded premises, or from the time of divestment of interest, whichever is later.

''(3) TERMINATION.—This subsection shall not apply to any calendar quarter beginning after December 31, 2019.''.

(b) REMOVAL FROM BREWERY BY PIPELINE.—Section 5412 is amended by inserting ''pursuant to section 5414 or'' before ''by pipeline''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any calendar quarters beginning after December 31, 2017.

SEC. 13804. REDUCED RATE OF EXCISE TAX ON CERTAIN WINE.

(a) IN GENERAL.—Section 5041(c) is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULE FOR 2018 AND 2019.—

''(A) IN GENERAL.—In the case of wine removed after December 31, 2017, and before January 1, 2020, paragraphs (1) and (2) shall not apply and there shall be allowed as a credit against any tax imposed by this title (other than chapters 2, 21, and 22) an amount equal to the sum of—

''(i) $1 per wine gallon on the first 30,000 wine gallons of wine, plus

''(ii) 90 cents per wine gallon on the first 100,000 wine gallons of wine to which clause (i) does not apply, plus

''(iii) 53.5 cents per wine gallon on the first 620,000 wine gallons of wine to which clauses (i) and (ii) do not apply,

which are produced by the producer and removed during the calendar year for consumption or sale, or which are imported by the importer into the United States during the calendar year.

''(B) ADJUSTMENT OF CREDIT FOR HARD CIDER.—In the case of wine described in subsection (b)(6), subparagraph (A) of this paragraph shall be applied—

''(i) in clause (i) of such subparagraph, by substituting '6.2 cents' for '$1',

''(ii) in clause (ii) of such subparagraph, by substituting '5.6 cents' for '90 cents', and

''(iii) in clause (iii) of such subparagraph, by substituting '3.3 cents' for '53.5 cents'.'',

(b) CONTROLLED GROUP AND SINGLE TAXPAYER RULES.—Paragraph (4) of section 5041(c) is amended by striking ''section 5051(a)(2)(B)'' and inserting ''section 5051(a)(5)''.

(c) ALLOWANCE OF CREDIT FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (c) of section 5041, as amended by subsection (a), is amended—

(1) in subparagraph (A) of paragraph (8), by inserting ''but only if the importer is an electing importer under paragraph (9) and the wine gallons of wine have been assigned to the importer pursuant to such paragraph'' after ''into the United States during the calendar year'', and

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

''(9) ALLOWANCE OF CREDIT FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

''(A) IN GENERAL.—In the case of any wine gallons of wine which have been produced outside of the United States and imported into the United States, the credit allowable under paragraph (8) (referred to in this paragraph as the 'tax credit') may be assigned by the person who produced such wine (referred to in this paragraph as the 'foreign producer'), provided that such person makes an election described in subparagraph (B)(ii), to any electing importer of such wine gallons pursuant to the requirements established by the Secretary under subparagraph (B).

''(B) ASSIGNMENT.—The Secretary shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the tax credit provided under this paragraph, which shall include—

''(i) a limitation to ensure that the number of wine gallons of wine for which the tax credit has been assigned by a foreign producer—

''(I) to any importer does not exceed the number of wine gallons of wine produced by such foreign producer during the calendar year which were imported into the United States by such importer, and

''(II) to all importers does not exceed the 750,000 wine gallons of wine to which the tax credit applies,

''(ii) procedures that allow the election of a foreign producer to assign and an importer to receive the tax credit provided under this paragraph,

''(iii) requirements that the foreign producer provide any information as the Secretary determines necessary and appropriate for purposes of carrying out this paragraph, and

''(iv) procedures that allow for revocation of eligibility of the foreign producer and the importer for the tax credit provided under this paragraph in the case of any erroneous or fraudulent information provided under clause (iii) which the Secretary deems to be material to qualifying for such credit.

''(C) CONTROLLED GROUP.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the foreign producer, as described under paragraph (4).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.

SEC. 13805. ADJUSTMENT OF ALCOHOL CONTENT LEVEL FOR APPLICATION OF EXCISE TAX RATES.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 5041(b) are each amended by inserting ''(16 percent in the case of wine removed after December 31, 2017, and before January 1, 2020'' after ''14 percent''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.

SEC. 13806. DEFINITION OF MEAD AND LOW ALCOHOL BY VOLUME WINE.

(a) IN GENERAL.—Section 5041 is amended—

(1) in subsection (a), by striking ''Still wines'' and inserting ''Subject to subsection (h), still wines'', and

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

''(h) MEAD AND LOW ALCOHOL BY VOLUME WINE.—

''(1) IN GENERAL.—For purposes of subsections (a) and (b)(1), mead and low alcohol by volume wine shall be deemed to be still wines containing not more than 16 percent of alcohol by volume.

''(2) DEFINITIONS.—

''(A) MEAD.—For purposes of this section, the term 'mead' means a wine—

''(i) containing not more than 0.64 gram of carbon dioxide per hundred milliliters of wine, except that the Secretary shall by regulations prescribe such tolerances to this limitation as may be reasonably necessary in good commercial practice,

''(ii) which is derived solely from honey and water,

''(iii) which contains no fruit product or fruit flavoring, and

''(iv) which contains less than 8.5 percent alcohol by volume.

''(B) LOW ALCOHOL BY VOLUME WINE.—For purposes of this section, the term 'low alcohol by volume wine' means a wine—

''(i) containing not more than 0.64 gram of carbon dioxide per hundred milliliters of wine, except that the Secretary shall by regulations prescribe such tolerances to this limitation as may be reasonably necessary in good commercial practice,

''(ii) which is derived—

''(I) primarily from grapes, or

''(II) from grape juice concentrate and water,

''(iii) which contains no fruit product or fruit flavoring other than grape, and

''(iv) which contains less than 8.5 percent alcohol by volume.

''(3) TERMINATION.—This subsection shall not apply to wine removed after December 31, 2019.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed after December 31, 2017.

SEC. 13807. REDUCED RATE OF EXCISE TAX ON CERTAIN DISTILLED SPIRITS.

(a) IN GENERAL.—Section 5001 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) REDUCED RATE FOR 2018 AND 2019.—

''(1) IN GENERAL.—In the case of a distilled spirits operation, the otherwise applicable tax rate under subsection (a)(1) shall be—

''(A) $2.70 per proof gallon on the first 100,000 proof gallons of distilled spirits, and

''(B) $13.34 per proof gallon on the first 22,130,000 of proof gallons of distilled spirits to which subparagraph (A) does not apply,

which have been distilled or processed by such operation and removed during the calendar year for consumption or sale, or which have been imported by the importer into the United States during the calendar year.

''(2) CONTROLLED GROUPS.—

''(A) IN GENERAL.—In the case of a controlled group, the proof gallon quantities specified under subparagraphs (A) and (B) of paragraph (1) shall be applied to such group and apportioned among the members of such group in such manner as the Secretary or their delegate shall by regulations prescribe.

''(B) DEFINITION.—For purposes of subparagraph (A), the term 'controlled group' shall have the meaning given such term by subsection (a) of section 1563, except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in such subsection.

''(C) RULES FOR NON-CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (A) and (B) shall be applied to a group under common control where one or more of the persons is not a corporation.

''(D) SINGLE TAXPAYER.—Pursuant to rules issued by the Secretary, two or more entities (whether or not under common control) that produce distilled spirits marketed under a similar brand, license, franchise, or other arrangement shall be treated as a single taxpayer for purposes of the application of this subsection.

''(3) TERMINATION.—This subsection shall not apply to distilled spirits removed after December 31, 2019.''.

(b) CONFORMING AMENDMENT.—Section 7652(f)(2) is amended by striking ''section 5001(a)(1)'' and inserting ''subsection (a)(1) of section 5001, determined as if subsection (c)(1) of such section did not apply''.

(c) APPLICATION OF REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (c) of section 5001, as added by subsection (a), is amended—

(1) in paragraph (1), by inserting ''but only if the importer is an electing importer under paragraph (3) and the proof gallons of distilled spirits have been assigned to the importer pursuant to such paragraph'' after ''into the United States during the calendar year'', and

(2) by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

''(A) IN GENERAL.—In the case of any proof gallons of distilled spirits which have been produced outside of the United States and imported into the United States, the rate of tax applicable under paragraph (1) (referred to in this paragraph as the 'reduced tax rate') may be assigned by the distilled spirits operation (provided that such operation makes an election described in subparagraph (B)(ii)) to any electing importer of such proof gallons pursuant to the requirements established by the Secretary under subparagraph (B).

''(B) ASSIGNMENT.—The Secretary shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the reduced tax rate provided under this paragraph, which shall include—

''(i) a limitation to ensure that the number of proof gallons of distilled spirits for which the reduced tax rate has been assigned by a distilled spirits operation—

''(I) to any importer does not exceed the number of proof gallons produced by such operation during the calendar year which were imported into the United States by such importer, and

''(II) to all importers does not exceed the 22,230,000 proof gallons of distilled spirits to which the reduced tax rate applies,

''(ii) procedures that allow the election of a distilled spirits operation to assign and an importer to receive the reduced tax rate provided under this paragraph,

''(iii) requirements that the distilled spirits operation provide any information as the Secretary determines necessary and appropriate for purposes of carrying out this paragraph, and

''(iv) procedures that allow for revocation of eligibility of the distilled spirits operation and the importer for the reduced tax rate provided under this paragraph in the case of any erroneous or fraudulent information provided under clause (iii) which the Secretary deems to be material to qualifying for such reduced rate.

''(C) CONTROLLED GROUP.—

''(i) IN GENERAL.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the distilled spirits operation, as described under paragraph (2).

''(ii) APPORTIONMENT.—For purposes of this paragraph, in the case of a controlled group, rules similar to section 5051(a)(5)(B) shall apply.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distilled spirits removed after December 31, 2017.

SEC. 13808. BULK DISTILLED SPIRITS.

(a) IN GENERAL.—Section 5212 is amended by adding at the end the following sentence: ''In the case of distilled spirits transferred in bond after December 31, 2017, and before January 1, 2020, this section shall be applied without regard to whether distilled spirits are bulk distilled spirits.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply distilled spirits transferred in bond after December 31, 2017.

Subpart B—Miscellaneous Provisions

SEC. 13821. MODIFICATION OF TAX TREATMENT OF ALASKA NATIVE CORPORATIONS AND SETTLEMENT TRUSTS.

(a) EXCLUSION FOR ANCSA PAYMENTS ASSIGNED TO ALASKA NATIVE SETTLEMENT TRUSTS.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

''SEC. 139G. ASSIGNMENTS TO ALASKA NATIVE SETTLEMENT TRUSTS.

''(a) IN GENERAL.—In the case of a Native Corporation, gross income shall not include the value of any payments that would otherwise be made, or treated as being made, to such Native Corporation pursuant to, or as required by, any provision of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), including any payment that would otherwise be made to a Village Corporation pursuant to section 7(j) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(j)), provided that any such payments—

''(1) are assigned in writing to a Settlement Trust, and

''(2) were not received by such Native Corporation prior to the assignment described in paragraph (1).

''(b) INCLUSION IN GROSS INCOME.—In the case of a Settlement Trust which has been assigned payments described in subsection (a), gross income shall include such payments when received by such Settlement Trust pursuant to the assignment and shall have the same character as if such payments were received by the Native Corporation.

''(c) AMOUNT AND SCOPE OF ASSIGNMENT.—The amount and scope of any assignment under subsection (a) shall be described with reasonable particularity and may either be in a percentage of one or more such payments or in a fixed dollar amount.

''(d) DURATION OF ASSIGNMENT; REVOCABILITY.—Any assignment under subsection (a) shall specify—

''(1) a duration either in perpetuity or for a period of time, and

''(2) whether such assignment is revocable.

''(e) PROHIBITION ON DEDUCTION.—Notwithstanding section 247, no deduction shall be allowed to a Native Corporation for purposes of any amounts described in subsection (a).

''(f) DEFINITIONS.—For purposes of this section, the terms 'Native Corporation' and 'Settlement Trust' have the same meaning given such terms under section 646(h).''.

(2) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

''Sec. 139G. Assignments to Alaska Native Settlement Trusts.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2016.

(b) DEDUCTION OF CONTRIBUTIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—

(1) IN GENERAL.—Part VIII of subchapter B of chapter 1 is amended by inserting before section 248 the following new section:

''SEC. 247. CONTRIBUTIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.

''(a) IN GENERAL.—In the case of a Native Corporation, there shall be allowed a deduction for any contributions made by such Native Corporation to a Settlement Trust (regardless of whether an election under section 646 is in effect for such Settlement Trust) for which the Native Corporation has made an annual election under subsection (e).

''(b) AMOUNT OF DEDUCTION.—The amount of the deduction under subsection (a) shall be equal to—

''(1) in the case of a cash contribution (regardless of the method of payment, including currency, coins, money order, or check), the amount of such contribution, or

''(2) in the case of a contribution not described in paragraph (1), the lesser of—

''(A) the Native Corporation's adjusted basis in the property contributed, or

''(B) the fair market value of the property contributed.

''(c) LIMITATION AND CARRYOVER.—

''(1) IN GENERAL.—Subject to paragraph (2), the deduction allowed under subsection (a) for any taxable year shall not exceed the taxable income (as determined without regard to such deduction) of the Native Corporation for the taxable year in which the contribution was made.

''(2) CARRYOVER.—If the aggregate amount of contributions described in subsection (a) for any taxable year exceeds the limitation under paragraph (1), such excess shall be treated as a contribution described in subsection (a) in each of the 15 succeeding years in order of time.

''(d) DEFINITIONS.—For purposes of this section, the terms 'Native Corporation' and 'Settlement Trust' have the same meaning given such terms under section 646(h).

''(e) MANNER OF MAKING ELECTION.—

''(1) IN GENERAL.—For each taxable year, a Native Corporation may elect to have this section apply for such taxable year on the income tax return or an amendment or supplement to the return of the Native Corporation, with such election to have effect solely for such taxable year.

''(2) REVOCATION.—Any election made by a Native Corporation pursuant to this subsection may be revoked pursuant to a timely filed amendment or supplement to the income tax return of such Native Corporation.

''(f) ADDITIONAL RULES.—

''(1) EARNINGS AND PROFITS.—Notwithstanding section 646(d)(2), in the case of a Native Corporation which claims a deduction under this section for any taxable year, the earnings and profits of such Native Corporation for such taxable year shall be reduced by the amount of such deduction.

''(2) GAIN OR LOSS.—No gain or loss shall be recognized by the Native Corporation with respect to a contribution of property for which a deduction is allowed under this section.

''(3) INCOME.—Subject to subsection (g), a Settlement Trust shall include in income the amount of any deduction allowed under this section in the taxable year in which the Settlement Trust actually receives such contribution.

''(4) PERIOD.—The holding period under section 1223 of the Settlement Trust shall include the period the property was held by the Native Corporation.

''(5) BASIS.—The basis that a Settlement Trust has for which a deduction is allowed under this section shall be equal to the lesser of—

''(A) the adjusted basis of the Native Corporation in such property immediately before such contribution, or

''(B) the fair market value of the property immediately before such contribution.

''(6) PROHIBITION.—No deduction shall be allowed under this section with respect to any contributions made to a Settlement Trust which are in violation of subsection (a)(2) or (c)(2) of section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629e).

''(g) ELECTION BY SETTLEMENT TRUST TO DEFER INCOME RECOGNITION.—

''(1) IN GENERAL.—In the case of a contribution which consists of property other than cash, a Settlement Trust may elect to defer recognition of any income related to such property until the sale or exchange of such property, in whole or in part, by the Settlement Trust.

''(2) TREATMENT.—In the case of property described in paragraph (1), any income or gain realized on the sale or exchange of such property shall be treated as—

''(A) for such amount of the income or gain as is equal to or less than the amount of income which would be included in income at the time of contribution under subsection (f)(3) but for the taxpayer's election under this subsection, ordinary income, and

''(B) for any amounts of the income or gain which are in excess of the amount of income which would be included in income at the time of contribution under subsection (f)(3) but for the taxpayer's election under this subsection, having the same character as if this subsection did not apply.

''(3) ELECTION.—

''(A) IN GENERAL.—For each taxable year, a Settlement Trust may elect to apply this subsection for any property described in paragraph (1) which was contributed during such year. Any property to which the election applies shall be identified and described with reasonable particularity on the income tax return or an amendment or supplement to the return of the Settlement Trust, with such election to have effect solely for such taxable year.

''(B) REVOCATION.—Any election made by a Settlement Trust pursuant to this subsection may be revoked pursuant to a timely filed amendment or supplement to the income tax return of such Settlement Trust.

''(C) CERTAIN DISPOSITIONS.—

''(i) IN GENERAL.—In the case of any property for which an election is in effect under this subsection and which is disposed of within the first taxable year subsequent to the taxable year in which such property was contributed to the Settlement Trust—

''(I) this section shall be applied as if the election under this subsection had not been made,

''(II) any income or gain which would have been included in the year of contribution under subsection (f)(3) but for the taxpayer's election under this subsection shall be included in income for the taxable year of such contribution, and

''(III) the Settlement Trust shall pay any increase in tax resulting from such inclusion, including any applicable interest, and increased by 10 percent of the amount of such increase with interest.

''(ii) ASSESSMENT.—Notwithstanding section 6501(a), any amount described in subclause (III) of clause (i) may be assessed, or a proceeding in court with respect to such amount may be initiated without assessment, within 4 years after the date on which the return making the election under this subsection for such property was filed.''.

(2) CONFORMING AMENDMENT.—The table of sections for part VIII of subchapter B of chapter 1 is amended by inserting before the item relating to section 248 the following new item:

''Sec. 247. Contributions to Alaska Native Settlement Trusts.''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to taxable years for which the period of limitation on refund or credit under section 6511 of the Internal Revenue Code of 1986 has not expired.

(B) ONE-YEAR WAIVER OF STATUTE OF LIMITATIONS.—If the period of limitation on a credit or refund resulting from the amendments made by paragraph (1) expires before the end of the 1-year period beginning on the date of the enactment of this Act, refund or credit of such overpayment (to the extent attributable to such amendments) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 1-year period.

(c) INFORMATION REPORTING FOR DEDUCTIBLE CONTRIBUTIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—

(1) IN GENERAL.—Section 6039H is amended—

(A) in the heading, by striking ''**SPONSORING**'', and

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

''(e) DEDUCTIBLE CONTRIBUTIONS BY NATIVE CORPORATIONS TO ALASKA NATIVE SETTLEMENT TRUSTS.—

''(1) IN GENERAL.—Any Native Corporation (as defined in subsection (m) of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m))) which has made a contribution to a Settlement Trust (as defined in subsection (t) of such section) to which an election under subsection (e) of section 247 applies shall provide such Settlement Trust with a statement regarding such election not later than January 31 of the calendar year subsequent to the calendar year in which the contribution was made.

''(2) CONTENT OF STATEMENT.—The statement described in paragraph (1) shall include—

''(A) the total amount of contributions to which the election under subsection (e) of section 247 applies,

''(B) for each contribution, whether such contribution was in cash,

''(C) for each contribution which consists of property other than cash, the date that such property was acquired by the Native Corporation and the adjusted basis and fair market value of such property on the date such property was contributed to the Settlement Trust,

''(D) the date on which each contribution was made to the Settlement Trust, and

''(E) such information as the Secretary determines to be necessary or appropriate for the identification of each contribution and the accurate inclusion of income relating to such contributions by the Settlement Trust.''.

(2) CONFORMING AMENDMENT.—The item relating to section 6039H in the table of sections for subpart A of part III of subchapter A of chapter 61 is amended to read as follows:

''Sec. 6039H. Information With Respect to Alaska Native Settlement Trusts and Native Corporations.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2016.

SEC. 13822. AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.

(a) IN GENERAL.—Subsection (e) of section 4261 is amended by adding at the end the following new paragraph:

''(5) AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.—

''(A) IN GENERAL.—No tax shall be imposed by this section or section 4271 on any amounts paid by an aircraft owner for aircraft management services related to—

''(i) maintenance and support of the aircraft owner's aircraft, or

''(ii) flights on the aircraft owner's aircraft.

''(B) AIRCRAFT MANAGEMENT SERVICES.—For purposes of subparagraph (A), the term 'aircraft management services' includes—

''(i) assisting an aircraft owner with administrative and support services, such as scheduling, flight planning, and weather forecasting,

''(ii) obtaining insurance,

''(iii) maintenance, storage and fueling of aircraft,

''(iv) hiring, training, and provision of pilots and crew,

''(v) establishing and complying with safety standards, and

''(vi) such other services as are necessary to support flights operated by an aircraft owner.

''(C) LESSEE TREATED AS AIRCRAFT OWNER.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'aircraft owner' includes a person who leases the aircraft other than under a disqualified lease.

''(ii) DISQUALIFIED LEASE.—For purposes of clause (i), the term 'disqualified lease' means a lease from a person providing aircraft management services with respect to such aircraft (or a related person (within the meaning of section 465(b)(3)(C)) to the person providing such services), if such lease is for a term of 31 days or less.

''(D) PRO RATA ALLOCATION.—In the case of amounts paid to any person which (but for this subsection) are subject to the tax imposed by subsection (a), a portion of which consists of amounts described in subparagraph (A), this paragraph shall apply on a pro rata basis only to the portion which consists of amounts described in such subparagraph.''.

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

SEC. 13823. OPPORTUNITY ZONES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following:

''Subchapter Z—Opportunity Zones

''Sec. 1400Z–1. Designation.

''Sec. 1400Z–2. Special rules for capital gains invested in opportunity zones.

''SEC. 1400Z–1. DESIGNATION.

''(a) QUALIFIED OPPORTUNITY ZONE DEFINED.—For the purposes of this subchapter, the term 'qualified opportunity zone' means a population census tract that is a low-income community that is designated as a qualified opportunity zone.

''(b) DESIGNATION.—

''(1) IN GENERAL.—For purposes of subsection (a), a population census tract that is a low-income community is designated as a qualified opportunity zone if—

''(A) not later than the end of the determination period, the chief executive officer of the State in which the tract is located—

''(i) nominates the tract for designation as a qualified opportunity zone, and

''(ii) notifies the Secretary in writing of such nomination, and

''(B) the Secretary certifies such nomination and designates such tract as a qualified opportunity zone before the end of the consideration period.

''(2) EXTENSION OF PERIODS.—A chief executive officer of a State may request that the Secretary extend either the determination or consideration period, or both (determined without regard to this subparagraph), for an additional 30 days.

''(c) OTHER DEFINITIONS.—For purposes of this subsection—

''(1) LOW-INCOME COMMUNITIES.—The term 'low-income community' has the same meaning as when used in section 45D(e).

''(2) DEFINITION OF PERIODS.—

''(A) CONSIDERATION PERIOD.—The term 'consideration period' means the 30-day period beginning on the date on which the Secretary receives notice under subsection (b)(1)(A)(ii), as extended under subsection (b)(2).

''(B) DETERMINATION PERIOD.—The term 'determination period' means the 90-day period beginning on the date of the enactment of the Tax Cuts and Jobs Act, as extended under subsection (b)(2).

''(3) STATE.—For purposes of this section, the term 'State' includes any possession of the United States.

''(d) NUMBER OF DESIGNATIONS.—

''(1) IN GENERAL.—Except as provided by paragraph (2), the number of population census tracts in a State that may be designated as qualified opportunity zones under this section may not exceed 25 percent of the number of low-income communities in the State.

''(2) EXCEPTION.—If the number of low-income communities in a State is less than 100, then a total of 25 of such tracts may be designated as qualified opportunity zones.

''(e) DESIGNATION OF TRACTS CONTIGUOUS WITH LOW-INCOME COMMUNITIES.—

''(1) IN GENERAL.—A population census tract that is not a low-income community may be designated as a qualified opportunity zone under this section if—

''(A) the tract is contiguous with the low-income community that is designated as a qualified opportunity zone, and

''(B) the median family income of the tract does not exceed 125 percent of the median family income of the low-income community with which the tract is contiguous.

''(2) LIMITATION.—Not more than 5 percent of the population census tracts designated in a State as a qualified opportunity zone may be designated under paragraph (1).

''(f) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—A designation as a qualified opportunity zone shall remain in effect for the period beginning on the date of the designation and ending at the close of the 10th calendar year beginning on or after such date of designation.

''SEC. 1400Z–2. SPECIAL RULES FOR CAPITAL GAINS INVESTED IN OPPORTUNITY ZONES.

''(a) IN GENERAL.—

''(1) TREATMENT OF GAINS.—In the case of gain from the sale to, or exchange with, an unrelated person of any property held by the taxpayer, at the election of the taxpayer—

''(A) gross income for the taxable year shall not include so much of such gain as does not exceed the aggregate amount invested by the taxpayer in a qualified opportunity fund during the 180-day period beginning on the date of such sale or exchange,

''(B) the amount of gain excluded by subparagraph (A) shall be included in gross income as provided by subsection (b), and

''(C) subsection (c) shall apply.

''(2) ELECTION.—No election may be made under paragraph (1)—

''(A) with respect to a sale or exchange if an election previously made with respect to such sale or exchange is in effect, or

''(B) with respect to any sale or exchange after December 31, 2026.

''(b) DEFERRAL OF GAIN INVESTED IN OPPORTUNITY ZONE PROPERTY.—

''(1) YEAR OF INCLUSION.—Gain to which subsection (a)(1)(B) applies shall be included in income in the taxable year which includes the earlier of—

''(A) the date on which such investment is sold or exchanged, or

''(B) December 31, 2026.

''(2) AMOUNT INCLUDIBLE.—

''(A) IN GENERAL.—The amount of gain included in gross income under subsection (a)(1)(A) shall be the excess of—

''(i) the lesser of the amount of gain excluded under paragraph (1) or the fair market value of the investment as determined as of the date described in paragraph (1), over

''(ii) the taxpayer's basis in the investment.

''(B) DETERMINATION OF BASIS.—

''(i) IN GENERAL.—Except as otherwise provided in this clause or subsection (c), the taxpayer's basis in the investment shall be zero.

''(ii) INCREASE FOR GAIN RECOGNIZED UNDER SUBSECTION (a)(1)(B).—The basis in the investment shall be increased by the amount of gain recognized by reason of subsection (a)(1)(B) with respect to such property.

''(iii) INVESTMENTS HELD FOR 5 YEARS.—In the case of any investment held for at least 5 years, the basis of such investment shall be increased by an amount equal to 10 percent of the amount of gain deferred by reason of subsection (a)(1)(A).

''(iv) INVESTMENTS HELD FOR 7 YEARS.—In the case of any investment held by the taxpayer for at least 7 years, in addition to any adjustment made under clause (iii), the basis of such property shall be increased by an amount equal to 5 percent of the amount of gain deferred by reason of subsection (a)(1)(A).

''(c) SPECIAL RULE FOR INVESTMENTS HELD FOR AT LEAST 10 YEARS.—In the case of any investment held by the taxpayer for at least 10 years and with respect to which the taxpayer makes an election under this clause, the basis of such property shall be equal to the fair market value of such investment on the date that the investment is sold or exchanged.

''(d) QUALIFIED OPPORTUNITY FUND.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified opportunity fund' means any investment vehicle which is organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property (other than another qualified opportunity fund) that holds at least 90 percent of its assets in qualified opportunity zone property, determined by the average of the percentage of qualified opportunity zone property held in the fund as measured—

''(A) on the last day of the first 6-month period of the taxable year of the fund, and

''(B) on the last day of the taxable year of the fund.

''(2) QUALIFIED OPPORTUNITY ZONE PROPERTY.—

''(A) IN GENERAL.—The term 'qualified opportunity zone property' means property which is—

''(i) qualified opportunity zone stock,

''(ii) qualified opportunity zone partnership interest, or

''(iii) qualified opportunity zone business property.

''(B) QUALIFIED OPPORTUNITY ZONE STOCK.—

''(i) IN GENERAL.—Except as provided in clause (ii), the term 'qualified opportunity zone stock' means any stock in a domestic corporation if—

''(I) such stock is acquired by the qualified opportunity fund after December 31, 2017, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

''(II) as of the time such stock was issued, such corporation was a qualified opportunity zone business (or, in the case of a new corporation, such corporation was being organized for purposes of being a qualified opportunity zone business), and

''(III) during substantially all of the qualified opportunity fund's holding period for such stock, such corporation qualified as a qualified opportunity zone business.

''(ii) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(C) QUALIFIED OPPORTUNITY ZONE PARTNERSHIP INTEREST.—The term 'qualified opportunity zone partnership interest' means any capital or profits interest in a domestic partnership if—

''(i) such interest is acquired by the qualified opportunity fund after December 31, 2017, from the partnership solely in exchange for cash,

''(ii) as of the time such interest was acquired, such partnership was a qualified opportunity zone business (or, in the case of a new partnership, such partnership was being organized for purposes of being a qualified opportunity zone business), and

''(iii) during substantially all of the qualified opportunity fund's holding period for such interest, such partnership qualified as a qualified opportunity zone business.

''(D) QUALIFIED OPPORTUNITY ZONE BUSINESS PROPERTY.—

''(i) IN GENERAL.—The term 'qualified opportunity zone business property' means tangible property used in a trade or business of the qualified opportunity fund if—

''(I) such property was acquired by the qualified opportunity fund by purchase (as defined in section 179(d)(2)) after December 31, 2017,

''(II) the original use of such property in the qualified opportunity zone commences with the qualified opportunity fund or the qualified opportunity fund substantially improves the property, and

''(III) during substantially all of the qualified opportunity fund's holding period for such property, substantially all of the use of such property was in a qualified opportunity zone.

''(ii) SUBSTANTIAL IMPROVEMENT.—For purposes of subparagraph (A)(ii), property shall be treated as substantially improved by the qualified opportunity fund only if, during any 30-month period beginning after the date of acquisition of such property, additions to basis with respect to such property in the hands of the qualified opportunity fund exceed an amount equal to the adjusted basis of such property at the beginning of such 30-month period in the hands of the qualified opportunity fund.

''(iii) RELATED PARTY.—For purposes of subparagraph (A)(i), the related person rule of section 179(d)(2) shall be applied pursuant to paragraph (8) of this subsection in lieu of the application of such rule in section 179(d)(2)(A).

''(3) QUALIFIED OPPORTUNITY ZONE BUSINESS.—

''(A) IN GENERAL.—The term 'qualified opportunity zone business' means a trade or business—

''(i) in which substantially all of the tangible property owned or leased by the taxpayer is qualified opportunity zone business property (determined by substituting 'qualified opportunity zone business' for 'qualified opportunity fund' each place it appears in paragraph (2)(D)),

''(ii) which satisfies the requirements of paragraphs (2), (4), and (8) of section 1397C(b), and

''(iii) which is not described in section 144(c)(6)(B).

''(B) SPECIAL RULE.—For purposes of subparagraph (A), tangible property that ceases to be a qualified opportunity zone business property shall continue to be treated as a qualified opportunity zone business property for the lesser of—

''(i) 5 years after the date on which such tangible property ceases to be so qualified, or

''(ii) the date on which such tangible property is no longer held by the qualified opportunity zone business.

''(e) APPLICABLE RULES.—

''(1) TREATMENT OF INVESTMENTS WITH MIXED FUNDS.—In the case of any investment in a qualified opportunity fund only a portion of which consists of investments of gain to which an election under subsection (a) is in effect—

''(A) such investment shall be treated as 2 separate investments, consisting of—

''(i) one investment that only includes amounts to which the election under subsection (a) applies, and

''(ii) a separate investment consisting of other amounts, and

''(B) subsections (a), (b), and (c) shall only apply to the investment described in subparagraph (A)(i).

''(2) RELATED PERSONS.—For purposes of this section, persons are related to each other if such persons are described in section 267(b) or 707(b)(1), determined by substituting '20 percent' for '50 percent' each place it occurs in such sections.

''(3) DECEDENTS.—In the case of a decedent, amounts recognized under this section shall, if not properly includible in the gross income of the decedent, be includible in gross income as provided by section 691.

''(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including—

''(A) rules for the certification of qualified opportunity funds for the purposes of this section,

''(B) rules to ensure a qualified opportunity fund has a reasonable period of time to reinvest the return of capital from investments in qualified opportunity zone stock and qualified opportunity zone partnership interests, and to reinvest proceeds received from the sale or disposition of qualified opportunity zone property, and

''(C) rules to prevent abuse.

''(f) FAILURE OF QUALIFIED OPPORTUNITY FUND TO MAINTAIN INVESTMENT STANDARD.—

''(1) IN GENERAL.—If a qualified opportunity fund fails to meet the 90-percent requirement of subsection (c)(1), the qualified opportunity fund shall pay a penalty for each month it fails to meet the requirement in an amount equal to the product of—

''(A) the excess of—

''(i) the amount equal to 90 percent of its aggregate assets, over

''(ii) the aggregate amount of qualified opportunity zone property held by the fund, multiplied by

''(B) the underpayment rate established under section 6621(a)(2) for such month.

''(2) SPECIAL RULE FOR PARTNERSHIPS.—In the case that the qualified opportunity fund is a partnership, the penalty imposed by paragraph (1) shall be taken into account proportionately as part of the distributive share of each partner of the partnership.

''(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection with respect to any failure if it is shown that such failure is due to reasonable cause.''.

(b) BASIS ADJUSTMENTS.—Section 1016(a) is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by inserting after paragraph (37) the following:

''(38) to the extent provided in subsections (b)(2) and (c) of section 1400Z–2.''.

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''SUBCHAPTER Z. OPPORTUNITY ZONES''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle D—International Tax Provisions

PART I—OUTBOUND TRANSACTIONS

Subpart A—Establishment of Participation Exemption System for Taxation of Foreign Income

SEC. 14101. DEDUCTION FOR FOREIGN-SOURCE PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

(a) IN GENERAL.—Part VIII of subchapter B of chapter 1 is amended by inserting after section 245 the following new section:

''SEC. 245A. DEDUCTION FOR FOREIGN SOURCE-PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

''(a) IN GENERAL.—In the case of any dividend received from a specified 10-percent owned foreign corporation by a domestic corporation which is a United States shareholder with respect to such foreign corporation, there shall be

allowed as a deduction an amount equal to the foreign-source portion of such dividend.

''(b) SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION.—For purposes of this section—

''(1) IN GENERAL.—The term 'specified 10-percent owned foreign corporation' means any foreign corporation with respect to which any domestic corporation is a United States shareholder with respect to such corporation.

''(2) EXCLUSION OF PASSIVE FOREIGN INVESTMENT COMPANIES.—Such term shall not include any corporation which is a passive foreign investment company (as defined in section 1297) with respect to the shareholder and which is not a controlled foreign corporation.

''(c) FOREIGN-SOURCE PORTION.—For purposes of this section—

''(1) IN GENERAL.—The foreign-source portion of any dividend from a specified 10-percent owned foreign corporation is an amount which bears the same ratio to such dividend as—

''(A) the undistributed foreign earnings of the specified 10-percent owned foreign corporation, bears to

''(B) the total undistributed earnings of such foreign corporation.

''(2) UNDISTRIBUTED EARNINGS.—The term 'undistributed earnings' means the amount of the earnings and profits of the specified 10-percent owned foreign corporation (computed in accordance with sections 964(a) and 986)—

''(A) as of the close of the taxable year of the specified 10-percent owned foreign corporation in which the dividend is distributed, and

''(B) without diminution by reason of dividends distributed during such taxable year.

''(3) UNDISTRIBUTED FOREIGN EARNINGS.—The term 'undistributed foreign earnings' means the portion of the undistributed earnings which is attributable to neither—

''(A) income described in subparagraph (A) of section 245(a)(5), nor

''(B) dividends described in subparagraph (B) of such section (determined without regard to section 245(a)(12)).

''(d) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

''(1) IN GENERAL.—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to any dividend for which a deduction is allowed under this section.

''(2) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the taxpayer as having elected the benefits of subpart A of part III of subchapter N).

''(e) SPECIAL RULES FOR HYBRID DIVIDENDS.—

''(1) IN GENERAL.—Subsection (a) shall not apply to any dividend received by a United States shareholder from a controlled foreign corporation if the dividend is a hybrid dividend.

''(2) HYBRID DIVIDENDS OF TIERED CORPORATIONS.—If a controlled foreign corporation with respect to which a domestic corporation is a United States shareholder receives a hybrid dividend from any other controlled foreign corporation with respect to which such domestic corporation is also a United States shareholder, then, notwithstanding any other provision of this title—

''(A) the hybrid dividend shall be treated for purposes of section 951(a)(1)(A) as subpart F income of the receiving controlled foreign corporation for the taxable year of the controlled foreign corporation in which the dividend was received, and

''(B) the United States shareholder shall include in gross income an amount equal to the shareholder's pro rata share (determined in the same manner as under section 951(a)(2)) of the subpart F income described in subparagraph (A).

''(3) DENIAL OF FOREIGN TAX CREDIT, ETC.—The rules of subsection (d) shall apply to any hybrid dividend received by, or any amount included under paragraph (2) in the gross income of, a United States shareholder.

''(4) HYBRID DIVIDEND.—The term 'hybrid dividend' means an amount received from a controlled foreign corporation—

''(A) for which a deduction would be allowed under subsection (a) but for this subsection, and

''(B) for which the controlled foreign corporation received a deduction (or other tax benefit) with respect to any income, war profits, or excess profits taxes imposed by any foreign country or possession of the United States.

''(f) SPECIAL RULE FOR PURGING DISTRIBUTIONS OF PASSIVE FOREIGN INVESTMENT COMPANIES.—Any amount which is treated as a dividend under section 1291(d)(2)(B) shall not be treated as a dividend for purposes of this section.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations for the treatment of United States shareholders owning stock of a specified 10 percent owned foreign corporation through a partnership.''.

(b) APPLICATION OF HOLDING PERIOD REQUIREMENT.—Subsection (c) of section 246 is amended—

(1) by striking ''or 245'' in paragraph (1) and inserting ''245, or 245A'', and

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

''(5) SPECIAL RULES FOR FOREIGN SOURCE PORTION OF DIVIDENDS RECEIVED FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.—

''(A) 1-YEAR HOLDING PERIOD REQUIREMENT.—For purposes of section 245A—

''(i) paragraph (1)(A) shall be applied—

''(I) by substituting '365 days' for '45 days' each place it appears, and

''(II) by substituting '731-day period' for '91-day period', and

''(ii) paragraph (2) shall not apply.

''(B) STATUS MUST BE MAINTAINED DURING HOLDING PERIOD.—For purposes of applying paragraph (1) with respect to section 245A, the taxpayer shall be treated as holding the stock referred to in paragraph (1) for any period only if—

''(i) the specified 10-percent owned foreign corporation referred to in section 245A(a) is a specified 10-percent owned foreign corporation at all times during such period, and

''(ii) the taxpayer is a United States shareholder with respect to such specified 10-percent owned foreign corporation at all times during such period.''.

(c) APPLICATION OF RULES GENERALLY APPLICABLE TO DEDUCTIONS FOR DIVIDENDS RECEIVED.—

(1) TREATMENT OF DIVIDENDS FROM CERTAIN CORPORATIONS.—Paragraph (1) of section 246(a) is amended by striking ''and 245'' and inserting ''245, and 245A''.

(2) COORDINATION WITH SECTION 1059.—Subparagraph (B) of section 1059(b)(2) is amended by striking ''or 245'' and inserting ''245, or 245A''.

(d) COORDINATION WITH FOREIGN TAX CREDIT LIMITATION.—Subsection (b) of section 904 is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF DIVIDENDS FOR WHICH DEDUCTION IS ALLOWED UNDER SECTION 245A.—For purposes of subsection (a), in the case of a domestic corporation which is a United States shareholder with respect to a specified 10-percent owned foreign corporation, such shareholder's taxable income from sources without the United States (and entire taxable income) shall be determined without regard to—

''(A) the foreign-source portion of any dividend received from such foreign corporation, and

''(B) any deductions properly allocable or apportioned to—

''(i) income (other than amounts includible under section 951(a)(1) or 951A(a)) with respect to stock of such specified 10-percent owned foreign corporation, or

''(ii) such stock to the extent income with respect to such stock is other than amounts includible under section 951(a)(1) or 951A(a).

Any term which is used in section 245A and in this paragraph shall have the same meaning for purposes of this paragraph as when used in such section.''.

(e) CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 951 is amended by striking ''subpart'' and inserting ''title''.

(2) Subsection (a) of section 957 is amended by striking ''subpart'' in the matter preceding paragraph (1) and inserting ''title''.

(3) The table of sections for part VIII of subchapter B of chapter 1 is amended by inserting after the item relating to section 245 the following new item:

''Sec. 245A. Deduction for foreign source-portion of dividends received by domestic corporations from certain 10-percent owned foreign corporations.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after (and, in the case of the amendments made by subsection (d), deductions with respect to taxable years ending after) December 31, 2017.

SEC. 14102. SPECIAL RULES RELATING TO SALES OR TRANSFERS INVOLVING SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

(a) SALES BY UNITED STATES PERSONS OF STOCK.—

(1) IN GENERAL.—Section 1248 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

''(j) COORDINATION WITH DIVIDENDS RECEIVED DEDUCTION.—In the case of the sale or exchange by a domestic corporation of stock in a foreign corporation held for 1 year or more, any amount received by the domestic corporation which is treated as a dividend by reason of this section shall be treated as a dividend for purposes of applying section 245A.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to sales or exchanges after December 31, 2017.

(b) BASIS IN SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION REDUCED BY NONTAXED PORTION OF DIVIDEND FOR PURPOSES OF DETERMINING LOSS.—

(1) IN GENERAL.—Section 961 is amended by adding at the end the following new subsection:

''(d) BASIS IN SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION REDUCED BY NONTAXED PORTION OF DIVIDEND FOR PURPOSES OF DETERMINING LOSS.—If a domestic corporation received a dividend from a specified 10-percent owned foreign corporation (as defined in section 245A) in any taxable year, solely for purposes of determining loss on any disposition of stock of such foreign corporation in such taxable year or any subsequent taxable year, the basis of such domestic corporation in such stock shall be reduced (but not below zero) by the amount of any deduction allowable to such domestic corporation under section 245A with respect to such stock except to the extent such basis was reduced under section 1059 by reason of a dividend for which such a deduction was allowable.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions made after December 31, 2017.

(c) SALE BY A CFC OF A LOWER TIER CFC.—

(1) IN GENERAL.—Section 964(e) is amended by adding at the end the following new paragraph:

''(4) COORDINATION WITH DIVIDENDS RECEIVED DEDUCTION.—

''(A) IN GENERAL.—If, for any taxable year of a controlled foreign corporation beginning after December 31, 2017, any amount is treated as a dividend under paragraph (1) by reason of a sale or exchange by the controlled foreign corporation of stock in another foreign corporation held for 1 year or more, then, notwithstanding any other provision of this title—

''(i) the foreign-source portion of such dividend shall be treated for purposes of section 951(a)(1)(A) as subpart F income of the selling controlled foreign corporation for such taxable year,

''(ii) a United States shareholder with respect to the selling controlled foreign corporation shall include in gross income for the taxable year of the shareholder with or within which such taxable year of the controlled foreign corporation ends an amount equal to the shareholder's pro rata share (determined in the same manner as under section 951(a)(2)) of the amount treated as subpart F income under clause (i), and

''(iii) the deduction under section 245A(a) shall be allowable to the United States shareholder with respect to the subpart F income included in gross income under clause (ii) in the same manner as if such subpart F income were a dividend received by the shareholder from the selling controlled foreign corporation.

''(B) APPLICATION OF BASIS OR SIMILAR ADJUSTMENT.—For purposes of this title, in the case of a sale or exchange by a controlled foreign corporation of stock in another foreign corporation in a taxable year of the selling controlled foreign corporation beginning after December 31, 2017, rules similar to the rules of section 961(d) shall apply.

''(C) FOREIGN-SOURCE PORTION.—For purposes of this paragraph, the foreign-source portion of any amount treated as a dividend under paragraph (1) shall be determined in the same manner as under section 245A(c).''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to sales or exchanges after December 31, 2017.

(d) TREATMENT OF FOREIGN BRANCH LOSSES TRANSFERRED TO SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 is amended by adding at the end the following new section:

''SEC. 91. CERTAIN FOREIGN BRANCH LOSSES TRANSFERRED TO SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

''(a) IN GENERAL.—If a domestic corporation transfers substantially all of the assets of a foreign branch (within the meaning of section 367(a)(3)(C), as in effect before the date of the enactment of the Tax Cuts and Jobs Act) to a specified 10-percent owned foreign corporation (as defined in section 245A) with respect to which it is a United States shareholder after such transfer, such domestic corporation shall include in gross income for the taxable year which includes such transfer an amount equal to the transferred loss amount with respect to such transfer.

''(b) TRANSFERRED LOSS AMOUNT.—For purposes of this section, the term 'transferred loss amount' means, with respect to any transfer of substantially all of the assets of a foreign branch, the excess (if any) of—

''(1) the sum of losses—

''(A) which were incurred by the foreign branch after December 31, 2017, and before the transfer, and

''(B) with respect to which a deduction was allowed to the taxpayer, over

''(2) the sum of—

''(A) any taxable income of such branch for a taxable year after the taxable year in which the loss was incurred and through the close of the taxable year of the transfer, and

''(B) any amount which is recognized under section 904(f)(3) on account of the transfer.

''(c) REDUCTION FOR RECOGNIZED GAINS.—The transferred loss amount shall be reduced (but not below zero) by the amount of gain recognized by the taxpayer on account of the transfer (other than amounts taken into account under subsection (b)(2)(B)).

''(d) SOURCE OF INCOME.—Amounts included in gross income under this section shall be treated as derived from sources within the United States.

''(e) BASIS ADJUSTMENTS.—Consistent with such regulations or other guidance as the Secretary shall prescribe, proper adjustments shall be made in the adjusted basis of the taxpayer's stock in the specified 10-percent owned foreign corporation to which the transfer is made, and in the transferee's adjusted basis in the property transferred, to reflect amounts included in gross income under this section.''.

(2) CLERICAL AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Certain foreign branch losses transferred to specified 10-percent owned foreign corporations.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to transfers after December 31, 2017.

(4) TRANSITION RULE.—The amount of gain taken into account under section 91(c) of the Internal Revenue Code of 1986, as added by this subsection, shall be reduced by the amount of gain which would be recognized under section 367(a)(3)(C) (determined without regard to the amendments made by subsection (e)) with respect to losses incurred before January 1, 2018.

(e) REPEAL OF ACTIVE TRADE OR BUSINESS EXCEPTION UNDER SECTION 367.—

(1) IN GENERAL.—Section 367(a) is amended by striking paragraph (3) and redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively.

(2) CONFORMING AMENDMENTS.—Section 367(a)(4), as redesignated by paragraph (1), is amended—

(A) by striking ''Paragraphs (2) and (3)'' and inserting ''Paragraph (2)'', and

(B) by striking ''PARAGRAPHS (2) AND (3)'' in the heading and inserting ''PARAGRAPH (2)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to transfers after December 31, 2017.

SEC. 14103. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.

(a) IN GENERAL.—Section 965 is amended to read as follows:

''SEC. 965. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.

''(a) TREATMENT OF DEFERRED FOREIGN INCOME AS SUBPART F INCOME.—In the case of the last taxable year of a deferred foreign income corporation which begins before January 1, 2018, the subpart F income of such foreign corporation (as otherwise determined for such taxable year under section 952) shall be increased by the greater of—

''(1) the accumulated post-1986 deferred foreign income of such corporation determined as of November 2, 2017, or

''(2) the accumulated post-1986 deferred foreign income of such corporation determined as of December 31, 2017.

''(b) REDUCTION IN AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS OF SPECIFIED FOREIGN CORPORATIONS WITH DEFICITS IN EARNINGS AND PROFITS.—

''(1) IN GENERAL.—In the case of a taxpayer which is a United States shareholder with respect to at least one deferred foreign income corporation and at least one E&P deficit foreign corporation, the amount which would (but for this subsection) be taken into account under section 951(a)(1) by reason of subsection (a) as such United States shareholder's pro rata share of the subpart F income of each deferred foreign income corporation shall be reduced by the amount of such United States shareholder's aggregate foreign E&P deficit which is allocated under paragraph (2) to such deferred foreign income corporation.

''(2) ALLOCATION OF AGGREGATE FOREIGN E&P DEFICIT.—The aggregate foreign E&P deficit of any United States shareholder shall be allocated among the deferred foreign income corporations of such United States shareholder in an amount which bears the same proportion to such aggregate as—

''(A) such United States shareholder's pro rata share of the accumulated post-1986 deferred foreign income of each such deferred foreign income corporation, bears to

''(B) the aggregate of such United States shareholder's pro rata share of the accumulated post-1986 deferred foreign income of all deferred foreign income corporations of such United States shareholder.

''(3) DEFINITIONS RELATED TO E&P DEFICITS.—For purposes of this subsection—

''(A) AGGREGATE FOREIGN E&P DEFICIT.—

''(i) IN GENERAL.—The term 'aggregate foreign E&P deficit' means, with respect to any United States shareholder, the lesser of—

''(I) the aggregate of such shareholder's pro rata shares of the specified E&P deficits of the E&P deficit foreign corporations of such shareholder, or

''(II) the amount determined under paragraph (2)(B).

''(ii) ALLOCATION OF DEFICIT.—If the amount described in clause (i)(II) is less than the amount described in clause (i)(I), then the shareholder shall designate, in such form and manner as the Secretary determines—

''(I) the amount of the specified E&P deficit which is to be taken into account for each E&P deficit corporation with respect to the taxpayer, and

''(II) in the case of an E&P deficit corporation which has a qualified deficit (as defined in section 952), the portion (if any) of the deficit taken into account under subclause (I) which is attributable to a qualified deficit, including the qualified activities to which such portion is attributable.

''(B) E&P DEFICIT FOREIGN CORPORATION.—The term 'E&P deficit foreign corporation' means, with respect to any taxpayer, any specified foreign corporation with respect to which such taxpayer is a United States shareholder, if, as of November 2, 2017—

''(i) such specified foreign corporation has a deficit in post-1986 earnings and profits,

''(ii) such corporation was a specified foreign corporation, and

''(iii) such taxpayer was a United States shareholder of such corporation.

''(C) SPECIFIED E&P DEFICIT.—The term 'specified E&P deficit' means, with respect to any E&P deficit foreign corporation, the amount of the deficit referred to in subparagraph (B).

''(4) TREATMENT OF EARNINGS AND PROFITS IN FUTURE YEARS.—

''(A) REDUCED EARNINGS AND PROFITS TREATED AS PREVIOUSLY TAXED INCOME WHEN DISTRIBUTED.—For purposes of applying section 959 in any taxable year beginning with the taxable year described in subsection (a), with respect to any United States shareholder of a deferred foreign income corporation, an amount equal to such shareholder's reduction under paragraph (1) which is allocated to such deferred foreign income corporation under this subsection shall be treated as an amount which was included in the gross income of such United States shareholder under section 951(a).

''(B) E&P DEFICITS.—For purposes of this title, with respect to any taxable year beginning with the taxable year described in subsection (a), a United States shareholder's pro rata share of the earnings and profits of any E&P deficit foreign corporation under this subsection shall be increased by the amount of the specified E&P deficit of such corporation taken into account by such shareholder under paragraph (1), and, for purposes of section 952, such increase shall be attributable to the same activity to which the deficit so taken into account was attributable.

''(5) NETTING AMONG UNITED STATES SHAREHOLDERS IN SAME AFFILIATED GROUP.—

''(A) IN GENERAL.—In the case of any affiliated group which includes at least one E&P net

surplus shareholder and one E&P net deficit shareholder, the amount which would (but for this paragraph) be taken into account under section 951(a)(1) by reason of subsection (a) by each such E&P net surplus shareholder shall be reduced (but not below zero) by such shareholder's applicable share of the affiliated group's aggregate unused E&P deficit.

''(B) E&P NET SURPLUS SHAREHOLDER.—For purposes of this paragraph, the term 'E&P net surplus shareholder' means any United States shareholder which would (determined without regard to this paragraph) take into account an amount greater than zero under section 951(a)(1) by reason of subsection (a).

''(C) E&P NET DEFICIT SHAREHOLDER.—For purposes of this paragraph, the term 'E&P net deficit shareholder' means any United States shareholder if—

''(i) the aggregate foreign E&P deficit with respect to such shareholder (as defined in paragraph (3)(A) without regard to clause (i)(II) thereof), exceeds

''(ii) the amount which would (but for this subsection) be taken into account by such shareholder under section 951(a)(1) by reason of subsection (a).

''(D) AGGREGATE UNUSED E&P DEFICIT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'aggregate unused E&P deficit' means, with respect to any affiliated group, the lesser of—

''(I) the sum of the excesses described in subparagraph (C), determined with respect to each E&P net deficit shareholder in such group, or

''(II) the amount determined under subparagraph (E)(ii).

''(ii) REDUCTION WITH RESPECT TO E&P NET DEFICIT SHAREHOLDERS WHICH ARE NOT WHOLLY OWNED BY THE AFFILIATED GROUP.—If the group ownership percentage of any E&P net deficit shareholder is less than 100 percent, the amount of the excess described in subparagraph (C) which is taken into account under clause (i)(I) with respect to such E&P net deficit shareholder shall be such group ownership percentage of such amount.

''(E) APPLICABLE SHARE.—For purposes of this paragraph, the term 'applicable share' means, with respect to any E&P net surplus shareholder in any affiliated group, the amount which bears the same proportion to such group's aggregate unused E&P deficit as—

''(i) the product of—

''(I) such shareholder's group ownership percentage, multiplied by

''(II) the amount which would (but for this paragraph) be taken into account under section 951(a)(1) by reason of subsection (a) by such shareholder, bears to

''(ii) the aggregate amount determined under clause (i) with respect to all E&P net surplus shareholders in such group.

''(F) GROUP OWNERSHIP PERCENTAGE.—For purposes of this paragraph, the term 'group ownership percentage' means, with respect to any United States shareholder in any affiliated group, the percentage of the value of the stock of such United States shareholder which is held by other includible corporations in such affiliated group. Notwithstanding the preceding sentence, the group ownership percentage of the common parent of the affiliated group is 100 percent. Any term used in this subparagraph which is also used in section 1504 shall have the same meaning as when used in such section.

''(c) APPLICATION OF PARTICIPATION EXEMPTION TO INCLUDED INCOME.—

''(1) IN GENERAL.—In the case of a United States shareholder of a deferred foreign income corporation, there shall be allowed as a deduction for the taxable year in which an amount is included in the gross income of such United States shareholder under section 951(a)(1) by reason of this section an amount equal to the sum of—

''(A) the United States shareholder's 8 percent rate equivalent percentage of the excess (if any) of—

''(i) the amount so included as gross income, over

''(ii) the amount of such United States shareholder's aggregate foreign cash position, plus

''(B) the United States shareholder's 15.5 percent rate equivalent percentage of so much of the amount described in subparagraph (A)(ii) as does not exceed the amount described in subparagraph (A)(i).

''(2) 8 AND 15.5 PERCENT RATE EQUIVALENT PERCENTAGES.—For purposes of this subsection—

''(A) 8 PERCENT RATE EQUIVALENT PERCENTAGE.—The term '8 percent rate equivalent percentage' means, with respect to any United States shareholder for any taxable year, the percentage which would result in the amount to which such percentage applies being subject to a 8 percent rate of tax determined by only taking into account a deduction equal to such percentage of such amount and the highest rate of tax specified in section 11 for such taxable year. In the case of any taxable year of a United States shareholder to which section 15 applies, the highest rate of tax under section 11 before the effective date of the change in rates and the highest rate of tax under section 11 after the effective date of such change shall each be taken into account under the preceding sentence in the same proportions as the portion of such taxable year which is before and after such effective date, respectively.

''(B) 15.5 PERCENT RATE EQUIVALENT PERCENTAGE.—The term '15.5 percent rate equivalent percentage' means, with respect to any United States shareholder for any taxable year, the percentage determined under subparagraph (A) applied by substituting '15.5 percent rate of tax' for '8 percent rate of tax'.

''(3) AGGREGATE FOREIGN CASH POSITION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'aggregate foreign cash position' means, with respect to any United States shareholder, the greater of—

''(i) the aggregate of such United States shareholder's pro rata share of the cash position of each specified foreign corporation of such United States shareholder determined as of the close of the last taxable year of such specified foreign corporation which begins before January 1, 2018, or

''(ii) one half of the sum of—

''(I) the aggregate described in clause (i) determined as of the close of the last taxable year of each such specified foreign corporation which ends before November 2, 2017, plus

''(II) the aggregate described in clause (i) determined as of the close of the taxable year of each such specified foreign corporation which precedes the taxable year referred to in subclause (I).

''(B) CASH POSITION.—For purposes of this paragraph, the cash position of any specified foreign corporation is the sum of—

''(i) cash held by such foreign corporation,

''(ii) the net accounts receivable of such foreign corporation, plus

''(iii) the fair market value of the following assets held by such corporation:

''(I) Personal property which is of a type that is actively traded and for which there is an established financial market.

''(II) Commercial paper, certificates of deposit, the securities of the Federal government and of any State or foreign government.

''(III) Any foreign currency.

''(IV) Any obligation with a term of less than one year.

''(V) Any asset which the Secretary identifies as being economically equivalent to any asset described in this subparagraph.

''(C) NET ACCOUNTS RECEIVABLE.—For purposes of this paragraph, the term 'net accounts receivable' means, with respect to any specified foreign corporation, the excess (if any) of—

''(i) such corporation's accounts receivable, over

''(ii) such corporation's accounts payable (determined consistent with the rules of section 461).

''(D) PREVENTION OF DOUBLE COUNTING.—Cash positions of a specified foreign corporation described in clause (ii), (iii)(I), or (iii)(IV) of subparagraph (B) shall not be taken into account by a United States shareholder under subparagraph (A) to the extent that such United States shareholder demonstrates to the satisfaction of the Secretary that such amount is so taken into account by such United States shareholder with respect to another specified foreign corporation.

''(E) CASH POSITIONS OF CERTAIN NON-CORPORATE ENTITIES TAKEN INTO ACCOUNT.—An entity (other than a corporation) shall be treated as a specified foreign corporation of a United States shareholder for purposes of determining such United States shareholder's aggregate foreign cash position if any interest in such entity is held by a specified foreign corporation of such United States shareholder (determined after application of this subparagraph) and such entity would be a specified foreign corporation of such United States shareholder if such entity were a foreign corporation.

''(F) ANTI-ABUSE.—If the Secretary determines that a principal purpose of any transaction was to reduce the aggregate foreign cash position taken into account under this subsection, such transaction shall be disregarded for purposes of this subsection.

''(d) DEFERRED FOREIGN INCOME CORPORATION; ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—For purposes of this section—

''(1) DEFERRED FOREIGN INCOME CORPORATION.—The term 'deferred foreign income corporation' means, with respect to any United States shareholder, any specified foreign corporation of such United States shareholder which has accumulated post-1986 deferred foreign income (as of the date referred to in paragraph (1) or (2) of subsection (a)) greater than zero.

''(2) ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—The term 'accumulated post-1986 deferred foreign income' means the post-1986 earnings and profits except to the extent such earnings—

''(A) are attributable to income of the specified foreign corporation which is effectively connected with the conduct of a trade or business within the United States and subject to tax under this chapter, or

''(B) in the case of a controlled foreign corporation, if distributed, would be excluded from the gross income of a United States shareholder under section 959.

To the extent provided in regulations or other guidance prescribed by the Secretary, in the case of any controlled foreign corporation which has shareholders which are not United States shareholders, accumulated post-1986 deferred foreign income shall be appropriately reduced by amounts which would be described in subparagraph (B) if such shareholders were United States shareholders.

''(3) POST-1986 EARNINGS AND PROFITS.—The term 'post-1986 earnings and profits' means the earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 986, and by only taking into account periods when the foreign corporation was a specified foreign corporation) accumulated in taxable years beginning after December 31, 1986, and determined—

''(A) as of the date referred to in paragraph (1) or (2) of subsection (a), whichever is applicable with respect to such foreign corporation, and

''(B) without diminution by reason of dividends distributed during the taxable year described in subsection (a) other than dividends distributed to another specified foreign corporation.

''(e) SPECIFIED FOREIGN CORPORATION.—

''(1) IN GENERAL.—For purposes of this section, the term 'specified foreign corporation' means—

''(A) any controlled foreign corporation, and

''(B) any foreign corporation with respect to which one or more domestic corporations is a United States shareholder.

''(2) APPLICATION TO CERTAIN FOREIGN CORPORATIONS.—For purposes of sections 951 and 961, a foreign corporation described in paragraph (1)(B) shall be treated as a controlled foreign corporation solely for purposes of taking into account the subpart F income of such corporation under subsection (a) (and for purposes of applying subsection (f)).

''(3) EXCLUSION OF PASSIVE FOREIGN INVESTMENT COMPANIES.—Such term shall not include any corporation which is a passive foreign investment company (as defined in section 1297) with respect to the shareholder and which is not a controlled foreign corporation.

''(f) DETERMINATIONS OF PRO RATA SHARE.—

''(1) IN GENERAL.—For purposes of this section, the determination of any United States shareholder's pro rata share of any amount with respect to any specified foreign corporation shall be determined under rules similar to the rules of section 951(a)(2) by treating such amount in the same manner as subpart F income (and by treating such specified foreign corporation as a controlled foreign corporation).

''(2) SPECIAL RULES.—The portion which is included in the income of a United States shareholder under section 951(a)(1) by reason of subsection (a) which is equal to the deduction allowed under subsection (c) by reason of such inclusion—

''(A) shall be treated as income exempt from tax for purposes of sections 705(a)(1)(B) and 1367(a)(1)(A), and

''(B) shall not be treated as income exempt from tax for purposes of determining whether an adjustment shall be made to an accumulated adjustment account under section 1368(e)(1)(A).

''(g) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

''(1) IN GENERAL.—No credit shall be allowed under section 901 for the applicable percentage of any taxes paid or accrued (or treated as paid or accrued) with respect to any amount for which a deduction is allowed under this section.

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means the amount (expressed as a percentage) equal to the sum of—

''(A) 0.771 multiplied by the ratio of—

''(i) the excess to which subsection (c)(1)(A) applies, divided by

''(ii) the sum of such excess plus the amount to which subsection (c)(1)(B) applies, plus

''(B) 0.557 multiplied by the ratio of—

''(i) the amount to which subsection (c)(1)(B) applies, divided by

''(ii) the sum described in subparagraph (A)(ii).

''(3) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the taxpayer as having elected the benefits of subpart A of part III of subchapter N).

''(4) COORDINATION WITH SECTION 78.—With respect to the taxes treated as paid or accrued by a domestic corporation with respect to amounts which are includible in gross income of such domestic corporation by reason of this section, section 78 shall apply only to so much of such taxes as bears the same proportion to the amount of such taxes as—

''(A) the excess of—

''(i) the amounts which are includible in gross income of such domestic corporation by reason of this section, over

''(ii) the deduction allowable under subsection (c) with respect to such amounts, bears to

''(B) such amounts.

''(h) ELECTION TO PAY LIABILITY IN INSTALLMENTS.—

''(1) IN GENERAL.—In the case of a United States shareholder of a deferred foreign income corporation, such United States shareholder may elect to pay the net tax liability under this section in 8 installments of the following amounts:

''(A) 8 percent of the net tax liability in the case of each of the first 5 of such installments,

''(B) 15 percent of the net tax liability in the case of the 6th such installment,

''(C) 20 percent of the net tax liability in the case of the 7th such installment, and

''(D) 25 percent of the net tax liability in the case of the 8th such installment.

''(2) DATE FOR PAYMENT OF INSTALLMENTS.—If an election is made under paragraph (1), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return) for the return of tax for the taxable year described in subsection (a) and each succeeding installment shall be paid on the due date (as so determined) for the return of tax for the taxable year following the taxable year with respect to which the preceding installment was made.

''(3) ACCELERATION OF PAYMENT.—If there is an addition to tax for failure to timely pay any installment required under this subsection, a liquidation or sale of substantially all the assets of the taxpayer (including in a title 11 or similar case), a cessation of business by the taxpayer, or any similar circumstance, then the unpaid portion of all remaining installments shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed). The preceding sentence shall not apply to the sale of substantially all the assets of a taxpayer to a buyer if such buyer enters into an agreement with the Secretary under which such buyer is liable for the remaining installments due under this subsection in the same manner as if such buyer were the taxpayer.

''(4) PRORATION OF DEFICIENCY TO INSTALLMENTS.—If an election is made under paragraph (1) to pay the net tax liability under this section in installments and a deficiency has been assessed with respect to such net tax liability, the deficiency shall be prorated to the installments payable under paragraph (1). The part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

''(5) ELECTION.—Any election under paragraph (1) shall be made not later than the due date for the return of tax for the taxable year described in subsection (a) and shall be made in such manner as the Secretary shall provide.

''(6) NET TAX LIABILITY UNDER THIS SECTION.—For purposes of this subsection—

''(A) IN GENERAL.—The net tax liability under this section with respect to any United States shareholder is the excess (if any) of—

''(i) such taxpayer's net income tax for the taxable year in which an amount is included in the gross income of such United States shareholder under section 951(a)(1) by reason of this section, over

''(ii) such taxpayer's net income tax for such taxable year determined—

''(I) without regard to this section, and

''(II) without regard to any income or deduction properly attributable to a dividend received by such United States shareholder from any deferred foreign income corporation.

''(B) NET INCOME TAX.—The term 'net income tax' means the regular tax liability reduced by the credits allowed under subparts A, B, and D of part IV of subchapter A.

''(i) SPECIAL RULES FOR S CORPORATION SHAREHOLDERS.—

''(1) IN GENERAL.—In the case of any S corporation which is a United States shareholder of a deferred foreign income corporation, each shareholder of such S corporation may elect to defer payment of such shareholder's net tax liability under this section with respect to such S corporation until the shareholder's taxable year which includes the triggering event with respect to such liability. Any net tax liability payment of which is deferred under the preceding sentence shall be assessed on the return of tax as an addition to tax in the shareholder's taxable year which includes such triggering event.

''(2) TRIGGERING EVENT.—

''(A) IN GENERAL.—In the case of any shareholder's net tax liability under this section with respect to any S corporation, the triggering event with respect to such liability is whichever of the following occurs first:

''(i) Such corporation ceases to be an S corporation (determined as of the first day of the first taxable year that such corporation is not an S corporation).

''(ii) A liquidation or sale of substantially all the assets of such S corporation (including in a title 11 or similar case), a cessation of business by such S corporation, such S corporation ceases to exist, or any similar circumstance.

''(iii) A transfer of any share of stock in such S corporation by the taxpayer (including by reason of death, or otherwise).

''(B) PARTIAL TRANSFERS OF STOCK.—In the case of a transfer of less than all of the taxpayer's shares of stock in the S corporation, such transfer shall only be a triggering event with respect to so much of the taxpayer's net tax liability under this section with respect to such S corporation as is properly allocable to such stock.

''(C) TRANSFER OF LIABILITY.—A transfer described in clause (iii) of subparagraph (A) shall not be treated as a triggering event if the transferee enters into an agreement with the Secretary under which such transferee is liable for net tax liability with respect to such stock in the same manner as if such transferee were the taxpayer.

''(3) NET TAX LIABILITY.—A shareholder's net tax liability under this section with respect to any S corporation is the net tax liability under this section which would be determined under subsection (h)(6) if the only subpart F income taken into account by such shareholder by reason of this section were allocations from such S corporation.

''(4) ELECTION TO PAY DEFERRED LIABILITY IN INSTALLMENTS.—In the case of a taxpayer which elects to defer payment under paragraph (1)—

''(A) subsection (h) shall be applied separately with respect to the liability to which such election applies,

''(B) an election under subsection (h) with respect to such liability shall be treated as timely made if made not later than the due date for the return of tax for the taxable year in which the triggering event with respect to such liability occurs,

''(C) the first installment under subsection (h) with respect to such liability shall be paid not later than such due date (but determined without regard to any extension of time for filing the return), and

''(D) if the triggering event with respect to any net tax liability is described in paragraph (2)(A)(ii), an election under subsection (h) with respect to such liability may be made only with the consent of the Secretary.

''(5) JOINT AND SEVERAL LIABILITY OF S CORPORATION.—If any shareholder of an S corporation elects to defer payment under paragraph (1), such S corporation shall be jointly and severally liable for such payment and any penalty, addition to tax, or additional amount attributable thereto.

''(6) EXTENSION OF LIMITATION ON COLLECTION.—Any limitation on the time period for the collection of a liability deferred under this subsection shall not be treated as beginning before the date of the triggering event with respect to such liability.

''(7) ANNUAL REPORTING OF NET TAX LIABILITY.—

''(A) IN GENERAL.—Any shareholder of an S corporation which makes an election under paragraph (1) shall report the amount of such shareholder's deferred net tax liability on such shareholder's return of tax for the taxable year for which such election is made and on the return of tax for each taxable year thereafter until such amount has been fully assessed on such returns.

''(B) DEFERRED NET TAX LIABILITY.—For purposes of this paragraph, the term 'deferred net tax liability' means, with respect to any taxable year, the amount of net tax liability payment of which has been deferred under paragraph (1) and which has not been assessed on a return of tax for any prior taxable year.

''(C) FAILURE TO REPORT.—In the case of any failure to report any amount required to be reported under subparagraph (A) with respect to any taxable year before the due date for the return of tax for such taxable year, there shall be assessed on such return as an addition to tax 5 percent of such amount.

''(8) ELECTION.—Any election under paragraph (1)—

''(A) shall be made by the shareholder of the S corporation not later than the due date for such shareholder's return of tax for the taxable year which includes the close of the taxable year of such S corporation in which the amount described in subsection (a) is taken into account, and

''(B) shall be made in such manner as the Secretary shall provide.

''(j) REPORTING BY S CORPORATION.—Each S corporation which is a United States shareholder of a specified foreign corporation shall report in its return of tax under section 6037(a) the amount includible in its gross income for such taxable year by reason of this section and the amount of the deduction allowable by subsection (c). Any copy provided to a shareholder under section 6037(b) shall include a statement of such shareholder's pro rata share of such amounts.

''(k) EXTENSION OF LIMITATION ON ASSESSMENT.—Notwithstanding section 6501, the limitation on the time period for the assessment of the net tax liability under this section (as defined in subsection (h)(6)) shall not expire before the date that is 6 years after the return for the taxable year described in such subsection was filed.

''(l) RECAPTURE FOR EXPATRIATED ENTITIES.—

''(1) IN GENERAL.—If a deduction is allowed under subsection (c) to a United States shareholder and such shareholder first becomes an expatriated entity at any time during the 10-year period beginning on the date of the enactment of the Tax Cuts and Jobs Act (with respect to a surrogate foreign corporation which first becomes a surrogate foreign corporation during such period), then—

''(A) the tax imposed by this chapter shall be increased for the first taxable year in which such taxpayer becomes an expatriated entity by an amount equal to 35 percent of the amount of the deduction allowed under subsection (c), and

''(B) no credits shall be allowed against the increase in tax under subparagraph (A).

''(2) EXPATRIATED ENTITY.—For purposes of this subsection, the term 'expatriated entity' has the same meaning given such term under section 7874(a)(2), except that such term shall not include an entity if the surrogate foreign corporation with respect to the entity is treated as a domestic corporation under section 7874(b).

''(3) SURROGATE FOREIGN CORPORATION.—For purposes of this subsection, the term 'surrogate foreign corporation' has the meaning given such term in section 7874(a)(2)(B).

''(m) SPECIAL RULES FOR UNITED STATES SHAREHOLDERS WHICH ARE REAL ESTATE INVESTMENT TRUSTS.—

''(1) IN GENERAL.—If a real estate investment trust is a United States shareholder in 1 or more deferred foreign income corporations—

''(A) any amount required to be taken into account under section 951(a)(1) by reason of this section shall not be taken into account as gross income of the real estate investment trust for purposes of applying paragraphs (2) and (3) of section 856(c) to any taxable year for which such amount is taken into account under section 951(a)(1), and

''(B) if the real estate investment trust elects the application of this subparagraph, notwithstanding subsection (a), any amount required to be taken into account under section 951(a)(1) by reason of this section shall, in lieu of the taxable year in which it would otherwise be included in gross income (for purposes of the computation of real estate investment trust taxable income under section 857(b)), be included in gross income as follows:

''(i) 8 percent of such amount in the case of each of the taxable years in the 5-taxable year period beginning with the taxable year in which such amount would otherwise be included.

''(ii) 15 percent of such amount in the case of the 1st taxable year following such period.

''(iii) 20 percent of such amount in the case of the 2nd taxable year following such period.

''(iv) 25 percent of such amount in the case of the 3rd taxable year following such period.

''(2) RULES FOR TRUSTS ELECTING DEFERRED INCLUSION.—

''(A) ELECTION.—Any election under paragraph (1)(B) shall be made not later than the due date for the first taxable year in the 5-taxable year period described in clause (i) of paragraph (1)(B) and shall be made in such manner as the Secretary shall provide.

''(B) SPECIAL RULES.—If an election under paragraph (1)(B) is in effect with respect to any real estate investment trust, the following rules shall apply:

''(i) APPLICATION OF PARTICIPATION EXEMPTION.—For purposes of subsection (c)(1)—

''(I) the aggregate amount to which subparagraph (A) or (B) of subsection (c)(1) applies shall be determined without regard to the election,

''(II) each such aggregate amount shall be allocated to each taxable year described in paragraph (1)(B) in the same proportion as the amount included in the gross income of such United States shareholder under section 951(a)(1) by reason of this section is allocated to each such taxable year.

''(III) NO INSTALLMENT PAYMENTS.—The real estate investment trust may not make an election under subsection (g) for any taxable year described in paragraph (1)(B).

''(ii) ACCELERATION OF INCLUSION.—If there is a liquidation or sale of substantially all the assets of the real estate investment trust (including in a title 11 or similar case), a cessation of business by such trust, or any similar circumstance, then any amount not yet included in gross income under paragraph (1)(B) shall be included in gross income as of the day before the date of the event and the unpaid portion of any tax liability with respect to such inclusion shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed).

''(n) ELECTION NOT TO APPLY NET OPERATING LOSS DEDUCTION.—

''(1) IN GENERAL.—If a United States shareholder of a deferred foreign income corporation elects the application of this subsection for the taxable year described in subsection (a), then the amount described in paragraph (2) shall not be taken into account—

''(A) in determining the amount of the net operating loss deduction under section 172 of such shareholder for such taxable year, or

''(B) in determining the amount of taxable income for such taxable year which may be reduced by net operating loss carryovers or carrybacks to such taxable year under section 172.

''(2) AMOUNT DESCRIBED.—The amount described in this paragraph is the sum of—

''(A) the amount required to be taken into account under section 951(a)(1) by reason of this section (determined after the application of subsection (c)), plus

''(B) in the case of a domestic corporation which chooses to have the benefits of subpart A of part III of subchapter N for the taxable year, the taxes deemed to be paid by such corporation under subsections (a) and (b) of section 960 for such taxable year with respect to the amount described in subparagraph (A) which are treated as a dividends under section 78.

''(3) ELECTION.—Any election under this subsection shall be made not later than the due date (including extensions) for filing the return of tax for the taxable year and shall be made in such manner as the Secretary shall prescribe.

''(o) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including—

''(1) regulations or other guidance to provide appropriate basis adjustments, and

''(2) regulations or other guidance to prevent the avoidance of the purposes of this section, including through a reduction in earnings and profits, through changes in entity classification or accounting methods, or otherwise.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 965 and inserting the following:

''Sec. 965. Treatment of deferred foreign income upon transition to participation exemption system of taxation.''.

Subpart B—Rules Related to Passive and Mobile Income

CHAPTER 1—TAXATION OF FOREIGN-DERIVED INTANGIBLE INCOME AND GLOBAL INTANGIBLE LOW-TAXED INCOME

SEC. 14201. CURRENT YEAR INCLUSION OF GLOBAL INTANGIBLE LOW-TAXED INCOME BY UNITED STATES SHAREHOLDERS.

(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 951 the following new section:

''SEC. 951A. GLOBAL INTANGIBLE LOW-TAXED INCOME INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

''(a) IN GENERAL.—Each person who is a United States shareholder of any controlled foreign corporation for any taxable year of such United States shareholder shall include in gross income such shareholder's global intangible low-taxed income for such taxable year.

''(b) GLOBAL INTANGIBLE LOW-TAXED INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'global intangible low-taxed income' means, with respect to any United States shareholder for any taxable year of such United States shareholder, the excess (if any) of—

''(A) such shareholder's net CFC tested income for such taxable year, over

''(B) such shareholder's net deemed tangible income return for such taxable year.

''(2) NET DEEMED TANGIBLE INCOME RETURN.—The term 'net deemed tangible income return' means, with respect to any United States shareholder for any taxable year, the excess of—

''(A) 10 percent of the aggregate of such shareholder's pro rata share of the qualified business asset investment of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year (determined for each taxable year of each such controlled foreign corporation which ends in or with such taxable year of such United States shareholder), over

''(B) the amount of interest expense taken into account under subsection (c)(2)(A)(ii) in determining the shareholder's net CFC tested income for the taxable year to the extent the interest income attributable to such expense is not taken into account in determining such shareholder's net CFC tested income.

''(c) NET CFC TESTED INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'net CFC tested income' means, with respect to any United

States shareholder for any taxable year of such United States shareholder, the excess (if any) of—

''(A) the aggregate of such shareholder's pro rata share of the tested income of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder (determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder), over

''(B) the aggregate of such shareholder's pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder (determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder).

''(2) TESTED INCOME; TESTED LOSS.—For purposes of this section—

''(A) TESTED INCOME.—The term 'tested income' means, with respect to any controlled foreign corporation for any taxable year of such controlled foreign corporation, the excess (if any) of—

''(i) the gross income of such corporation determined without regard to—

''(I) any item of income described in section 952(b),

''(II) any gross income taken into account in determining the subpart F income of such corporation,

''(III) any gross income excluded from the foreign base company income (as defined in section 954) and the insurance income (as defined in section 953) of such corporation by reason of section 954(b)(4),

''(IV) any dividend received from a related person (as defined in section 954(d)(3)), and

''(V) any foreign oil and gas extraction income (as defined in section 907(c)(1)) of such corporation, over

''(ii) the deductions (including taxes) properly allocable to such gross income under rules similar to the rules of section 954(b)(5) (or to which such deductions would be allocable if there were such gross income).

''(B) TESTED LOSS.—

''(i) IN GENERAL.—The term 'tested loss' means, with respect to any controlled foreign corporation for any taxable year of such controlled foreign corporation, the excess (if any) of the amount described in subparagraph (A)(ii) over the amount described in subparagraph (A)(i).

''(ii) COORDINATION WITH SUBPART F TO DENY DOUBLE BENEFIT OF LOSSES.—Section 952(c)(1)(A) shall be applied by increasing the earnings and profits of the controlled foreign corporation by the tested loss of such corporation.

''(d) QUALIFIED BUSINESS ASSET INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified business asset investment' means, with respect to any controlled foreign corporation for any taxable year, the average of such corporation's aggregate adjusted bases as of the close of each quarter of such taxable year in specified tangible property—

''(A) used in a trade or business of the corporation, and

''(B) of a type with respect to which a deduction is allowable under section 167.

''(2) SPECIFIED TANGIBLE PROPERTY.—

''(A) IN GENERAL.—The term 'specified tangible property' means, except as provided in subparagraph (B), any tangible property used in the production of tested income.

''(B) DUAL USE PROPERTY.—In the case of property used both in the production of tested income and income which is not tested income, such property shall be treated as specified tangible property in the same proportion that the gross income described in subsection (c)(1)(A) produced with respect to such property bears to the total gross income produced with respect to such property.

''(3) DETERMINATION OF ADJUSTED BASIS.—For purposes of this subsection, notwithstanding any provision of this title (or any other provision of law) which is enacted after the date of the enactment of this section, the adjusted basis in any property shall be determined—

''(A) by using the alternative depreciation system under section 168(g), and

''(B) by allocating the depreciation deduction with respect to such property ratably to each day during the period in the taxable year to which such depreciation relates.

''(3) PARTNERSHIP PROPERTY.—For purposes of this subsection, if a controlled foreign corporation holds an interest in a partnership at the close of such taxable year of the controlled foreign corporation, such controlled foreign corporation shall take into account under paragraph (1) the controlled foreign corporation's distributive share of the aggregate of the partnership's adjusted bases (determined as of such date in the hands of the partnership) in tangible property held by such partnership to the extent such property—

''(A) is used in the trade or business of the partnership,

''(B) is of a type with respect to which a deduction is allowable under section 167, and

''(C) is used in the production of tested income (determined with respect to such controlled foreign corporation's distributive share of income with respect to such property).

For purposes of this paragraph, the controlled foreign corporation's distributive share of the adjusted basis of any property shall be the controlled foreign corporation's distributive share of income with respect to such property.

''(4) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines appropriate to prevent the avoidance of the purposes of this subsection, including regulations or other guidance which provide for the treatment of property if—

''(A) such property is transferred, or held, temporarily, or

''(B) the avoidance of the purposes of this paragraph is a factor in the transfer or holding of such property.

''(e) DETERMINATION OF PRO RATA SHARE, ETC.—For purposes of this section—

''(1) IN GENERAL.—The pro rata shares referred to in subsections (b), (c)(1)(A), and (c)(1)(B), respectively, shall be determined under the rules of section 951(a)(2) in the same manner as such section applies to subpart F income and shall be taken into account in the taxable year of the United States shareholder in which or with which the taxable year of the controlled foreign corporation ends.

''(2) TREATMENT AS UNITED STATES SHAREHOLDER.—A person shall be treated as a United States shareholder of a controlled foreign corporation for any taxable year of such person only if such person owns (within the meaning of section 958(a)) stock in such foreign corporation on the last day in the taxable year of such foreign corporation on which such foreign corporation is a controlled foreign corporation.

''(3) TREATMENT AS CONTROLLED FOREIGN CORPORATION.—A foreign corporation shall be treated as a controlled foreign corporation for any taxable year if such foreign corporation is a controlled foreign corporation at any time during such taxable year.

''(f) TREATMENT AS SUBPART F INCOME FOR CERTAIN PURPOSES.—

''(1) IN GENERAL.—

''(A) APPLICATION.—Except as provided in subparagraph (B), any global intangible low-taxed income included in gross income under subsection (a) shall be treated in the same manner as an amount included under section 951(a)(1)(A) for purposes of applying sections 168(h)(2)(B), 535(b)(10), 851(b), 904(h)(1), 959, 961, 962, 993(a)(1)(E), 996(f)(1), 1248(b)(1), 1248(d)(1), 6501(e)(1)(C), 6654(d)(2)(D), and 6655(e)(4).

''(B) EXCEPTION.—The Secretary shall provide rules for the application of subparagraph (A) to other provisions of this title in any case in which the determination of subpart F income is required to be made at the level of the controlled foreign corporation.

''(2) ALLOCATION OF GLOBAL INTANGIBLE LOW-TAXED INCOME TO CONTROLLED FOREIGN CORPORATIONS.—For purposes of the sections referred to in paragraph (1), with respect to any controlled foreign corporation any pro rata amount from which is taken into account in determining the global intangible low-taxed income included in gross income of a United States shareholder under subsection (a), the portion of such global intangible low-taxed income which is treated as being with respect to such controlled foreign corporation is—

''(A) in the case of a controlled foreign corporation with no tested income, zero, and

''(B) in the case of a controlled foreign corporation with tested income, the portion of such global intangible low-taxed income which bears the same ratio to such global intangible low-taxed income as—

''(i) such United States shareholder's pro rata amount of the tested income of such controlled foreign corporation, bears to

''(ii) the aggregate amount described in subsection (c)(1)(A) with respect to such United States shareholder.''.

(b) FOREIGN TAX CREDIT.—

(1) APPLICATION OF DEEMED PAID FOREIGN TAX CREDIT.—Section 960 is amended adding at the end the following new subsection:

''(d) DEEMED PAID CREDIT FOR TAXES PROPERLY ATTRIBUTABLE TO TESTED INCOME.—

''(1) IN GENERAL.—For purposes of subpart A of this part, if any amount is includible in the gross income of a domestic corporation under section 951A, such domestic corporation shall be deemed to have paid foreign income taxes equal to 80 percent of the product of—

''(A) such domestic corporation's inclusion percentage, multiplied by

''(B) the aggregate tested foreign income taxes paid or accrued by controlled foreign corporations.

''(2) INCLUSION PERCENTAGE.—For purposes of paragraph (1), the term 'inclusion percentage' means, with respect to any domestic corporation, the ratio (expressed as a percentage) of—

''(A) such corporation's global intangible low-taxed income (as defined in section 951A(b)), divided by

''(B) the aggregate amount described in section 951A(c)(1)(A) with respect to such corporation.

''(3) TESTED FOREIGN INCOME TAXES.—For purposes of paragraph (1), the term 'tested foreign income taxes' means, with respect to any domestic corporation which is a United States shareholder of a controlled foreign corporation, the foreign income taxes paid or accrued by such foreign corporation which are properly attributable to the tested income of such foreign corporation taken into account by such domestic corporation under section 951A.''.

(2) APPLICATION OF FOREIGN TAX CREDIT LIMITATION.—

(A) SEPARATE BASKET FOR GLOBAL INTANGIBLE LOW-TAXED INCOME.—Section 904(d)(1) is amended by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively, and by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

''(A) any amount includible in gross income under section 951A (other than passive category income),''.

(B) EXCLUSION FROM GENERAL CATEGORY INCOME.—Section 904(d)(2)(A)(ii) is amended by inserting ''income described in paragraph (1)(A) and'' before ''passive category income''.

(C) NO CARRYOVER OR CARRYBACK OF EXCESS TAXES.—Section 904(c) is amended by adding at

the end the following: ''This subsection shall not apply to taxes paid or accrued with respect to amounts described in subsection (d)(1)(A).''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by inserting after the item relating to section 951 the following new item:

''Sec. 951A. Global intangible low-taxed income included in gross income of United States shareholders.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14202. DEDUCTION FOR FOREIGN-DERIVED INTANGIBLE INCOME AND GLOBAL INTANGIBLE LOW-TAXED INCOME.

(a) IN GENERAL.—Part VIII of subchapter B of chapter 1 is amended by adding at the end the following new section:

''SEC. 250. FOREIGN-DERIVED INTANGIBLE INCOME AND GLOBAL INTANGIBLE LOW-TAXED INCOME.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—In the case of a domestic corporation for any taxable year, there shall be allowed as a deduction an amount equal to the sum of—

''(A) 37.5 percent of the foreign-derived intangible income of such domestic corporation for such taxable year, plus

''(B) 50 percent of—

''(i) the global intangible low-taxed income amount (if any) which is included in the gross income of such domestic corporation under section 951A for such taxable year, and

''(ii) the amount treated as a dividend received by such corporation under section 78 which is attributable to the amount described in clause (i).

''(2) LIMITATION BASED ON TAXABLE INCOME.—

''(A) IN GENERAL.—If, for any taxable year—

''(i) the sum of the foreign-derived intangible income and the global intangible low-taxed income amount otherwise taken into account by the domestic corporation under paragraph (1), exceeds

''(ii) the taxable income of the domestic corporation (determined without regard to this section),

then the amount of the foreign-derived intangible income and the global intangible low-taxed income amount so taken into account shall be reduced as provided in subparagraph (B).

''(B) REDUCTION.—For purposes of subparagraph (A)—

''(i) foreign-derived intangible income shall be reduced by an amount which bears the same ratio to the excess described in subparagraph (A) as such foreign-derived intangible income bears to the sum described in subparagraph (A)(i), and

''(ii) the global intangible low-taxed income amount shall be reduced by the remainder of such excess.

''(3) REDUCTION IN DEDUCTION FOR TAXABLE YEARS AFTER 2025.—In the case of any taxable year beginning after December 31, 2025, paragraph (1) shall be applied by substituting—

''(A) '21.875 percent' for '37.5 percent' in subparagraph (A), and

''(B) '37.5 percent' for '50 percent' in subparagraph (B).

''(b) FOREIGN-DERIVED INTANGIBLE INCOME.—For purposes of this section—

''(1) IN GENERAL.—The foreign-derived intangible income of any domestic corporation is the amount which bears the same ratio to the deemed intangible income of such corporation as—

''(A) the foreign-derived deduction eligible income of such corporation, bears to

''(B) the deduction eligible income of such corporation.

''(2) DEEMED INTANGIBLE INCOME.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'deemed intangible income' means the excess (if any) of—

''(i) the deduction eligible income of the domestic corporation, over

''(ii) the deemed tangible income return of the corporation.

''(B) DEEMED TANGIBLE INCOME RETURN.—The term 'deemed tangible income return' means, with respect to any corporation, an amount equal to 10 percent of the corporation's qualified business asset investment (as defined in section 951A(d), determined by substituting 'deduction eligible income' for 'tested income' in paragraph (2) thereof and without regard to whether the corporation is a controlled foreign corporation).

''(3) DEDUCTION ELIGIBLE INCOME.—

''(A) IN GENERAL.—The term 'deduction eligible income' means, with respect to any domestic corporation, the excess (if any) of—

''(i) gross income of such corporation determined without regard to—

''(I) any amount included in the gross income of such corporation under section 951(a)(1),

''(II) the global intangible low-taxed income included in the gross income of such corporation under section 951A,

''(III) any financial services income (as defined in section 904(d)(2)(D)) of such corporation,

''(IV) any dividend received from a corporation which is a controlled foreign corporation of such domestic corporation,

''(V) any domestic oil and gas extraction income of such corporation, and

''(VI) any foreign branch income (as defined in section 904(d)(2)(J)), over

''(ii) the deductions (including taxes) properly allocable to such gross income.

''(B) DOMESTIC OIL AND GAS EXTRACTION INCOME.—For purposes of subparagraph (A), the term 'domestic oil and gas extraction income' means income described in section 907(c)(1), determined by substituting 'within the United States' for 'without the United States'.

''(4) FOREIGN-DERIVED DEDUCTION ELIGIBLE INCOME.—The term 'foreign-derived deduction eligible income' means, with respect to any taxpayer for any taxable year, any deduction eligible income of such taxpayer which is derived in connection with—

''(A) property—

''(i) which is sold by the taxpayer to any person who is not a United States person, and

''(ii) which the taxpayer establishes to the satisfaction of the Secretary is for a foreign use, or

''(B) services provided by the taxpayer which the taxpayer establishes to the satisfaction of the Secretary are provided to any person, or with respect to property, not located within the United States.

''(5) RULES RELATING TO FOREIGN USE PROPERTY OR SERVICES.—For purposes of this subsection—

''(A) FOREIGN USE.—The term 'foreign use' means any use, consumption, or disposition which is not within the United States.

''(B) PROPERTY OR SERVICES PROVIDED TO DOMESTIC INTERMEDIARIES.—

''(i) PROPERTY.—If a taxpayer sells property to another person (other than a related party) for further manufacture or other modification within the United States, such property shall not be treated as sold for a foreign use even if such other person subsequently uses such property for a foreign use.

''(ii) SERVICES.—If a taxpayer provides services to another person (other than a related party) located within the United States, such services shall not be treated as described in paragraph (4)(B) even if such other person uses such services in providing services which are so described.

''(C) SPECIAL RULES WITH RESPECT TO RELATED PARTY TRANSACTIONS.—

''(i) SALES TO RELATED PARTIES.—If property is sold to a related party who is not a United States person, such sale shall not be treated as for a foreign use unless—

''(I) such property is ultimately sold by a related party, or used by a related party in connection with property which is sold or the provision of services, to another person who is an unrelated party who is not a United States person, and

''(II) the taxpayer establishes to the satisfaction of the Secretary that such property is for a foreign use.

For purposes of this clause, a sale of property shall be treated as a sale of each of the components thereof.

''(ii) SERVICE PROVIDED TO RELATED PARTIES.—If a service is provided to a related party who is not located in the United States, such service shall not be treated described in subparagraph (A)(ii) unless the taxpayer established to the satisfaction of the Secretary that such service is not substantially similar to services provided by such related party to persons located within the United States.

''(D) RELATED PARTY.—For purposes of this paragraph, the term 'related party' means any member of an affiliated group as defined in section 1504(a), determined—

''(i) by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears, and

''(ii) without regard to paragraphs (2) and (3) of section 1504(b).

Any person (other than a corporation) shall be treated as a member of such group if such person is controlled by members of such group (including any entity treated as a member of such group by reason of this sentence) or controls any such member. For purposes of the preceding sentence, control shall be determined under the rules of section 954(d)(3).

''(E) SOLD.—For purposes of this subsection, the terms 'sold', 'sells', and 'sale' shall include any lease, license, exchange, or other disposition.

''(c) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 172(d), as amended by this Act, is amended by adding at the end the following new paragraph:

''(9) DEDUCTION FOR FOREIGN-DERIVED INTANGIBLE INCOME.—The deduction under section 250 shall not be allowed.''.

(2) Section 246(b)(1) is amended—

(A) by striking ''and subsection (a) and (b) of section 245'' the first place it appears and inserting '', subsection (a) and (b) of section 245, and section 250'',

(B) by striking ''and subsection (a) and (b) of section 245'' the second place it appears and inserting ''subsection (a) and (b) of section 245, and 250''.

(3) Section 469(i)(3)(F)(iii) is amended by striking ''and 222'' and inserting ''222, and 250''.

(4) The table of sections for part VIII of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 250. Foreign-derived intangible income and global intangible low-taxed income.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

CHAPTER 2—OTHER MODIFICATIONS OF SUBPART F PROVISIONS

SEC. 14211. ELIMINATION OF INCLUSION OF FOREIGN BASE COMPANY OIL RELATED INCOME.

(a) REPEAL.—Subsection (a) of section 954 is amended—

(1) by inserting ''and'' at the end of paragraph (2),

(2) by striking the comma at the end of paragraph (3) and inserting a period, and

(3) by striking paragraph (5).

(b) CONFORMING AMENDMENTS.—

(1) Section 952(c)(1)(B)(iii) is amended by striking subclause (I) and redesignating subclauses (II) through (V) as subclauses (I) through (IV), respectively.

(2) Section 954(b) is amended—

(A) by striking the second sentence of paragraph (4),

(B) by striking ''the foreign base company services income, and the foreign base company oil related income'' in paragraph (5) and inserting ''and the foreign base company services income'', and

(C) by striking paragraph (6).

(3) Section 954 is amended by striking subsection (g).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 14212. REPEAL OF INCLUSION BASED ON WITHDRAWAL OF PREVIOUSLY EXCLUDED SUBPART F INCOME FROM QUALIFIED INVESTMENT.

(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 is amended by striking section 955.

(b) CONFORMING AMENDMENTS.—

(1)(A) Section 951(a)(1)(A) is amended to read as follows:

''(A) his pro rata share (determined under paragraph (2)) of the corporation's subpart F income for such year, and''.

(B) Section 851(b) is amended by striking ''section 951(a)(1)(A)(i)'' in the flush language at the end and inserting ''section 951(a)(1)(A)''.

(C) Section 952(c)(1)(B)(i) is amended by striking ''section 951(a)(1)(A)(i)'' and inserting ''section 951(a)(1)(A)''.

(D) Section 953(c)(1)(C) is amended by striking ''section 951(a)(1)(A)(i)'' and inserting ''section 951(a)(1)(A)''.

(2) Section 951(a) is amended by striking paragraph (3).

(3) Section 953(d)(4)(B)(iv)(II) is amended by striking ''or amounts referred to in clause (ii) or (iii) of section 951(a)(1)(A)''.

(4) Section 964(b) is amended by striking '', 955,''.

(5) Section 970 is amended by striking subsection (b).

(6) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 955.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14213. MODIFICATION OF STOCK ATTRIBUTION RULES FOR DETERMINING STATUS AS A CONTROLLED FOREIGN CORPORATION.

(a) IN GENERAL.—Section 958(b) is amended—

(1) by striking paragraph (4), and

(2) by striking ''Paragraphs (1) and (4)'' in the last sentence and inserting ''Paragraph (1)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) the last taxable year of foreign corporations beginning before January 1, 2018, and each subsequent taxable year of such foreign corporations, and

(2) taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14214. MODIFICATION OF DEFINITION OF UNITED STATES SHAREHOLDER.

(a) IN GENERAL.—Section 951(b) is amended by inserting '', or 10 percent or more of the total value of shares of all classes of stock of such foreign corporation'' after ''such foreign corporation''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 14215. ELIMINATION OF REQUIREMENT THAT CORPORATION MUST BE CONTROLLED FOR 30 DAYS BEFORE SUBPART F INCLUSIONS APPLY.

(a) IN GENERAL.—Section 951(a)(1) is amended by striking ''for an uninterrupted period of 30 days or more'' and inserting ''at any time''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

CHAPTER 3—PREVENTION OF BASE EROSION

SEC. 14221. LIMITATIONS ON INCOME SHIFTING THROUGH INTANGIBLE PROPERTY TRANSFERS.

(a) DEFINITION OF INTANGIBLE ASSET.—Section 936(h)(3)(B) is amended—

(1) by striking ''or'' at the end of clause (v),

(2) by striking clause (vi) and inserting the following:

''(vi) any goodwill, going concern value, or workforce in place (including its composition and terms and conditions (contractual or otherwise) of its employment); or

''(vii) any other item the value or potential value of which is not attributable to tangible property or the services of any individual.'', and

(3) by striking the flush language after clause (vii), as added by paragraph (2).

(b) CLARIFICATION OF ALLOWABLE VALUATION METHODS.—

(1) FOREIGN CORPORATIONS.—Section 367(d)(2) is amended by adding at the end the following new subparagraph:

''(D) REGULATORY AUTHORITY.—For purposes of the last sentence of subparagraph (A), the Secretary shall require—

''(i) the valuation of transfers of intangible property, including intangible property transferred with other property or services, on an aggregate basis, or

''(ii) the valuation of such a transfer on the basis of the realistic alternatives to such a transfer,

if the Secretary determines that such basis is the most reliable means of valuation of such transfers.''.

(2) ALLOCATION AMONG TAXPAYERS.—Section 482 is amended by adding at the end the following: ''For purposes of this section, the Secretary shall require the valuation of transfers of intangible property (including intangible property transferred with other property or services) on an aggregate basis or the valuation of such a transfer on the basis of the realistic alternatives to such a transfer, if the Secretary determines that such basis is the most reliable means of valuation of such transfers.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to transfers in taxable years beginning after December 31, 2017.

(2) NO INFERENCE.—Nothing in the amendment made by subsection (a) shall be construed to create any inference with respect to the application of section 936(h)(3) of the Internal Revenue Code of 1986, or the authority of the Secretary of the Treasury to provide regulations for such application, with respect to taxable years beginning before January 1, 2018.

SEC. 14222. CERTAIN RELATED PARTY AMOUNTS PAID OR ACCRUED IN HYBRID TRANSACTIONS OR WITH HYBRID ENTITIES.

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 is amended by inserting after section 267 the following:

''SEC. 267A. CERTAIN RELATED PARTY AMOUNTS PAID OR ACCRUED IN HYBRID TRANSACTIONS OR WITH HYBRID ENTITIES.

''(a) IN GENERAL.—No deduction shall be allowed under this chapter for any disqualified related party amount paid or accrued pursuant to a hybrid transaction or by, or to, a hybrid entity.

''(b) DISQUALIFIED RELATED PARTY AMOUNT.—For purposes of this section—

''(1) DISQUALIFIED RELATED PARTY AMOUNT.—The term 'disqualified related party amount' means any interest or royalty paid or accrued to a related party to the extent that—

''(A) such amount is not included in the income of such related party under the tax law of the country of which such related party is a resident for tax purposes or is subject to tax, or

''(B) such related party is allowed a deduction with respect to such amount under the tax law of such country.

Such term shall not include any payment to the extent such payment is included in the gross income of a United States shareholder under section 951(a).

''(2) RELATED PARTY.—The term 'related party' means a related person as defined in section 954(d)(3), except that such section shall be applied with respect to the person making the payment described in paragraph (1) in lieu of the controlled foreign corporation otherwise referred to in such section.

''(c) HYBRID TRANSACTION.—For purposes of this section, the term 'hybrid transaction' means any transaction, series of transactions, agreement, or instrument one or more payments with respect to which are treated as interest or royalties for purposes of this chapter and which are not so treated for purposes the tax law of the foreign country of which the recipient of such payment is resident for tax purposes or is subject to tax.

''(d) HYBRID ENTITY.—For purposes of this section, the term 'hybrid entity' means any entity which is either—

''(1) treated as fiscally transparent for purposes of this chapter but not so treated for purposes of the tax law of the foreign country of which the entity is resident for tax purposes or is subject to tax, or

''(2) treated as fiscally transparent for purposes of such tax law but not so treated for purposes of this chapter.

''(e) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance providing for—

''(1) rules for treating certain conduit arrangements which involve a hybrid transaction or a hybrid entity as subject to subsection (a),

''(2) rules for the application of this section to branches or domestic entities,

''(3) rules for treating certain structured transactions as subject to subsection (a),

''(4) rules for treating a tax preference as an exclusion from income for purposes of applying subsection (b)(1) if such tax preference has the effect of reducing the generally applicable statutory rate by 25 percent or more,

''(5) rules for treating the entire amount of interest or royalty paid or accrued to a related party as a disqualified related party amount if such amount is subject to a participation exemption system or other system which provides for the exclusion or deduction of a substantial portion of such amount,

''(6) rules for determining the tax residence of a foreign entity if the entity is otherwise considered a resident of more than one country or of no country,

''(7) exceptions from subsection (a) with respect to—

''(A) cases in which the disqualified related party amount is taxed under the laws of a foreign country other than the country of which the related party is a resident for tax purposes, and

''(B) other cases which the Secretary determines do not present a risk of eroding the Federal tax base,

''(8) requirements for record keeping and information reporting in addition to any requirements imposed by section 6038A.''.

(b) CONFORMING AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 is amended by inserting after the item relating to section 267 the following new item:

''Sec. 267A. Certain related party amounts paid or accrued in hybrid transactions or with hybrid entities.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14223. SHAREHOLDERS OF SURROGATE FOREIGN CORPORATIONS NOT ELIGIBLE FOR REDUCED RATE ON DIVIDENDS.

(a) IN GENERAL.—Section 1(h)(11)(C)(iii) is amended—

(1) by striking ''shall not include any foreign corporation'' and inserting ''shall not include—

''(I) any foreign corporation'',

(2) by striking the period at the end and inserting '', and'', and

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

''(II) any corporation which first becomes a surrogate foreign corporation (as defined in section 7874(a)(2)(B)) after the date of the enactment of this subclause, other than a foreign corporation which is treated as a domestic corporation under section 7874(b).''.

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

Subpart C—Modifications Related to Foreign Tax Credit System

SEC. 14301. REPEAL OF SECTION 902 INDIRECT FOREIGN TAX CREDITS; DETERMINATION OF SECTION 960 CREDIT ON CURRENT YEAR BASIS.

(a) REPEAL OF SECTION 902 INDIRECT FOREIGN TAX CREDITS.—Subpart A of part III of subchapter N of chapter 1 is amended by striking section 902.

(b) DETERMINATION OF SECTION 960 CREDIT ON CURRENT YEAR BASIS.—Section 960, as amended by section 14201, is amended—

(1) by striking subsection (c), by redesignating subsection (b) as subsection (c), by striking all that precedes subsection (c) (as so redesignated) and inserting the following:

''SEC. 960. DEEMED PAID CREDIT FOR SUBPART F INCLUSIONS.

''(a) IN GENERAL.—For purposes of subpart A of this part, if there is included in the gross income of a domestic corporation any item of income under section 951(a)(1) with respect to any controlled foreign corporation with respect to which such domestic corporation is a United States shareholder, such domestic corporation shall be deemed to have paid so much of such foreign corporation's foreign income taxes as are properly attributable to such item of income.

''(b) SPECIAL RULES FOR DISTRIBUTIONS FROM PREVIOUSLY TAXED EARNINGS AND PROFITS.—For purposes of subpart A of this part—

''(1) IN GENERAL.—If any portion of a distribution from a controlled foreign corporation to a domestic corporation which is a United States shareholder with respect to such controlled foreign corporation is excluded from gross income under section 959(a), such domestic corporation shall be deemed to have paid so much of such foreign corporation's foreign income taxes as—

''(A) are properly attributable to such portion, and

''(B) have not been deemed to have been paid by such domestic corporation under this section for the taxable year or any prior taxable year.

''(2) TIERED CONTROLLED FOREIGN CORPORATIONS.—If section 959(b) applies to any portion of a distribution from a controlled foreign corporation to another controlled foreign corporation, such controlled foreign corporation shall be deemed to have paid so much of such other controlled foreign corporation's foreign income taxes as—

''(A) are properly attributable to such portion, and

''(B) have not been deemed to have been paid by a domestic corporation under this section for the taxable year or any prior taxable year.'',

(2) and by adding after subsection (d) (as added by section 14201) the following new subsections:

''(e) FOREIGN INCOME TAXES.—The term 'foreign income taxes' means any income, war profits, or excess profits taxes paid or accrued to any foreign country or possession of the United States.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 78 is amended to read as follows:

''SEC. 78. GROSS UP FOR DEEMED PAID FOREIGN TAX CREDIT.

''If a domestic corporation chooses to have the benefits of subpart A of part III of subchapter N (relating to foreign tax credit) for any taxable year, an amount equal to the taxes deemed to be paid by such corporation under subsections (a), (b), and (d) of section 960 (determined without regard to the phrase '80 percent of' in subsection (d)(1) thereof) for such taxable year shall be treated for purposes of this title (other than sections 245 and 245A) as a dividend received by such domestic corporation from the foreign corporation.''.

(2) Paragraph (4) of section 245(a) is amended to read as follows:

''(4) POST-1986 UNDISTRIBUTED EARNINGS.—The term 'post-1986 undistributed earnings' means the amount of the earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 1986—

''(A) as of the close of the taxable year of the foreign corporation in which the dividend is distributed, and

''(B) without diminution by reason of dividends distributed during such taxable year.''.

(3) Section 245(a)(10)(C) is amended by striking ''902, 907, and 960'' and inserting ''907 and 960''.

(4) Sections 535(b)(1) and 545(b)(1) are each amended by striking ''section 902(a) or 960(a)(1)'' and inserting ''section 960''.

(5) Section 814(f)(1) is amended—

(A) by striking subparagraph (B), and

(B) by striking all that precedes ''No income'' and inserting the following:

''(1) TREATMENT OF FOREIGN TAXES.—''.

(6) Section 865(h)(1)(B) is amended by striking ''902, 907,'' and inserting ''907''.

(7) Section 901(a) is amended by striking ''sections 902 and 960'' and inserting ''section 960''.

(8) Section 901(e)(2) is amended by striking ''but is not limited to—'' and all that follows through ''that portion'' and inserting ''but is not limited to that portion''.

(9) Section 901(f) is amended by striking ''sections 902 and 960'' and inserting ''section 960''.

(10) Section 901(j)(1)(A) is amended by striking ''902 or''.

(11) Section 901(j)(1)(B) is amended by striking ''sections 902 and 960'' and inserting ''section 960''.

(12) Section 901(k)(2) is amended by striking '', 902,''.

(13) Section 901(k)(6) is amended by striking ''902 or''.

(14) Section 901(m)(1)(B) is amended to read as follows:

''(B) in the case of a foreign income tax paid by a foreign corporation, shall not be taken into account for purposes of section 960.''.

(15) Section 904(d)(2)(E) is amended—

(A) by amending clause (i) to read as follows:

''(i) NONCONTROLLED 10-PERCENT OWNED FOREIGN CORPORATION.—The term 'noncontrolled 10-percent owned foreign corporation' means any foreign corporation which is—

''(I) a specified 10-percent owned foreign corporation (as defined in section 245A(b)), or

''(II) a passive foreign investment company (as defined in section 1297(a)) with respect to which the taxpayer meets the stock ownership requirements of section 902(a) (or, for purposes of applying paragraphs (3) and (4), the requirements of section 902(b)).

A controlled foreign corporation shall not be treated as a noncontrolled 10-percent owned foreign corporation with respect to any distribution out of its earnings and profits for periods during which it was a controlled foreign corporation. Any reference to section 902 in this clause shall be treated as a reference to such section as in effect before its repeal.'', and

(B) by striking ''non-controlled section 902 corporation'' in clause (ii) and inserting ''noncontrolled 10-percent owned foreign corporation''.

(16) Section 904(d)(4) is amended—

(A) by striking ''noncontrolled section 902 corporation'' each place it appears and inserting ''noncontrolled 10-percent owned foreign corporation'',

(B) by striking ''NONCONTROLLED SECTION 902 CORPORATIONS'' in the heading thereof and inserting ''NONCONTROLLED 10-PERCENT OWNED FOREIGN CORPORATIONS''.

(17) Section 904(d)(6)(A) is amended by striking ''902, 907,'' and inserting ''907''.

(18) Section 904(h)(10)(A) is amended by striking ''sections 902, 907, and 960'' and inserting ''sections 907 and 960''.

(19) Section 904(k) is amended to read as follows:

''(k) CROSS REFERENCES.—For increase of limitation under subsection (a) for taxes paid with respect to amounts received which were included in the gross income of the taxpayer for a prior taxable year as a United States shareholder with respect to a controlled foreign corporation, see section 960(c).''.

(20) Section 905(c)(1) is amended by striking the last sentence.

(21) Section 905(c)(2)(B)(i) is amended to read as follows:

''(i) shall be taken into account for the taxable year to which such taxes relate, and''.

(22) Section 906(a) is amended by striking ''(or deemed, under section 902, paid or accrued during the taxable year)''.

(23) Section 906(b) is amended by striking paragraphs (4) and (5).

(24) Section 907(b)(2)(B) is amended by striking ''902 or''.

(25) Section 907(c)(3)(A) is amended—

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

''(A) interest, to the extent the category of income of such interest is determined under section 904(d)(3),'', and

(B) by striking ''section 960(a)'' in subparagraph (B) and inserting ''section 960''.

(26) Section 907(c)(5) is amended by striking ''902 or''.

(27) Section 907(f)(2)(B)(i) is amended by striking ''902 or''.

(28) Section 908(a) is amended by striking ''902 or''.

(29) Section 909(b) is amended—

(A) by striking ''section 902 corporation'' in the matter preceding paragraph (1) and inserting ''specified 10-percent owned foreign corporation (as defined in section 245A(b) without regard to paragraph (2) thereof)'',

(B) by striking ''902 or'' in paragraph (1),

(C) by striking ''by such section 902 corporation'' and all that follows in the matter following paragraph (2) and inserting ''by such specified 10-percent owned foreign corporation or a domestic corporation which is a United States shareholder with respect to such specified 10-percent owned foreign corporation.'', and

(D) by striking ''SECTION 902 CORPORATIONS'' in the heading thereof and inserting ''SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS''.

(30) Section 909(d) is amended by striking paragraph (5).

(31) Section 958(a)(1) is amended by striking ''960(a)(1)'' and inserting ''960''.

(32) Section 959(d) is amended by striking ''Except as provided in section 960(a)(3), any'' and inserting ''Any''.

(33) Section 959(e) is amended by striking ''section 960(b)'' and inserting ''section 960(c)''.

(34) Section 1291(g)(2)(A) is amended by striking ''any distribution—'' and all that follows through ''but only if'' and inserting ''any distribution, any withholding tax imposed with respect to such distribution, but only if''.

(35) Section 1293(f) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) a domestic corporation which owns (or is treated under section 1298(a) as owning) stock of a qualified electing fund shall be treated in the same manner as a United States shareholder of a controlled foreign corporation (and such qualified electing fund shall be treated in the same manner as such controlled foreign corporation) if such domestic corporation meets the stock ownership requirements of subsection (a) or (b) of section 902 (as in effect before its repeal) with respect to such qualified electing fund.''.

(36) Section 6038(c)(1)(B) is amended by striking ''sections 902 (relating to foreign tax credit for corporate stockholder in foreign corporation) and 960 (relating to special rules for foreign tax credit)'' and inserting ''section 960''.

(37) Section 6038(c)(4) is amended by striking subparagraph (C).

(38) The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by striking the item relating to section 902.

(39) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 960 and inserting the following:

''Sec. 960. Deemed paid credit for subpart F inclusions.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14302. SEPARATE FOREIGN TAX CREDIT LIMITATION BASKET FOR FOREIGN BRANCH INCOME.

(a) IN GENERAL.—Section 904(d)(1), as amended by section 14201, is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) foreign branch income,''.

(b) FOREIGN BRANCH INCOME.—

(1) IN GENERAL.—Section 904(d)(2) is amended by inserting after subparagraph (I) the following new subparagraph:

''(J) FOREIGN BRANCH INCOME.—

''(i) IN GENERAL.—The term 'foreign branch income' means the business profits of such United States person which are attributable to 1 or more qualified business units (as defined in section 989(a)) in 1 or more foreign countries. For purposes of the preceding sentence, the amount of business profits attributable to a qualified business unit shall be determined under rules established by the Secretary.

''(ii) EXCEPTION.—Such term shall not include any income which is passive category income.''.

(2) CONFORMING AMENDMENT.—Section 904(d)(2)(A)(ii), as amended by section 14201, is amended by striking ''income described in paragraph (1)(A) and'' and inserting ''income described in paragraph (1)(A), foreign branch income, and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14303. SOURCE OF INCOME FROM SALES OF INVENTORY DETERMINED SOLELY ON BASIS OF PRODUCTION ACTIVITIES.

(a) IN GENERAL.—Section 863(b) is amended by adding at the end the following: ''Gains, profits, and income from the sale or exchange of inventory property described in paragraph (2) shall be allocated and apportioned between sources within and without the United States solely on the basis of the production activities with respect to the property.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14304. ELECTION TO INCREASE PERCENTAGE OF DOMESTIC TAXABLE INCOME OFFSET BY OVERALL DOMESTIC LOSS TREATED AS FOREIGN SOURCE.

(a) IN GENERAL.—Section 904(g) is amended by adding at the end the following new paragraph:

''(5) ELECTION TO INCREASE PERCENTAGE OF TAXABLE INCOME TREATED AS FOREIGN SOURCE.—

''(A) IN GENERAL.—If any pre-2018 unused overall domestic loss is taken into account under paragraph (1) for any applicable taxable year, the taxpayer may elect to have such paragraph applied to such loss by substituting a percentage greater than 50 percent (but not greater than 100 percent) for 50 percent in subparagraph (B) thereof.

''(B) PRE-2018 UNUSED OVERALL DOMESTIC LOSS.—For purposes of this paragraph, the term 'pre-2018 unused overall domestic loss' means any overall domestic loss which—

''(i) arises in a qualified taxable year beginning before January 1, 2018, and

''(ii) has not been used under paragraph (1) for any taxable year beginning before such date.

''(C) APPLICABLE TAXABLE YEAR.—For purposes of this paragraph, the term 'applicable taxable year' means any taxable year of the taxpayer beginning after December 31, 2017, and before January 1, 2028.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

PART II—INBOUND TRANSACTIONS

SEC. 14401. BASE EROSION AND ANTI-ABUSE TAX.

(a) IMPOSITION OF TAX.—Subchapter A of chapter 1 is amended by adding at the end the following new part:

''PART VII—BASE EROSION AND ANTI-ABUSE TAX

''SEC. 59A. TAX ON BASE EROSION PAYMENTS OF TAXPAYERS WITH SUBSTANTIAL GROSS RECEIPTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed on each applicable taxpayer for any taxable year a tax equal to the base erosion minimum tax amount for the taxable year. Such tax shall be in addition to any other tax imposed by this subtitle.

''(b) BASE EROSION MINIMUM TAX AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the term 'base erosion minimum tax amount' means, with respect to any applicable taxpayer for any taxable year, the excess (if any) of—

''(A) an amount equal to 10 percent (5 percent in the case of taxable years beginning in calendar year 2018) of the modified taxable income of such taxpayer for the taxable year, over

''(B) an amount equal to the regular tax liability (as defined in section 26(b)) of the taxpayer for the taxable year, reduced (but not below zero) by the excess (if any) of—

''(i) the credits allowed under this chapter against such regular tax liability, over

''(ii) the sum of—

''(I) the credit allowed under section 38 for the taxable year which is properly allocable to the research credit determined under section 41(a), plus

''(II) the portion of the applicable section 38 credits not in excess of 80 percent of the lesser of the amount of such credits or the base erosion minimum tax amount (determined without regard to this subclause).

''(2) MODIFICATIONS FOR TAXABLE YEARS BEGINNING AFTER 2025.—In the case of any taxable year beginning after December 31, 2025, paragraph (1) shall be applied—

''(A) by substituting '12.5 percent' for '10 percent' in subparagraph (A) thereof, and

''(B) by reducing (but not below zero) the regular tax liability (as defined in section 26(b)) for purposes of subparagraph (B) thereof by the aggregate amount of the credits allowed under this chapter against such regular tax liability rather than the excess described in such subparagraph.

''(3) INCREASED RATE FOR CERTAIN BANKS AND SECURITIES DEALERS.—

''(A) IN GENERAL.—In the case of a taxpayer described in subparagraph (B) who is an applicable taxpayer for any taxable year, the percentage otherwise in effect under paragraphs (1)(A) and (2)(A) shall each be increased by one percentage point.

''(B) TAXPAYER DESCRIBED.—A taxpayer is described in this subparagraph if such taxpayer is a member of an affiliated group (as defined in section 1504(a)(1)) which includes—

''(i) a bank (as defined in section 581), or

''(ii) a registered securities dealer under section 15(a) of the Securities Exchange Act of 1934.

''(4) APPLICABLE SECTION 38 CREDITS.—For purposes of paragraph (1)(B)(ii)(II), the term 'applicable section 38 credits' means the credit allowed under section 38 for the taxable year which is properly allocable to—

''(A) the low-income housing credit determined under section 42(a),

''(B) the renewable electricity production credit determined under section 45(a), and

''(C) the investment credit determined under section 46, but only to the extent properly allocable to the energy credit determined under section 48.

''(c) MODIFIED TAXABLE INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'modified taxable income' means the taxable income of the taxpayer computed under this chapter for the taxable year, determined without regard to—

''(A) any base erosion tax benefit with respect to any base erosion payment, or

''(B) the base erosion percentage of any net operating loss deduction allowed under section 172 for the taxable year.

''(2) BASE EROSION TAX BENEFIT.—

''(A) IN GENERAL.—The term 'base erosion tax benefit' means—

''(i) any deduction described in subsection (d)(1) which is allowed under this chapter for the taxable year with respect to any base erosion payment,

''(ii) in the case of a base erosion payment described in subsection (d)(2), any deduction allowed under this chapter for the taxable year for depreciation (or amortization in lieu of depreciation) with respect to the property acquired with such payment,

''(iii) in the case of a base erosion payment described in subsection (d)(3)—

''(I) any reduction under section 803(a)(1)(B) in the gross amount of premiums and other consideration on insurance and annuity contracts for premiums and other consideration arising out of indemnity insurance, and

''(II) any deduction under section 832(b)(4)(A) from the amount of gross premiums written on insurance contracts during the taxable year for premiums paid for reinsurance, and

''(iv) in the case of a base erosion payment described in subsection (d)(4), any reduction in gross receipts with respect to such payment in computing gross income of the taxpayer for the taxable year for purposes of this chapter.

''(B) TAX BENEFITS DISREGARDED IF TAX WITHHELD ON BASE EROSION PAYMENT.—

''(i) IN GENERAL.—Except as provided in clause (ii), any base erosion tax benefit attributable to any base erosion payment—

''(I) on which tax is imposed by section 871 or 881, and

''(II) with respect to which tax has been deducted and withheld under section 1441 or 1442, shall not be taken into account in computing modified taxable income under paragraph (1)(A) or the base erosion percentage under paragraph (4).

''(ii) EXCEPTION.—The amount not taken into account in computing modified taxable income by reason of clause (i) shall be reduced under rules similar to the rules under section 163(j)(5)(B) (as in effect before the date of the enactment of the Tax Cuts and Jobs Act).

''(3) SPECIAL RULES FOR DETERMINING INTEREST FOR WHICH DEDUCTION ALLOWED.—For purposes of applying paragraph (1), in the case of a taxpayer to which section 163(j) applies for the taxable year, the reduction in the amount of interest for which a deduction is allowed by reason of such subsection shall be treated as allocable first to interest paid or accrued to persons who are not related parties with respect to the taxpayer and then to such related parties.

''(4) BASE EROSION PERCENTAGE.—For purposes of paragraph (1)(B)—

''(A) IN GENERAL.—The term 'base erosion percentage' means, for any taxable year, the percentage determined by dividing—

''(i) the aggregate amount of base erosion tax benefits of the taxpayer for the taxable year, by

''(ii) the sum of—

''(I) the aggregate amount of the deductions (including deductions described in clauses (i) and (ii) of paragraph (2)(A)) allowable to the taxpayer under this chapter for the taxable year, plus

''(II) the base erosion tax benefits described in clauses (iii) and (iv) of paragraph (2)(A) allowable to the taxpayer for the taxable year.

''(B) CERTAIN ITEMS NOT TAKEN INTO ACCOUNT.—The amount under subparagraph (A)(ii) shall be determined by not taking into account—

''(i) any deduction allowed under section 172, 245A, or 250 for the taxable year,

''(ii) any deduction for amounts paid or accrued for services to which the exception under subsection (d)(5) applies, and

''(iii) any deduction for qualified derivative payments which are not treated as a base erosion payment by reason of subsection (h).

''(d) BASE EROSION PAYMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'base erosion payment' means any amount paid or accrued by the taxpayer to a foreign person which is a related party of the taxpayer and with respect to which a deduction is allowable under this chapter.

''(2) PURCHASE OF DEPRECIABLE PROPERTY.—Such term shall also include any amount paid or accrued by the taxpayer to a foreign person which is a related party of the taxpayer in connection with the acquisition by the taxpayer from such person of property of a character subject to the allowance for depreciation (or amortization in lieu of depreciation).

''(3) REINSURANCE PAYMENTS.—Such term shall also include any premium or other consideration paid or accrued by the taxpayer to a foreign person which is a related party of the taxpayer for any reinsurance payments which are taken into account under sections 803(a)(1)(B) or 832(b)(4)(A).

''(4) CERTAIN PAYMENTS TO EXPATRIATED ENTITIES.—

''(A) IN GENERAL.—Such term shall also include any amount paid or accrued by the taxpayer with respect to a person described in subparagraph (B) which results in a reduction of the gross receipts of the taxpayer.

''(B) PERSON DESCRIBED.—A person is described in this subparagraph if such person is a—

''(i) surrogate foreign corporation which is a related party of the taxpayer, but only if such person first became a surrogate foreign corporation after November 9, 2017, or

''(ii) foreign person which is a member of the same expanded affiliated group as the surrogate foreign corporation.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) SURROGATE FOREIGN CORPORATION.—The term 'surrogate foreign corporation' has the meaning given such term by section 7874(a)(2)(B) but does not include a foreign corporation treated as a domestic corporation under section 7874(b).

''(ii) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' has the meaning given such term by section 7874(c)(1).

''(5) EXCEPTION FOR CERTAIN AMOUNTS WITH RESPECT TO SERVICES.—Paragraph (1) shall not apply to any amount paid or accrued by a taxpayer for services if—

''(A) such services are services which meet the requirements for eligibility for use of the services cost method under section 482 (determined without regard to the requirement that the services not contribute significantly to fundamental risks of business success or failure), and

''(B) such amount constitutes the total services cost with no markup component.

''(e) APPLICABLE TAXPAYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable taxpayer' means, with respect to any taxable year, a taxpayer—

''(A) which is a corporation other than a regulated investment company, a real estate investment trust, or an S corporation,

''(B) the average annual gross receipts of which for the 3-taxable-year period ending with the preceding taxable year are at least $500,000,000, and

''(C) the base erosion percentage (as determined under subsection (c)(4)) of which for the taxable year is 3 percent (2 percent in the case of a taxpayer described in subsection (b)(3)(B)) or higher.

''(2) GROSS RECEIPTS.—

''(A) SPECIAL RULE FOR FOREIGN PERSONS.—In the case of a foreign person the gross receipts of which are taken into account for purposes of paragraph (1)(B), only gross receipts which are taken into account in determining income which is effectively connected with the conduct of a trade or business within the United States shall be taken into account. In the case of a taxpayer which is a foreign person, the preceding sentence shall not apply to the gross receipts of any United States person which are aggregated with the taxpayer's gross receipts by reason of paragraph (3).

''(B) OTHER RULES MADE APPLICABLE.—Rules similar to the rules of subparagraphs (B), (C), and (D) of section 448(c)(3) shall apply in determining gross receipts for purposes of this section.

''(3) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) of section 52 shall be treated as 1 person for purposes of this subsection and subsection (c)(4), except that in applying section 1563 for purposes of section 52, the exception for foreign corporations under section 1563(b)(2)(C) shall be disregarded.

''(f) FOREIGN PERSON.—For purposes of this section, the term 'foreign person' has the meaning given such term by section 6038A(c)(3).

''(g) RELATED PARTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'related party' means, with respect to any applicable taxpayer—

''(A) any 25-percent owner of the taxpayer,

''(B) any person who is related (within the meaning of section 267(b) or 707(b)(1)) to the taxpayer or any 25-percent owner of the taxpayer, and

''(C) any other person who is related (within the meaning of section 482) to the taxpayer.

''(2) 25-PERCENT OWNER.—The term '25-percent owner' means, with respect to any corporation, any person who owns at least 25 percent of—

''(A) the total voting power of all classes of stock of a corporation entitled to vote, or

''(B) the total value of all classes of stock of such corporation.

''(3) SECTION 318 TO APPLY.—Section 318 shall apply for purposes of paragraphs (1) and (2), except that—

''(A) '10 percent' shall be substituted for '50 percent' in section 318(a)(2)(C), and

''(B) subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.

''(h) EXCEPTION FOR CERTAIN PAYMENTS MADE IN THE ORDINARY COURSE OF TRADE OR BUSINESS.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in paragraph (3), any qualified derivative payment shall not be treated as a base erosion payment.

''(2) QUALIFIED DERIVATIVE PAYMENT.—

''(A) IN GENERAL.—The term 'qualified derivative payment' means any payment made by a taxpayer pursuant to a derivative with respect to which the taxpayer—

''(i) recognizes gain or loss as if such derivative were sold for its fair market value on the last business day of the taxable year (and such additional times as required by this title or the taxpayer's method of accounting),

''(ii) treats any gain or loss so recognized as ordinary, and

''(iii) treats the character of all items of income, deduction, gain, or loss with respect to a payment pursuant to the derivative as ordinary.

''(B) REPORTING REQUIREMENT.—No payments shall be treated as qualified derivative payments under subparagraph (A) for any taxable year unless the taxpayer includes in the information required to be reported under section 6038B(b)(2) with respect to such taxable year such information as is necessary to identify the payments to be so treated and such other information as the Secretary determines necessary to carry out the provisions of this subsection.

''(3) EXCEPTIONS FOR PAYMENTS OTHERWISE TREATED AS BASE EROSION PAYMENTS.—This subsection shall not apply to any qualified derivative payment if—

''(A) the payment would be treated as a base erosion payment if it were not made pursuant to a derivative, including any interest, royalty, or service payment, or

''(B) in the case of a contract which has derivative and nonderivative components, the payment is properly allocable to the nonderivative component.

''(4) DERIVATIVE DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'derivative' means any contract (including any option, forward contract, futures contract, short position, swap, or similar contract) the value of which, or any payment or other transfer with respect to which, is (directly or indirectly) determined by reference to one or more of the following:

''(i) Any share of stock in a corporation.

''(ii) Any evidence of indebtedness.

''(iii) Any commodity which is actively traded.

''(iv) Any currency.

''(v) Any rate, price, amount, index, formula, or algorithm.

Such term shall not include any item described in clauses (i) through (v).

''(B) TREATMENT OF AMERICAN DEPOSITORY RECEIPTS AND SIMILAR INSTRUMENTS.—Except as otherwise provided by the Secretary, for purposes of this part, American depository receipts (and similar instruments) with respect to shares of stock in foreign corporations shall be treated as shares of stock in such foreign corporations.

''(C) EXCEPTION FOR CERTAIN CONTRACTS.—Such term shall not include any insurance, annuity, or endowment contract issued by an insurance company to which subchapter L applies

(or issued by any foreign corporation to which such subchapter would apply if such foreign corporation were a domestic corporation).

''(i) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations—

''(1) providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including through—

''(A) the use of unrelated persons, conduit transactions, or other intermediaries, or

''(B) transactions or arrangements designed, in whole or in part—

''(i) to characterize payments otherwise subject to this section as payments not subject to this section, or

''(ii) to substitute payments not subject to this section for payments otherwise subject to this section and

''(2) for the application of subsection (g), including rules to prevent the avoidance of the exceptions under subsection (g)(3).''.

(b) REPORTING REQUIREMENTS AND PENALTIES.—

(1) IN GENERAL.—Subsection (b) of section 6038A is amended to read as follows:

''(b) REQUIRED INFORMATION.—

''(1) IN GENERAL.—For purposes of subsection (a), the information described in this subsection is such information as the Secretary prescribes by regulations relating to—

''(A) the name, principal place of business, nature of business, and country or countries in which organized or resident, of each person which—

''(i) is a related party to the reporting corporation, and

''(ii) had any transaction with the reporting corporation during its taxable year,

''(B) the manner in which the reporting corporation is related to each person referred to in subparagraph (A), and

''(C) transactions between the reporting corporation and each foreign person which is a related party to the reporting corporation.

''(2) ADDITIONAL INFORMATION REGARDING BASE EROSION PAYMENTS.—For purposes of subsection (a) and section 6038C, if the reporting corporation or the foreign corporation to whom section 6038C applies is an applicable taxpayer, the information described in this subsection shall include—

''(A) such information as the Secretary determines necessary to determine the base erosion minimum tax amount, base erosion payments, and base erosion tax benefits of the taxpayer for purposes of section 59A for the taxable year, and

''(B) such other information as the Secretary determines necessary to carry out such section. For purposes of this paragraph, any term used in this paragraph which is also used in section 59A shall have the same meaning as when used in such section.''.

(2) INCREASE IN PENALTY.—Paragraphs (1) and (2) of section 6038A(d) are each amended by striking ''$10,000'' and inserting ''$25,000''.

(c) DISALLOWANCE OF CREDITS AGAINST BASE EROSION TAX.—Paragraph (2) of section 26(b) is amended by inserting after subparagraph (A) the following new subparagraph:

''(B) section 59A (relating to base erosion and anti-abuse tax),''.

(d) CONFORMING AMENDMENTS.—

(1) The table of parts for subchapter A of chapter 1 is amended by adding after the item relating to part VI the following new item:

''PART VII. BASE EROSION AND ANTI-ABUSE TAX''.

(2) Paragraph (1) of section 882(a), as amended by this Act, is amended by inserting '' or 59A,'' after ''section 11,''.

(3) Subparagraph (A) of section 6425(c)(1), as amended by section 13001, is amended to read as follows:

''(A) the sum of—

''(i) the tax imposed by section 11, or subchapter L of chapter 1, whichever is applicable, plus

''(ii) the tax imposed by section 59A, over''.

(4)(A) Subparagraph (A) of section 6655(g)(1), as amended by sections 12001 and 13001, is amended by striking ''plus'' at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

''(ii) the tax imposed by section 59A, plus''.

(B) Subparagraphs (A)(i) and (B)(i) of section 6655(e)(2), as amended by sections 12001 and 13001, are each amended by inserting ''and modified taxable income'' after ''taxable income''.

(C) Subparagraph (B) of section 6655(e)(2) is amended by adding at the end the following new clause:

''(iii) MODIFIED TAXABLE INCOME.—The term 'modified taxable income' has the meaning given such term by section 59A(c)(1).''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to base erosion payments (as defined in section 59A(d) of the Internal Revenue Code of 1986, as added by this section) paid or accrued in taxable years beginning after December 31, 2017.

PART III—OTHER PROVISIONS

SEC. 14501. RESTRICTION ON INSURANCE BUSINESS EXCEPTION TO PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) IN GENERAL.—Section 1297(b)(2)(B) is amended to read as follows:

''(B) derived in the active conduct of an insurance business by a qualifying insurance corporation (as defined in subsection (f)),''.

(b) QUALIFYING INSURANCE CORPORATION DEFINED.—Section 1297 is amended by adding at the end the following new subsection:

''(f) QUALIFYING INSURANCE CORPORATION.—For purposes of subsection (b)(2)(B)—

''(1) IN GENERAL.—The term 'qualifying insurance corporation' means, with respect to any taxable year, a foreign corporation—

''(A) which would be subject to tax under subchapter L if such corporation were a domestic corporation, and

''(B) the applicable insurance liabilities of which constitute more than 25 percent of its total assets, determined on the basis of such liabilities and assets as reported on the corporation's applicable financial statement for the last year ending with or within the taxable year.

''(2) ALTERNATIVE FACTS AND CIRCUMSTANCES TEST FOR CERTAIN CORPORATIONS.—If a corporation fails to qualify as a qualified insurance corporation under paragraph (1) solely because the percentage determined under paragraph (1)(B) is 25 percent or less, a United States person that owns stock in such corporation may elect to treat such stock as stock of a qualifying insurance corporation if—

''(A) the percentage so determined for the corporation is at least 10 percent, and

''(B) under regulations provided by the Secretary, based on the applicable facts and circumstances—

''(i) the corporation is predominantly engaged in an insurance business, and

''(ii) such failure is due solely to runoff-related or rating-related circumstances involving such insurance business.

''(3) APPLICABLE INSURANCE LIABILITIES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'applicable insurance liabilities' means, with respect to any life or property and casualty insurance business—

''(i) loss and loss adjustment expenses, and

''(ii) reserves (other than deficiency, contingency, or unearned premium reserves) for life and health insurance risks and life and health insurance claims with respect to contracts providing coverage for mortality or morbidity risks.

''(B) LIMITATIONS ON AMOUNT OF LIABILITIES.—Any amount determined under clause (i) or (ii) of subparagraph (A) shall not exceed the lesser of such amount—

''(i) as reported to the applicable insurance regulatory body in the applicable financial statement described in paragraph (4)(A) (or, if less, the amount required by applicable law or regulation), or

''(ii) as determined under regulations prescribed by the Secretary.

''(4) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) APPLICABLE FINANCIAL STATEMENT.—The term 'applicable financial statement' means a statement for financial reporting purposes which—

''(i) is made on the basis of generally accepted accounting principles,

''(ii) is made on the basis of international financial reporting standards, but only if there is no statement that meets the requirement of clause (i), or

''(iii) except as otherwise provided by the Secretary in regulations, is the annual statement which is required to be filed with the applicable insurance regulatory body, but only if there is no statement which meets the requirements of clause (i) or (ii).

''(B) APPLICABLE INSURANCE REGULATORY BODY.—The term 'applicable insurance regulatory body' means, with respect to any insurance business, the entity established by law to license, authorize, or regulate such business and to which the statement described in subparagraph (A) is provided.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 14502. REPEAL OF FAIR MARKET VALUE METHOD OF INTEREST EXPENSE APPORTIONMENT.

(a) IN GENERAL.—Paragraph (2) of section 864(e) is amended to read as follows:

''(2) GROSS INCOME AND FAIR MARKET VALUE METHODS MAY NOT BE USED FOR INTEREST.—All allocations and apportionments of interest expense shall be determined using the adjusted bases of assets rather than on the basis of the fair market value of the assets or gross income.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

TITLE II

SEC. 20001. OIL AND GAS PROGRAM.

(a) DEFINITIONS.—In this section:

(1) COASTAL PLAIN.—The term ''Coastal Plain'' means the area identified as the 1002 Area on the plates prepared by the United States Geological Survey entitled ''ANWR Map – Plate 1'' and ''ANWR Map – Plate 2'', dated October 24, 2017, and on file with the United States Geological Survey and the Office of the Solicitor of the Department of the Interior.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Bureau of Land Management.

(b) OIL AND GAS PROGRAM.—

(1) IN GENERAL.—Section 1003 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3143) shall not apply to the Coastal Plain.

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The Secretary shall establish and administer a competitive oil and gas program for the leasing, development, production, and transportation of oil and gas in and from the Coastal Plain.

(B) PURPOSES.—Section 303(2)(B) of the Alaska National Interest Lands Conservation Act (Public Law 96–487; 94 Stat. 2390) is amended—

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

(ii) in clause (iv), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(v) to provide for an oil and gas program on the Coastal Plain.''.

(3) MANAGEMENT.—Except as otherwise provided in this section, the Secretary shall manage the oil and gas program on the Coastal Plain in a manner similar to the administration of lease sales under the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6501 et seq.) (including regulations).

(4) ROYALTIES.—Notwithstanding the Mineral Leasing Act (30 U.S.C. 181 et seq.), the royalty rate for leases issued pursuant to this section shall be 16.67 percent.

(5) RECEIPTS.—Notwithstanding the Mineral Leasing Act (30 U.S.C. 181 et seq.), of the amount of adjusted bonus, rental, and royalty receipts derived from the oil and gas program and operations on Federal land authorized under this section—

(A) 50 percent shall be paid to the State of Alaska; and

(B) the balance shall be deposited into the Treasury as miscellaneous receipts.

(c) 2 LEASE SALES WITHIN 10 YEARS.—

(1) REQUIREMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall conduct not fewer than 2 lease sales area-wide under the oil and gas program under this section by not later than 10 years after the date of enactment of this Act.

(B) SALE ACREAGES; SCHEDULE.—

(i) ACREAGES.—The Secretary shall offer for lease under the oil and gas program under this section—

(I) not fewer than 400,000 acres area-wide in each lease sale; and

(II) those areas that have the highest potential for the discovery of hydrocarbons.

(ii) SCHEDULE.—The Secretary shall offer—

(I) the initial lease sale under the oil and gas program under this section not later than 4 years after the date of enactment of this Act; and

(II) a second lease sale under the oil and gas program under this section not later than 7 years after the date of enactment of this Act.

(2) RIGHTS-OF-WAY.—The Secretary shall issue any rights-of-way or easements across the Coastal Plain for the exploration, development, production, or transportation necessary to carry out this section.

(3) SURFACE DEVELOPMENT.—In administering this section, the Secretary shall authorize up to 2,000 surface acres of Federal land on the Coastal Plain to be covered by production and support facilities (including airstrips and any area covered by gravel berms or piers for support of pipelines) during the term of the leases under the oil and gas program under this section.

SEC. 20002. LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL SHELF REVENUES.

Section 105(f)(1) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432) is amended by striking ''exceed $500,000,000 for each of fiscal years 2016 through 2055.'' and inserting the following: ''exceed—

''(A) $500,000,000 for each of fiscal years 2016 through 2019;

''(B) $650,000,000 for each of fiscal years 2020 and 2021; and

''(C) $500,000,000 for each of fiscal years 2022 through 2055.''.

SEC. 20003. STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE.

(a) DRAWDOWN AND SALE.—

(1) IN GENERAL.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), except as provided in subsections (b) and (c), the Secretary of Energy shall draw down and sell from the Strategic Petroleum Reserve 7,000,000 barrels of crude oil during the period of fiscal years 2026 through 2027.

(2) DEPOSIT OF AMOUNTS RECEIVED FROM SALE.—Amounts received from a sale under paragraph (1) shall be deposited in the general fund of the Treasury during the fiscal year in which the sale occurs.

(b) EMERGENCY PROTECTION.—The Secretary of Energy shall not draw down and sell crude oil under subsection (a) in a quantity that would limit the authority to sell petroleum products under subsection (h) of section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) in the full quantity authorized by that subsection.

(c) LIMITATION.—The Secretary of Energy shall not drawdown or conduct sales of crude oil under subsection (a) after the date on which a total of $600,000,000 has been deposited in the general fund of the Treasury from sales authorized under that subsection.

MOTION TO CONCUR

Mr. BRADY of Texas. Mr. Speaker, I have a motion at the desk.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. Brady of Texas moves that the House concur in the Senate amendment to H.R. 1.

The SPEAKER pro tempore. Pursuant to House Resolution 668, the gentleman from Texas (Mr. BRADY) and the gentleman from Massachusetts (Mr. NEAL) each will control 10 minutes.

The Chair recognizes the gentleman from Texas.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, both the House and now the Senate have taken action on legislation to reform America's Tax Code for the first time in 31 years. Unfortunately, two targeted provisions did not meet Senate rules and had to be removed.

Today, the process continues to move forward, and, with this vote, it will be the House, the people's House, that officially sends this historic legislation to President Trump's desk.

I know the American people are excited. More than that, I know they are feeling a sense of relief. They are relieved that, for the first time in years, they are going to see more money in their paychecks that they can keep.

Think about that middle-income family of four, earning $70,000 a year. These are working families, and the tax cut of more than $2,000 they will see under this bill, that $2,000 is real money. It is real money these families worked hard to earn, but, until now, they have had to send it to Washington instead of being able to use it for their own needs, whether that is paying bills, saving for the future, or putting new tires on a car.

Think about the relief our job creators and our workers will feel. For so long, Americans have barely seen any growth in their paychecks, yet they are going to their jobs every day, and they are working harder than ever.

□ 1200

With this bill, that hard work is finally going to be rewarded, and we are going to see the growth of jobs and paychecks like we haven't seen in years.

For our businesses, large and small, no matter if they are a small startup with just three workers or a large company with 3,000, they are finally going to have a Tax Code that works with them as they grow, innovate, and invest in our communities. They are going to see relief from complexity and high rates and the feeling they are always having to compete with one hand tied behind their back.

For all these Americans, all the hard-working men, women, and families who bring life to our communities and to our economy, I think the major source of relief is knowing that, starting in the new year, none of us has to accept this broken Tax Code and this slow-growth status in America any longer.

With the new tax system we will deliver today, things will change for the better, and they will change immediately. This new Tax Code will be simple, it will be fair, and it will be focused on the needs of the American people, not on Washington's special interests.

This new Tax Code will be modern. It will be competitive. It will create more good-paying jobs right here in our communities, not drive them overseas. Above all, this new Tax Code, America's Tax Code, will not belong to the special interests anymore. It will belong to the American people. It will help more Americans realize their own American Dream, whatever that may be. For all the Americans who struggle and who have been left behind under today's broken Tax Code, that has to be the biggest relief of all.

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

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), the distinguished leader of the Democratic Party.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me time, and, once again, I commend him for being a champion of middle class families.

I want my colleagues all to hear the esteem in which we hold our Democratic members of the Ways and Means Committee. I thank you. Thank you very much, Mr. NEAL, for being our ranking member and for your extraordinary leadership on behalf of America's middle class working families, and that includes millions of veterans. Thank you.

Mr. Speaker, today is a very sad day in the history of America because we have, on the floor, probably the worst bill in recent time to come to the floor. That doesn't mean it doesn't have stiff competition from other legislation the Republicans have brought to the floor, but this is the worst because so many people are affected in such a negative way and because trillions of dollars of impact on our economy have been voted upon without any hearing, without any hearing from the people who will be most affected by it—no hearings, no experts, no listening to the American people.

Yesterday, our Republican colleagues stood on this floor and voted for a GOP tax scam that the American people oppose 2 to 1. Our Republican colleagues stood on the floor and cheered. They

cheered a bill that will raise taxes on 86 million middle class families and hand a staggering 83 percent of its tax cuts to the wealthiest 1 percent.

Shamefully, the Republicans were cheering against the children as they robbed from their future and ransacked the middle class to reward the rich.

Today, the Republicans take their victory lap for successfully pillaging the American middle class to benefit the powerful and the privileged.

I come to the floor with stories of men and women and children that Republicans shamefully cheered against yesterday.

Yesterday, I wish the Republicans had heard, as we did, the story of Ady Barkan, 30 years old, father of a beautiful baby son, and Ady is suddenly stricken with ALS, 30 years old.

From his wheelchair, with a strong but wavering voice, he begged Congress not to pass this bill. He pleaded with anyone who would listen not to vote for this tax scam that will raise his health benefits and condemn Medicaid to devastating cuts as the logical next step. He has been lobbying on Capitol Hill against this bill for a while. Ady said yesterday it would do so much damage.

> It would deprive me of the Medicaid I need to stay alive a little longer and see baby Carl learn to read and teach him how to play chess and watch him go to first grade.

But Republicans didn't listen, said ''no,'' and cheered.

Yesterday, we heard the story, and I wish our Republican friends could have heard it, of Laura Hatcher, mother of sweet and kind 11-year-old Simon, one of the Little Lobbyists.

Simon has a rare disease and cerebral palsy. His mother spoke of how their family watches the Muppet version of ''A Christmas Carol'' and how Simon sees himself in Tiny Tim, another kind boy with braces on his legs. Unfortunately, this story, as of today, does not have the same kind of happy ending as ''A Christmas Carol.''

But the story is not over, and like Tiny Tim, Simon and his family now find their future in danger because of the greed of those with power, the cruelty that is in the heart of the tax scam.

As Simon's mother, Laura, said:

> Very soon I could, once again, be facing a future where I don't know how I will be able to care for my child. This is a thought I simply find too difficult to bear.

Since you didn't hear yesterday, I will go on to say what she said.

> We parents of medically complex kids understand consequences. We know what will happen if this tax bill passes, if our country does not turn from this destructive and immoral path.

But the Republicans didn't listen. They said ''no,'' and they cheered. They cheered against Simon because Republicans value the wishes of the special interest lobbyists over the Little Lobbyists, the voices of Little Lobbyists, sick children standing up for themselves and for their siblings, children standing with their siblings.

Yesterday, we heard from faith leaders, too. They implored Congress to reject this bill that punishes working families and rewards the wealthiest 1 percent.

I repeat: 83 percent of the benefits go to the top 1 percent; 86 million American working middle class families will have their taxes raised.

Sister Simone said she wept for the fact that our Representatives are not weeping over the damage they are doing to families across America.

They challenged us to honor our faith in this holy season, to remember that our first responsibility is to those who have the least, not to enrich those who are already privileged and powerful.

They challenged us to heed not only the message of Christmas, but to remember the words of Jesus enshrined in the Gospel of Matthew.

But Republicans didn't listen. They said ''no.'' They cheered. They cheered. They cheered against little Simon. They cheered against Ady Barkan. They cheered against people in need.

The GOP tax scam is a monumental con job, but who got conned? President Trump will sign the bill whenever he signs it. I know it is supposed to be today, but I hear the special interests are weighing in for him to delay it for some reason or another.

President Trump will sign a bill that betrays the promises he made in the campaign.

President Trump promised to eliminate the carried interest loophole; yet the Republicans wrote a tax scam that not only continues this outrageous loophole, but it gives even more loopholes to the wealthy and well connected.

President Trump promised to stop corporations from shipping jobs overseas, but Republicans wrote a tax scam that gives corporate America even bigger incentives to ship jobs overseas.

President Trump promised tax reform focused on middle class families, tax breaks for middle class families. Republicans wrote a tax scam that raises taxes on 86 million middle class families in our country.

President Trump promised he would protect Medicare, Medicaid, and Social Security, but Republicans wrote a tax plan to explode the deficit and use it as an excuse to cut Medicare and Medicaid. They have made no secret of their plans. They have even said this week, to raise the Social Security age.

So who got conned? Did the people get conned by the promises? Did the President get conned by the Republicans? Is he signing a bill that betrays his promises to the American people?

It is all about the Republicans in Congress. They have in their DNA trickle-down economics. Tax breaks for the rich, tax breaks for corporations, and the former Speaker even said: If trickle-down creates jobs, that would be good. If it doesn't, so be it. That is the free market.

As Republicans head to the White House for their victory lap, hopefully they won't trip over the wheelchair of Ady Barkan and other Americans with preexisting conditions.

I caution them not to trip over the wheelchair of Simon Hatcher and other children with severe medical needs. They will be in the path of your victory lap.

Don't trip over the sisters and brothers and mothers and fathers who tend to the health and well-being of their sick children and their siblings and who will not stop fighting to protect them.

I told you yesterday in a public forum:

> I caution you not to get in the way of a mother and father of a child with special needs and disabilities or extreme medical conditions. They will do anything to protect that child, and they notice what you are doing here.

As you are on this victory lap, you will probably have to put on earphones so you can block out the pleas of faith leaders speaking up for hardworking American families.

I know the Republicans want to talk so they can't hear the truth about their bill, but the American people won't forget the false representations you have made. They won't forget how loudly you cheered when you hurt their families, their children with special needs, their families struggling to attain some financial stability.

And why? These people say to me: How could they be so cruel as to put the health provision in this bill that would possibly eliminate 13 million people from the rolls of health insurance? How could they do that? Why did they do that?

Why? The answer is always the same: to give them room to give tax breaks to the wealthiest people in our country and to corporate America, unpaid for, permanently.

Our distinguished colleague from Massachusetts will show his credit card again today. They are putting this bill on a credit card that our children are going to have to pay for, robbing from their future.

This holiday they are talking about giving people a Christmas present? Well, Joe Sixpack, whom the President said he was there to help, and I hope that that is true, Joe Sixpack will be delivering the champagne to their parties. That is how this is. This isn't about anything better for working class families. This is about champagne glasses clinking and wealthy families across the country.

I don't begrudge them their success or their wealth or their achievement. I just don't want to see it at the exploitation of America's working families.

Shame on you for voting for this outrageous theft from the American middle class.

Mr. Speaker, once again, I urge my colleagues to do the right thing in this people's House and vote ''no'' on behalf of the American people.

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we hear a lot of false claims these days by opponents of tax reform. We hear that this isn't relief for the middle class, that people will see their taxes increase. But the Tax Policy Center, the most liberal economic group there is, just grudgingly admitted yesterday that 90 percent of Americans will see real tax cuts in this Tax Cuts and Jobs Act. In fact, the only ones who won't are the one-tenth of 1 percent who could.

We hear today about betrayal. Well, let's talk about that.

This tax reform bill doubles the child tax credit and expands it to nearly four times as many Americans, helping them with the expensive costs of childcare. Democrats oppose helping our parents raise their children. That is betrayal.

□ 1215

In this tax reform bill, we increase the amount of medical expenses Americans can write off—medical expenses driven up by ObamaCare. Democrats oppose helping families write off these costs. That is betrayal.

Now we are expanding the number of Americans who can, and how much, give in charity to our churches and to their causes. Democrats oppose helping people give to the community and to the causes they believe in. That is betrayal.

In this bill, we, for the first time, allow families who are saving for their kids' future to be able to use that and transfer it to the new ABLE accounts because their child has special needs and may need help throughout their life. Democrats oppose letting families save for their disabled children's future. That is betrayal.

Then we hear over and over again how some stand for small business, our Main Street businesses. Republicans, for the first time ever, provide a 20 percent deduction for our Main Street and small businesses across America. Democrats oppose helping our Main Street businesses. That is betrayal.

For too long, we have watched our jobs move overseas. This changes. This tax cut bill brings those jobs back and, more importantly, allows our companies, when they compete and win around the world, to bring those dollars back to be reinvested in our communities, in jobs, in manufacturing, and in research. Democrats oppose bringing jobs back to America and bringing those dollars back to reinvest in our community. Mr. Speaker, that is betrayal.

At the end of the day, we have a choice. Do we give back to families, parents, small businesses, and to America the hope and opportunity of a new economy driven by what is important to them, not what is important to special interests in Washington, D.C.?

That is what this bill is all about.

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

Mr. NEAL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the President just said in the last few minutes that the most important part of this legislation is the corporate tax cuts.

Stop the nonsense that you are doing this for the middle class.

In the 20 hours that have elapsed, Mr. Speaker, since we last had this debate, we were promised a number of things. The only thing they left out was that this tax bill was going to stem the tides, take us to Mars tomorrow, and the Cleveland Browns were going to win the Super Bowl.

The certainty of what they are telling us—if the stockmarket goes up, then they did it. The stockmarket has been going up since March of 2009. They talk about economic growth. Economic growth has now proceeded for 88 straight months. They keep telling us the rocket is about to launch because of this tax bill.

Do you know what is great about this, Mr. Speaker?

Reporters outside are starting to ask: Are you going to help them out if all of these things don't occur in the way they have said they are going to occur?

I said: After the appropriate period of review.

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

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

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. HOYER), who is the Democratic whip.

Mr. HOYER. Mr. Speaker, the other thing that the chairman did not say is that, after your last round of tax cuts, we had the deepest recession anybody in this body has experienced, starting in December 2007, when you had the Presidency, the House, and the Senate. You are at it again.

Mr. Speaker, I rise in sadness and disappointment that the House passed such an irresponsible, dangerous, and debt-exploding legislation yesterday. We should be better than this. We should be more responsible than this.

This bill gives 83 percent of its benefits to just 1 percent of the richest Americans.

Why didn't we have it reversed and give 83 percent to the people you talk about, Mr. Chairman?

It takes 13 million people off their health insurance coverage and it raises the deficit by $1.5 trillion.

There can be little doubt that the majority party is fixated on cutting taxes for the richest in our country.

Defeat this bill. Do right by the American people.

Mr. BRADY of Texas. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, let's talk deficits. Our Democrat opponents just hate the thought that we would give Americans back what they earned.

In 2009, when President Obama lifted the national debt by $1.6 trillion—more than this tax bill—they cheered. In the next year, when President Obama raised the national debt by almost $2 trillion in 1 year, they cheered. Three more times, President Obama and Democrats raised our national debt more than $1 trillion every year. And now—now—they oppose it.

Why?

Because that was about Washington spending your money. This is about giving it back to the American people, and now, suddenly, you object.

Two trillion dollars of deficit in 1 year.

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

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan (Mr. LEVIN), who is the longest-serving member of the Ways and Means Committee.

Mr. LEVIN. Mr. Speaker, if you will listen, this bill is trickle-down at its worst. Except for the very wealthy trickle, it is, at best, a trickle; and for millions, not even that; and for the economy at large, a discredited theory.

It is a deficit time bomb.

The Speaker said to the middle class: Don't worry, the expiring tax cuts will surely be extended.

That means the real deficit from this bill is $2.5 trillion, a humongous deficit wrapped in your hypocrisy—in your hypocrisy.

The SPEAKER pro tempore. Members are again reminded that they should address their remarks to the Chair.

Mr. BRADY of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. BARR).

Mr. BARR. Mr. Speaker, I rise today to applaud the great work of the chairman of the Ways and Means Committee, my good friend from Texas (Mr. BRADY) for his good work to overhaul America's Tax Code to deliver historic tax relief for workers, families, and job creators.

I resent the rhetoric from some of my friends on the other side of the aisle who talk about this as hurting disabled families. I am the brother of a disabled sister, and I am voting for this bill because it helps families with loved ones with disabilities, like expanding the ABLE Act.

I thank Chairman BRADY for working with me and others to address a provision in the Tax Cuts and Jobs Act, which would negatively impact work-study colleges, such as Berea College in my district.

The gentleman has fulfilled his commitment to me to fix this problem in the conference committee for work-study colleges and other small schools so that their endowments would be exempt from the excise tax on large college endowments.

Regrettably, last night, Senate Democrats used procedural rules to insist that this exemption be stripped out of the final conference report. It is unfortunate that they put partisan politics ahead of ensuring that students—many of whom are low-income and

first-generation college students—at work-study colleges would continue to be able to receive a tuition-free education.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BRADY of Texas. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Kentucky.

Mr. BARR. Mr. Speaker, these are first-generation college students who receive a tuition-free education.

I know that Chairman BRADY shares my commitment and that of Chairman ROGERS, Senator MCCONNELL, and others to make sure that Berea College and other work-study colleges continue their important mission.

Accordingly, I ask the gentleman's commitment to work with me to permanently exempt work-study colleges from the excise tax on endowment income in a timely manner, in the tax extenders, or another appropriate legislative vehicle as soon as possible.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank Mr. BARR for his leadership. The gentleman is correct, Senate Democrats stripped this out. I am committed to working with the gentleman to find a permanent solution to this problem as soon as possible.

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

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia (Mr. LEWIS), who is an extraordinary man. Our friend is the ranking member of the Oversight Subcommittee.

Mr. LEWIS of Georgia. Mr. Speaker, yesterday, taxpayers stood up and spoke out against Republicans lining the pockets of their donors by any means necessary.

Did you hear their cries? Can you feel their pain?

You did not, Mr. Speaker. You chose to turn a deaf ear and a blind eye to their hopes and their dreams.

This bill is a shame and a disgrace.

Mr. Speaker, I urge each of you to be on the side of the people, on the side of history, and to vote against this bill.

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

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. DOGGETT), who is a valued member of the Ways and Means Committee and the ranking member of the Tax Policy Subcommittee.

Mr. DOGGETT. Mr. Speaker, we are here solely because of Republican blunders. Hardly the first blunder. Many more blunders will need correcting from this trumped-up partisan bill.

If President Trump blunders into signing it today, it will trigger $25 billion in Medicare cuts.

This sad bill is left without any name. Like other towers, this towering monstrosity should be called ''Trump''-the ''Trump Inequality Act,'' the ''Trump Family Enrichment Act,'' or perhaps just call it the ''Whopper'' because it is a lie wrapped in lies.

The truth will eventually catch up with these lies.

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

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. THOMPSON), who is a Vietnam veteran and a distinguished member of the Ways and Means Committee.

Mr. THOMPSON of California. Mr. Speaker, this is one of the most important bills that any of us will ever vote on—no hearings, no expert witnesses—and now we get 30 seconds on the floor to debate it.

So let me just use my 30 seconds to say that this is a bad bill for working families. It is going to cause middle class working families to pay more in taxes. It is going to strap our citizens with $2.3 trillion more of national debt. I ask for a ''no'' vote.

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

Mr. NEAL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. CROWLEY), who is the chairman of the Democratic Caucus and a valued member of the Ways and Means Committee.

Mr. CROWLEY. Mr. Speaker, a revote—a revote—within less than 24 hours of original passage. This proves that this bill is rotten to its core.

But here is what the Republicans aren't going to fix:

They didn't fix the fact that this bill won't provide economic security to hardworking families.

They didn't fix the fact that this bill will subsidize mansions for the wealthy, not renters or first-time home buyers.

They didn't fix the fact that it won't help families save for education or their retirement.

They didn't fix the fact that it will saddle our grandchildren with $2 trillion of debt.

Mr. Speaker, this bill is not an investment in hardworking men and women or Americans. In fact, it rips healthcare from 13 million Americans. It is an investment in the GOP's base—corporate special interests—the wealthiest among the wealthiest, and the entire Trump empire. This bill is a political calculation they think will get them a win on election day.

But be warned: Americans are fed up and fired up. They know their cronies are laughing all the way to the bank. But the American people are organizing all the way to November.

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

Mr. NEAL. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. DANNY K. DAVIS), who is a champion of any and all things Chicago.

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, think of Robin Hood in reverse: take from the poor and give to the rich.

When you take away social safety net programs and when you take away Medicare and Medicaid, then it reminds me of Marie Antoinette. When the people had no bread, she said: Let them eat cake.

I was opposed to this before it was released, I was opposed yesterday, I will be opposed tomorrow, and I will be opposed next week. It is no good for the American people.

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

Mr. NEAL. Mr. Speaker, might I inquire as to how much time is remaining?

The SPEAKER pro tempore. The gentleman from Massachusetts has 3½ minutes remaining. The gentleman from Texas has 1 minute remaining.

Mr. NEAL. Mr. Speaker, I am prepared to close on this side, and I yield myself the balance of my time.

Mr. Speaker, so in 1 month we have taken the entire revenue system of the United States without hearing from one expert witness, without having had one public hearing, without using any precedent, and we changed the entire tax system of the country, tilting it clearly to the people at the very top.

□ 1230

When they say, as they certainly will, ''We have been doing hearings for 5 years,'' we never had one hearing on this legislation. Not one. We did not seek testimony from one witness in the conference committee. We got to offer opening statements and no amendments. There was no chance for any input on our side.

More than anything else, this is a missed opportunity. This was a missed chance to take a system that we all know to have fallen into competitive failure across the globe. But instead, they decided to go it alone.

So here is the way you want to think of this, for those of you who are following this debate:

They are borrowing $2.3 trillion for the purpose of cutting the top tax bracket from 39.6 percent to 37 percent and calling that middle class tax relief;

They are doubling the exemption on the estate tax to $22 million and calling that middle class tax relief;

They are eliminating the alternative minimum tax for people at the very top and calling it middle class tax relief.

By the 10th year of this tax proposal, 83 percent of the benefit accrues to the people at the very top of our economic system. That is not in dispute.

They say things like: Well, in 5 years, we are going to correct this measure. Then they talked about the idea that somehow this was about simplicity. When you get into the phase-ins and the phaseouts, you are all going to pass out from trying to read this tax proposal.

The complexity they add to the system is unparalleled, all to secure a tax cut for people at the top.

So here we are in the holiday season, and they are telling us, by the way, that if we just borrow this money, everything is going to be fine.

What did they say about borrowing when Bill Clinton was President? What

did they say about borrowing when Barack Obama was President?

They lectured us, day in and day out, in an unyielding manner, even though the economic performance of Clinton and Obama outweighed the two Republican Presidents in between.

So here is the game plan for the holiday season. Do you know what the holiday hangover on your credit card is? People go out and use their credit cards, and they figure out all year how to try to pay for it.

It is going to take you more than 10 years to try to pay for this, all upon the spurious notion that they guarantee economic growth, as the President said, by the way, that is going to exceed 6 percent. That is 6 percent.

They are telling us that the stock market has gone up because of them, even though it has gone up since March of 2009. They are telling us now that this is going to spur unparalleled economic growth, even though the economy has been growing for 88 straight months, all on the credit card for the American people.

Mr. Speaker, this is the worst piece of legislation that has come from the House in the 29 years that I have served here, and I yield back the balance of my time.

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

Mr. Speaker, I say to my Democratic colleagues: The worst bill in 29 years? With ObamaCare, don't sell yourselves short.

Today, we have a choice to make. We can either stick with the status quo—we just heard it—or we can take bold action to overhaul this broken Tax Code and restore hope, opportunity, and prosperity to Americans.

Our choice is clear, and I have made mine. I will vote to send this bill to President Trump's desk to get real tax reform done for the American people for the first time in 31 years. We will deliver for the American people.

Mr. Speaker, I encourage my colleagues to join me in support of this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 668, the previous question is ordered on the motion to concur.

The question is on the motion to concur by the gentleman from Texas (Mr. BRADY).

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

Mr. NEAL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on the motion to concur will be followed by a 5-minute vote on suspending the rules and passing H.R. 1159.

The vote was taken by electronic device, and there were—yeas 224, nays 201, not voting 7, as follows:

[Roll No. 699]

YEAS—224

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Bridenstine
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Latta
Lewis (MN)
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Ryan (WI)
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smucker
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)

NAYS—201

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Correa
Costa
Courtney
Crist
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Donovan
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Faso
Foster
Frankel (FL)
Frelinghuysen
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Issa
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Khanna
Kihuen
Kildee
Kilmer
Kind
King (NY)
Krishnamoorthi
Kuster (NH)
Lance
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
LoBiondo
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rohrabacher
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Sires
Slaughter
Smith (NJ)
Smith (WA)
Soto
Speier
Stefanik
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Wilson (FL)
Yarmuth
Zeldin

NOT VOTING—7

Brooks (AL)
Kennedy
Napolitano
Pocan
Renacci
Smith (TX)
Thompson (MS)

□ 1255

Mr. COSTELLO of Pennsylvania changed his vote from ''nay'' to ''yea.''

So the motion to concur was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mrs. NAPOLITANO. Mr. Speaker, I was absent during rollcall vote No. 699 due to the death of my spouse. Had I been present, I would have voted ''Nay'' on the Motion to Concur in the Senate Amendment to H.R. 1, the Tax Cuts and Jobs Act.

UNITED STATES AND ISRAEL SPACE COOPERATION ACT

The SPEAKER. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 1159) to provide for continuing cooperation between the National Aeronautics and Space Administration and the Israel Space Agency, and for other purposes, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. DUNN) that the

House suspend the rules and pass the bill, as amended.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 411, nays 0, not voting 20, as follows:

[Roll No. 700]

YEAS—411

Abraham
Adams
Aderholt
Aguilar
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barragán
Barton
Bass
Beatty
Bera
Bergman
Beyer
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Blumenauer
Blunt Rochester
Bonamici
Bost
Boyle, Brendan F.
Brady (PA)
Brady (TX)
Brat
Brooks (IN)
Brown (MD)
Brownley (CA)
Buck
Bucshon
Budd
Burgess
Bustos
Butterfield
Byrne
Calvert
Capuano
Carbajal
Cárdenas
Carson (IN)
Carter (GA)
Cartwright
Castor (FL)
Castro (TX)
Chabot
Cheney
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Coffman
Cohen
Cole
Collins (GA)
Collins (NY)
Comer
Conaway
Connolly
Cook
Cooper
Correa
Costa
Costello (PA)
Courtney
Cramer
Crawford
Crist
Crowley
Cuellar
Culberson
Cummings
Curbelo (FL)
Curtis
Davidson
Davis (CA)
Davis, Danny
Davis, Rodney
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
Denham
Dent
DeSantis
DeSaulnier
DesJarlais
Deutch
Diaz-Balart
Dingell
Doggett
Donovan
Doyle, Michael F.
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Ellison
Emmer
Engel
Eshoo
Espaillat
Estes (KS)
Esty (CT)
Evans
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foster
Foxx
Frankel (FL)
Frelinghuysen
Fudge
Gabbard
Gaetz
Gallagher
Gallego
Garamendi
Garrett
Gianforte
Gibbs
Gohmert
Gomez
Gonzalez (TX)
Goodlatte
Gosar
Gottheimer
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutiérrez
Hanabusa
Handel
Harper
Harris
Hastings
Heck
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Higgins (NY)
Hill
Himes
Holding
Hollingsworth
Hoyer
Hudson
Huffman
Huizenga
Hultgren
Hunter
Hurd
Issa
Jackson Lee
Jayapal
Jeffries
Jenkins (KS)
Jenkins (WV)
Johnson (GA)
Johnson (LA)
Johnson (OH)
Johnson, E. B.
Johnson, Sam
Jones
Jordan
Joyce (OH)
Kaptur
Katko
Keating
Kelly (IL)
Kelly (MS)
Kelly (PA)
Khanna
Kihuen
Kildee
Kilmer
Kind
King (IA)
King (NY)
Kinzinger
Knight
Krishnamoorthi
Kuster (NH)
Kustoff (TN)
Labrador
LaHood
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latta
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lewis (MN)
Lieu, Ted
Lipinski
LoBiondo
Loebsack
Lofgren
Long
Loudermilk
Love
Lowenthal
Lowey
Lucas
Luetkemeyer
Lujan Grisham, M.
Luján, Ben Ray
Lynch
MacArthur
Maloney, Carolyn B.
Maloney, Sean
Marchant
Marino
Marshall
Massie
Mast
Matsui
McCarthy
McCaul
McClintock
McCollum
McEachin
McGovern
McHenry
McKinley
McMorris Rodgers
McNerney
McSally
Meadows
Meehan
Meng
Messer
Mitchell
Moolenaar
Mooney (WV)
Moore
Moulton
Mullin
Murphy (FL)
Nadler
Neal
Newhouse
Noem
Nolan
Norcross
Norman
Nunes
O'Halleran
O'Rourke
Olson
Palazzo
Pallone
Palmer
Panetta
Pascrell
Paulsen
Payne
Pearce
Pelosi
Perlmutter
Perry
Peters
Peterson
Pingree
Pittenger
Poe (TX)
Poliquin
Polis
Posey
Price (NC)
Quigley
Ratcliffe
Reed
Reichert
Rice (NY)
Rice (SC)
Richmond
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Rosen
Roskam
Ross
Rothfus
Rouzer
Roybal-Allard
Royce (CA)
Ruiz
Ruppersberger
Rush
Russell
Rutherford
Ryan (OH)
Sánchez
Sanford
Sarbanes
Scalise
Schakowsky
Schiff
Schneider
Schrader
Schweikert
Scott, Austin
Scott, David
Sensenbrenner
Serrano
Sessions
Sewell (AL)
Shea-Porter
Sherman
Shimkus
Shuster
Simpson
Sinema
Sires
Slaughter
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (WA)
Smucker
Soto
Speier
Stefanik
Stewart
Stivers
Suozzi
Swalwell (CA)
Takano
Taylor
Tenney
Thompson (CA)
Thompson (PA)
Thornberry
Tiberi
Tipton
Titus
Tonko
Trott
Tsongas
Turner
Upton
Valadao
Vargas
Veasey
Vela
Velázquez
Visclosky
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Weber (TX)
Webster (FL)
Welch
Wenstrup
Westerman
Williams
Wilson (FL)
Wilson (SC)
Wittman
Womack
Woodall
Yarmuth
Yoder
Yoho
Young (IA)
Zeldin

NOT VOTING—20

Bishop (GA)
Bridenstine
Brooks (AL)
Buchanan
Carter (TX)
Comstock
Grothman
Hartzler
Kennedy
LaMalfa
Meeks
Napolitano
Pocan
Raskin
Renacci
Scott (VA)
Smith (TX)
Thompson (MS)
Torres
Young (AK)

□ 1302

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. NAPOLITANO. Mr. Speaker, I was absent during rollcall votes No. 697, 698, and 700 due to a death in my family. Had I been present, I would have voted "Nay" on ordering the previous question on H. Res. 668, "Nay" on agreeing to H. Res. 668 and "Yea" on H.R. 1159, United States and Israel Space Cooperation Act.

CORPORATE GOVERNANCE REFORM AND TRANSPARENCY ACT OF 2017

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 657, I call up the bill (H.R. 4015) to improve the quality of proxy advisory firms for the protection of investors and the U.S. economy, and in the public interest, by fostering accountability, transparency, responsiveness, and competition in the proxy advisory firm industry, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BOST). Pursuant to House Resolution 657, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–46 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 4015

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 ''Corporate Governance Reform and Transparency Act of 2017''.

SEC. 2. DEFINITIONS.

(a) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following new paragraphs:

''(81) PROXY ADVISORY FIRM.—The term 'proxy advisory firm' means any person who is primarily engaged in the business of providing proxy voting research, analysis, ratings, or recommendations to clients, which conduct constitutes a solicitation within the meaning of section 14 and the Commission's rules and regulations thereunder, except to the extent that the person is exempted by such rules and regulations from requirements otherwise applicable to persons engaged in a solicitation.

''(82) PERSON ASSOCIATED WITH A PROXY ADVISORY FIRM.—The term 'person associated with' a proxy advisory firm means any partner, officer, or director of a proxy advisory firm (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with a proxy advisory firm, or any employee of a proxy advisory firm, except that persons associated with a proxy advisory firm whose functions are clerical or ministerial shall not be included in the meaning of such term. The Commission may by rules and regulations classify, for purposes or any portion or portions of this Act, persons, including employees controlled by a proxy advisory firm.''.

(b) APPLICABLE DEFINITIONS.—As used in this Act—

(1) the term ''Commission'' means the Securities and Exchange Commission; and

(2) the term ''proxy advisory firm'' has the same meaning as in section 3(a)(81) of the Securities Exchange Act of 1934, as added by this Act.

SEC. 3. REGISTRATION OF PROXY ADVISORY FIRMS.

(a) AMENDMENT.—The Securities Exchange Act of 1934 is amended by inserting after section 15G the following new section:

''SEC. 15H. REGISTRATION OF PROXY ADVISORY FIRMS.

''(a) CONDUCT PROHIBITED.—It shall be unlawful for a proxy advisory firm to make use of the mails or any means or instrumentality of interstate commerce to provide proxy voting research, analysis, or recommendations to any client, unless such proxy advisory firm is registered under this section.

''(b) REGISTRATION PROCEDURES.—

''(1) APPLICATION FOR REGISTRATION.—

''(A) IN GENERAL.—A proxy advisory firm must file with the Commission an application for registration, in such form as the Commission shall require, by rule or regulation, and containing the information described in subparagraph (B).

''(B) REQUIRED INFORMATION.—An application for registration under this section shall contain information regarding—

''(i) a certification that the applicant is able to consistently provide proxy advice based on accurate information;

''(ii) the procedures and methodologies that the applicant uses in developing proxy voting recommendations, including whether and how the applicant considers the size of a company when making proxy voting recommendations;

''(iii) the organizational structure of the applicant;

''(iv) whether or not the applicant has in effect a code of ethics, and if not, the reasons therefor;

''(v) any potential or actual conflict of interest relating to the ownership structure of the applicant or the provision of proxy advisory services by the applicant, including whether the proxy advisory firm engages in services ancillary to the provision of proxy advisory services such as consulting services for corporate issuers, and if so the revenues derived therefrom;

''(vi) the policies and procedures in place to manage conflicts of interest under subsection (f); and

''(vii) any other information and documents concerning the applicant and any person associated with such applicant as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

''(2) REVIEW OF APPLICATION.—

''(A) INITIAL DETERMINATION.—Not later than 90 days after the date on which the application for registration is filed with the Commission under paragraph (1) (or within such longer period as to which the applicant consents) the Commission shall—

''(i) by order, grant registration; or

''(ii) institute proceedings to determine whether registration should be denied.

''(B) CONDUCT OF PROCEEDINGS.—

''(i) CONTENT.—Proceedings referred to in subparagraph (A)(ii) shall—

''(I) include notice of the grounds for denial under consideration and an opportunity for hearing; and

''(II) be concluded not later than 120 days after the date on which the application for registration is filed with the Commission under paragraph (1).

''(ii) DETERMINATION.—At the conclusion of such proceedings, the Commission, by order, shall grant or deny such application for registration.

''(iii) EXTENSION AUTHORIZED.—The Commission may extend the time for conclusion of such proceedings for not longer than 90 days, if it finds good cause for such extension and publishes its reasons for so finding, or for such longer period as to which the applicant consents.

''(C) GROUNDS FOR DECISION.—The Commission shall grant registration under this subsection—

''(i) if the Commission finds that the requirements of this section are satisfied; and

''(ii) unless the Commission finds (in which case the Commission shall deny such registration) that—

''(I) the applicant has failed to certify to the Commission's satisfaction that it is able to consistently provide proxy advice based on accurate information and to materially comply with the procedures and methodologies disclosed under paragraph (1)(B) and with subsections (f) and (g); or

''(II) if the applicant were so registered, its registration would be subject to suspension or revocation under subsection (e).

''(3) PUBLIC AVAILABILITY OF INFORMATION.—Subject to section 24, the Commission shall make the information and documents submitted to the Commission by a proxy advisory firm in its completed application for registration, or in any amendment submitted under paragraph (1) or (2) of subsection (c), publicly available on the Commission's website, or through another comparable, readily accessible means.

''(c) UPDATE OF REGISTRATION.—

''(1) UPDATE.—Each registered proxy advisory firm shall promptly amend and update its application for registration under this section if any information or document provided therein becomes materially inaccurate, except that a registered proxy advisory firm is not required to amend the information required to be filed under subsection (b)(1)(B)(i) by filing information under this paragraph, but shall amend such information in the annual submission of the organization under paragraph (2) of this subsection.

''(2) CERTIFICATION.—Not later than 90 calendar days after the end of each calendar year, each registered proxy advisory firm shall file with the Commission an amendment to its registration, in such form as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors—

''(A) certifying that the information and documents in the application for registration of such registered proxy advisory firm continue to be accurate in all material respects; and

''(B) listing any material change that occurred to such information or documents during the previous calendar year.

''(d) CENSURE, DENIAL, OR SUSPENSION OF REGISTRATION; NOTICE AND HEARING.—The Commission, by order, shall censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding 12 months, or revoke the registration of any registered proxy advisory firm if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation is necessary for the protection of investors and in the public interest and that such registered proxy advisory firm, or any person associated with such an organization, whether prior to or subsequent to becoming so associated—

''(1) has committed or omitted any act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (H), or (G) of section 15(b)(4), has been convicted of any offense specified in section 15(b)(4)(B), or is enjoined from any action, conduct, or practice specified in subparagraph (C) of section 15(b)(4), during the 10-year period preceding the date of commencement of the proceedings under this subsection, or at any time thereafter;

''(2) has been convicted during the 10-year period preceding the date on which an application for registration is filed with the Commission under this section, or at any time thereafter, of—

''(A) any crime that is punishable by imprisonment for one or more years, and that is not described in section 15(b)(4)(B); or

''(B) a substantially equivalent crime by a foreign court of competent jurisdiction;

''(3) is subject to any order of the Commission barring or suspending the right of the person to be associated with a registered proxy advisory firm;

''(4) fails to furnish the certifications required under subsections (b)(2)(C)(ii)(I) and (c)(2);

''(5) has engaged in one or more prohibited acts enumerated in paragraph (1); or

''(6) fails to maintain adequate financial and managerial resources to consistently offer advisory services with integrity, including by failing to comply with subsections (f) or (g).

''(e) TERMINATION OF REGISTRATION.—

''(1) VOLUNTARY WITHDRAWAL.—A registered proxy advisory firm may, upon such terms and conditions as the Commission may establish as necessary in the public interest or for the protection of investors, which terms and conditions shall include at a minimum that the registered proxy advisory firm will no longer conduct such activities as to bring it within the definition of proxy advisory firm in section 3(a)(81) of the Securities Exchange Act of 1934, withdraw from registration by filing a written notice of withdrawal to the Commission.

''(2) COMMISSION AUTHORITY.—In addition to any other authority of the Commission under this title, if the Commission finds that a registered proxy advisory firm is no longer in existence or has ceased to do business as a proxy advisory firm, the Commission, by order, shall cancel the registration under this section of such registered proxy advisory firm.

''(f) MANAGEMENT OF CONFLICTS OF INTEREST.—

''(1) ORGANIZATION POLICIES AND PROCEDURES.—Each registered proxy advisory firm shall establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of the business of such registered proxy advisory firm and associated persons, to address and manage any conflicts of interest that can arise from such business.

''(2) COMMISSION AUTHORITY.—The Commission shall issue final rules to prohibit, or require the management and disclosure of, any conflicts of interest relating to the offering of proxy advisory services by a registered proxy advisory firm, including, without limitation, conflicts of interest relating to—

''(A) the manner in which a registered proxy advisory firm is compensated by the client, or any affiliate of the client, for providing proxy advisory services;

''(B) the provision of consulting, advisory, or other services by a registered proxy advisory firm, or any person associated with such registered proxy advisory firm, to the client;

''(C) business relationships, ownership interests, or any other financial or personal interests between a registered proxy advisory firm, or any person associated with such registered proxy advisory firm, and any client, or any affiliate of such client;

''(D) transparency around the formulation of proxy voting policies;

''(E) the execution of proxy votes if such votes are based upon recommendations made by the proxy advisory firm in which someone other than the issuer is a proponent;

''(F) issuing recommendations where proxy advisory firms provide advisory services to a company; and

''(G) any other potential conflict of interest, as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

''(g) RELIABILITY OF PROXY ADVISORY FIRM SERVICES.—

''(1) IN GENERAL.—Each registered proxy advisory firm shall have staff sufficient to produce proxy voting recommendations that are based on accurate and current information. Each registered proxy advisory firm shall detail procedures sufficient to permit companies receiving proxy advisory firm recommendations access in a reasonable time to the draft recommendations, with an opportunity to provide meaningful comment thereon, including the opportunity to present details to the person responsible for developing the recommendation in person or telephonically. Each registered proxy advisory firm shall employ an ombudsman to receive complaints about the accuracy of voting information used in making recommendations from the subjects of the proxy advisory firm's voting recommendations, and shall seek to resolve those complaints in a timely fashion and in any event prior to voting on the matter to which the recommendation relates. If the ombudsman is unable to resolve such complaints prior to voting on the matter, the proxy advisory firm shall include in its final report to its clients a statement from the company detailing its complaints, if requested in writing by the company.

''(2) REASONABLE TIME DEFINED.—For purposes of this subsection, the term 'reasonable time'—

''(A) means not less than 3 business days unless otherwise defined through a final rule issued by the Commission; and

''(B) shall not otherwise interfere with a proxy advisory firm's ability to provide its clients with timely access to accurate proxy voting research, analysis, or recommendations.

''(3) DRAFT RECOMMENDATIONS DEFINED.—For purposes of this subsection, the term 'draft recommendations'—

''(A) means the overall conclusions of proxy voting recommendations prepared for the clients of a proxy advisory firm, including any public data cited therein, any company information or substantive analysis impacting the recommendation, and the specific voting recommendations on individual proxy ballot issues; and

''(B) does not include the entirety of the proxy advisory firm's final report to its clients.

''(h) DESIGNATION OF COMPLIANCE OFFICER.—Each registered proxy advisory firm shall designate an individual responsible for administering the policies and procedures that are required to be established pursuant to subsections (f) and (g), and for ensuring compliance with the securities laws and the rules and regulations thereunder, including those promulgated by the Commission pursuant to this section.

''(i) PROHIBITED CONDUCT.—

''(1) PROHIBITED ACTS AND PRACTICES.—The Commission shall issue final rules to prohibit any act or practice relating to the offering of proxy advisory services by a registered proxy advisory firm that the Commission determines to be unfair, coercive, or abusive, including any act or practice relating to—

''(A) conditioning a voting recommendation or other proxy advisory firm recommendation on the purchase by an issuer or an affiliate thereof of other services or products, of the registered proxy advisory firm or any person associated with such registered proxy advisory firm; and

''(B) modifying a voting recommendation or otherwise departing from its adopted systematic procedures and methodologies in the provision of proxy advisory services, based on whether an issuer, or affiliate thereof, subscribes or will subscribe to other services or product of the registered proxy advisory firm or any person associated with such organization.

''(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1), or in any rules or regulations adopted thereunder, may be construed to modify, impair, or supersede the operation of any of the antitrust laws (as defined in the first section of the Clayton Act, except that such term includes section 5 of the Federal Trade Commission Act, to the extent that such section 5 applies to unfair methods of competition).

''(j) STATEMENTS OF FINANCIAL CONDITION.—Each registered proxy advisory firm shall, on a confidential basis, file with the Commission, at intervals determined by the Commission, such financial statements, certified (if required by the rules or regulations of the Commission) by an independent public auditor, and information concerning its financial condition, as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

''(k) ANNUAL REPORT.—Each registered proxy advisory firm shall, at the beginning of each fiscal year of such firm, report to the Commission on the number of shareholder proposals its staff reviewed in the prior fiscal year, the number of recommendations made in the prior fiscal year, the number of staff who reviewed and made recommendations on such proposals in the prior fiscal year, and the number of recommendations made in the prior fiscal year where the proponent of such recommendation was a client of or received services from the proxy advisory firm.

''(l) TRANSPARENT POLICIES.—Each registered proxy advisory firm shall file with the Commission and make publicly available its methodology for the formulation of proxy voting policies and voting recommendations.

''(m) RULES OF CONSTRUCTION.—

''(1) NO WAIVER OF RIGHTS, PRIVILEGES, OR DEFENSES.—Registration under and compliance with this section does not constitute a waiver of, or otherwise diminish, any right, privilege, or defense that a registered proxy advisory firm may otherwise have under any provision of State or Federal law, including any rule, regulation, or order thereunder.

''(2) NO PRIVATE RIGHT OF ACTION.—Nothing in this section may be construed as creating any private right of action, and no report filed by a registered proxy advisory firm in accordance with this section or section 17 shall create a private right of action under section 18 or any other provision of law.

''(n) REGULATIONS.—

''(1) NEW PROVISIONS.—Such rules and regulations as are required by this section or are otherwise necessary to carry out this section, including the application form required under subsection (a)—

''(A) shall be issued by the Commission, not later than 180 days after the date of enactment of this section; and

''(B) shall become effective not later than 1 year after the date of enactment of this section.

''(2) REVIEW OF EXISTING REGULATIONS.—Not later than 270 days after the date of enactment of this section, the Commission shall—

''(A) review its existing rules and regulations which affect the operations of proxy advisory firms;

''(B) amend or revise such rules and regulations in accordance with the purposes of this section, and issue such guidance, as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors; and

''(C) direct Commission staff to withdraw the Egan Jones Proxy Services (May 27, 2004), and Institutional Shareholder Services, Inc. (September 15, 2004), no-action letters.

''(o) APPLICABILITY.—This section, other than subsection (n), which shall apply on the date of enactment of this section, shall apply on the earlier of—

''(1) the date on which regulations are issued in final form under subsection (n)(1); or

''(2) 270 days after the date of enactment of this section.''.

(b) CONFORMING AMENDMENT.—Section 17(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78q(a)(1)) is amended by inserting ''proxy advisory firm,'' after ''nationally recognized statistical rating organization,''.

SEC. 4. COMMISSION ANNUAL REPORT.

The Commission shall make an annual report publicly available on the Commission's Internet website. Such report shall, with respect to the year to which the report relates—

(1) identify applicants for registration under section 15H of the Securities Exchange Act of 1934, as added by this Act;

(2) specify the number of and actions taken on such applications;

(3) specify the views of the Commission on the state of competition, transparency, policies and methodologies, and conflicts of interest among proxy advisory firms;

(4) include the determination of the Commission with regards to—

(A) the quality of proxy advisory services issued by proxy advisory firms;

(B) the financial markets;

(C) competition among proxy advisory firms;

(D) the incidence of undisclosed conflicts of interest by proxy advisory firms;

(E) the process for registering as a proxy advisory firm; and

(F) such other matters relevant to the implementation of this Act and the amendments made by this Act, as the Commission determines necessary to bring to the attention of the Congress;

(5) identify problems, if any, that have resulted from the implementation of this Act and the amendments made by this Act; and

(6) recommend solutions, including any legislative or regulatory solutions, to any problems identified under paragraphs (4) and (5).

The SPEAKER pro tempore. The bill, as amended, shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and submit extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

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

Mr. Speaker, I rise in strong support of H.R. 4015, the Corporate Governance Reform and Transparency Act of 2017, and I thank the sponsor of this legislation, the gentleman from Wisconsin (Mr. DUFFY), the chairman of the Housing and Insurance Subcommittee of our committee, for offering this bill.

Each year, Mr. Speaker, public companies hold shareholder meetings wherein shareholders vote for the companies' directors and on other significant corporate actions that require shareholder approval.

Mr. Speaker, the Securities and Exchange Commission requires that, before these annual shareholder meetings take place, public companies must provide shareholders with proxy statements that include all important facts about matters to be voted on at a shareholder meeting. Many shareholders and investment advisers rely on information provided by proxy advisory firms to guide their votes on these matters.

H.R. 4015 would enhance transparency in the shareholder proxy system by requiring proxy advisory firms to register with the SEC, disclose potential conflicts of interest and codes of ethics, and make their methodologies public.

Mr. Speaker, this is a pure disclosure bill, nothing more, nothing less. Proxy firms play an outsized role in the U.S. economy in shaping corporate governance. They counsel pension plans, mutual funds, and other institutional investors about how to vote the shares of corporations that they own.

With respect to institutional investors, Mr. Speaker, the share of institutional investor ownership was roughly 46 percent as recently as 1987, but today, that figure is more than 75 percent; in other words, the volume of proxy votes for which investors are responsible has grown into the billions.

In 2003, the SEC adopted a rule under the Investment Advisers Act that requires an investment adviser to vote in

the best interest of their clients' own proxies. A series of SEC no-action letters give the investment adviser a fundamental safe harbor from liability if they use a proxy adviser.

As a result, institutional investors have increasingly relied on proxy advisory firms to help them decide how to vote their shares. However, regulators, market participants, and academic observers have highlighted potential conflicts of interest that are inherent in the business models and activities of proxy advisory firms.

The committee, for example, is aware of numerous instances whereby the two largest proxy advisory firms have issued vote recommendations to shareholders that include errors, misstatements of facts, and incomplete analysis.

For example, in one instance, a company reported that, even though the total shareholder return the company actually had generated for its shareholders was 64 percent, a proxy advisory firm, Glass Lewis, erroneously reported this calculation to be 26 percent.

Another company reported that ISS erroneously reported that the company's long-term cash awards will vest and pay out their maximum opportunity in the event of a change in control. Well, this was reported even though the company's plan had been amended and approved by the shareholders years earlier in a manner that would pay out at target upon change in control, and there are many other examples.

Some proxy advisory firms' recommendations have been made without any contact to the public company at all, and then these same proxy advisory firms encourage companies to join their service in order to have the privilege to ''influence'' an advisory firm's recommendations. I suspect, for many people, this simply does not pass the smell test.

An industrial company told its shareholders, Mr. Speaker: ''ISS' negative recommendation was based on flawed analysis of our compensation programs that did not appropriately take into account the significant declines in our CEO's pay in 2015 or the performance-based nature of our annual and long-term incentive compensation programs.''

A pharmaceutical company responded to a proxy advisory firm's recommendations with this statement: ''For the second year in a row, Glass Lewis did not include its full pay for performance analysis in this report. For shareholders who rely only on Glass Lewis materials to make voting decisions, there is no discussion of the company's industry-leading performance over this time period.''

Again, Mr. Speaker, there are many, many more examples like these.

So another concern that many people have, Mr. Speaker, is that the two largest proxy advisory firms collectively—collectively—make up 97 percent of the proxy advisory industry—97 percent. This monopolization and the lack of transparency regarding proxy advisory firms means that the writings, analysis, reports, and voting recommendations of these two firms have a disproportionate effect on fundamental corporate transactions like mergers or acquisitions, the approval of corporate directors, and shareholder proposals. In other words, these two firms have a huge impact on our economy.

The bill of the gentleman from Wisconsin (Mr. DUFFY) helps address these concerns by setting up a new regulatory regime for proxy advisory firms that looks out for the interest of investors, shareholders, by ensuring they receive complete information through the proxy process and can better vote in a manner consistent with shareholder interest as opposed to the potential conflicted interest of a proxy firm.

Mr. DUFFY's bill also helps ensure that shareholders and their proxies have access to accurate information regarding companies by allowing companies to provide input on proxy recommendations. This is especially important for emerging growth companies that rely heavily on investors.

A bad proxy recommendation in which emerging growth companies cannot refute the recommendation can be devastating to those emerging growth companies and, thus, have a harmful impact on our economy.

In a letter to our committee, the Biotechnology Innovation Organization wrote: ''Small business innovators operate in a unique industry that values a strong relationship with investors. Yet they are often held to standards that are not applicable to their company and forced to engage in proxy fights over issues that do not add value to shareholders.''

H.R. 4015 would provide for SEC oversight of proxy advisory firms, ensuring that they operate within appropriate boundaries and can be held accountable to regulators and the public.

To be clear, Mr. Speaker, nothing in this bill permits companies to rewrite a proxy firm's report or forces a proxy firm to change its recommendation based on feedback received from the company.

In summary, H.R. 4015 will improve transparency in the proxy system and enhance shareholder access to information by ensuring that proxy advisory firms are registered with the SEC, disclose potential conflicts of interest and codes of ethics, and make publicly available their methodologies for forming proxy recommendations and analysis. For every Member who believes in investor protection and supports a healthier economy, they should support H.R. 4015.

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

□ 1315

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4015, the so-called Corporate Governance Reform and Transparency Act, would create an untested, inappropriate, and burdensome regulatory framework for proxy advisory firms, making it much more difficult for shareholders to obtain unbiased research used to make well-informed voting decisions about the companies they own.

Institutional investors, like pension funds and mutual funds, typically invest money on behalf of hardworking Americans in a large number of public companies. In exchange for their investment, companies provide investors with shares of ownership and a say on important proposed changes to how the companies are run.

These proposals may relate to who sits on the board of directors, how much executives are paid, environmental practices, employee minimum wage, and nondiscrimination policies.

Shareholders often hire independent researchers called proxy advisory firms to help inform their voting decisions on the many proposals they consider each year.

H.R. 4015 contains numerous provisions that would undermine proxy advisory firms and the shareholders that rely on them for unbiased advice.

First, H.R. 4015 would essentially fulfill the wishes of corporate management by regulating proxy advisory firms out of existence. The bill requires proxy advisory firms to register with the Securities and Exchange Commission and authorizes the SEC to deny applications on a whim.

Additionally, H.R. 4015 would force proxy advisers to publicly disclose their internal proprietary research methodologies and voting policies, which firms invest time and money into developing.

The bill would also require proxy advisers to hire a sort of compliance department dedicated entirely to the grievances of corporate management rather than the adviser's own shareholder clients.

These burdensome requirements would deter new proxy advisers from entering the market and squeeze out smaller, cost-sensitive firms. As a result, shareholders would be faced with ever-increasing fees to obtain research from a shrinking universe of advisers.

Second, H.R. 4015 would grant corporate management the right to review and weigh in on a proxy adviser's draft recommendations before the shareholder-clients, who pay for the recommendations, get to see a final report. If management raises a complaint that the adviser disagrees with, the bill allows management to get the last word by publishing its dissenting opinion in the adviser's final report. In other words, the bill is the equivalent of requiring that a teacher clear a report card with a student before sending it to his or her parents.

Finally, H.R. 4015 is unnecessary in light of existing Federal securities

laws. For example, some proxy advisers, such as the largest firm, Institutional Shareholder Services, are already registered and regulated as investment advisers under the Investment Advisers Act of 1940. As such, they already owe heightened obligations to their customers; must make regular, comprehensive disclosures to regulators and the public; and are subject to periodic compliance examinations, among other legal responsibilities. Additionally, the SEC has already provided guidance on due diligence and oversight related to proxy advisers.

H.R. 4015 would replace this well-understood guidance with a harmful and inappropriate regulatory regime that undermines investors' ability to simply exercise their shareholder rights.

Tellingly, nothing in H.R. 4015 advances the bill's purported goals of ''fostering accountability, transparency, responsiveness, and competition in the proxy advisory firm industry.''

Shareholders hold corporations and their management accountable by casting well-informed votes on important issues of corporate governance, including issues of diversity. For example, a recent study by Ernst & Young found that corporate board diversity and gender pay equity were key themes in the 2017 proxy season. Specifically, Ernst & Young found that over half of the investors it interviewed included diversity as a board priority in 2017, and ''proposals asking boards to report on and increase their board diversity are among the top shareholder proposals submitted this year.''

H.R. 4015 would render these important accountability efforts ineffective, as the institutional shareholders driving governance changes would be less able to obtain the research needed to inform voting decisions.

Now, I can imagine that Americans listening to this debate may get confused that Republicans, who have been singularly focused on repealing important safeguards and protections for America's consumers and investors, are now claiming that they are seeking to protect investors with these new rules, but, Mr. Speaker, if this bill truly helped investors, why have so many from all over America written letters to Congress opposing H.R. 4015?

To name a few, the bill's opponents include public pension funds and government officials from California, Colorado, Connecticut, Florida, Illinois, New York, Ohio, Oregon, and Washington. These investors joined a letter from Council of Institutional Investors stating that H.R. 4015 ''would weaken corporate governance in the United States; undercut proxy advisory firms' ability to uphold their fiduciary obligation to their investor clients; and reorient any surviving firms to serve companies rather than investors.''

Proponents of effective corporate governance, including Americans for Financial Reform, Consumer Federation of America, Public Citizen, and Principles for Responsible Investment, have similarly written to oppose this bill. For example, the Consumer Federation of America wrote that H.R. 4015 ''would empower companies to bully proxy advisory firms into dropping their objections to management proposals or watering down their recommendations.''

Private institutional investors also agree that H.R. 4015 would leave shareholders reliant on biased information tilted toward the interests of company management. Sound corporate governance requires shareholders to have access to impartial information when voting on key corporate issues.

If our Nation's investors, who provide the capital for businesses to grow jobs and our economy, are unable to hold corporations accountable, they will be increasingly reluctant to invest. H.R. 4015 would, thereby, hurt the very businesses it purports to assist.

Mr. Speaker, for these reasons, I urge my colleagues to join me in opposing H.R. 4015.

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

Mr. HENSARLING. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, it is a historic day in America. Republicans deliver historic tax relief for working Americans and small businesses.

The ranking member has articulated concern over burdensome requirements. I look forward to working with her now on reducing the burdensome requirements of the Dodd-Frank Act.

Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. HUIZENGA), the chairman of the Committee on Financial Services' Subcommittee on Capital Markets, Securities, and Investments.

Mr. HUIZENGA. Mr. Speaker, as has been pointed out each year, public companies convene these shareholder meetings at which the companies' shareholders vote for the companies' directors and on other significant corporate actions that require shareholder approval.

As part of this annual process, the Securities and Exchange Commission requires public companies to provide their shareholders with a proxy statement before those meetings.

A proxy statement includes all important facts about the matters to be voted on at the meeting, including, for example, information on board of directors candidates, director compensation, executive compensation, related party transactions, securities ownership by management, and eligible shareholder proposals.

The information contained in the statement must be filed with the SEC before soliciting a shareholder vote on the election of directors and the approval of these other corporate actions. Solicitations, whether by management or shareholders, must disclose all important facts about the issues on which the shareholders are being asked to vote.

Institutional investors, including investment advisers to mutual funds and pension funds, typically hold shares in a large number of public companies. Each year, the investment advisers to these funds vote billions of shares on behalf of their clients on thousands of proxy ballot items.

What you have heard about, really, was the theoretical way this is supposed to run. Unfortunately, that is not reality, and that is not what you are hearing from the other side, because in 2003, the SEC adopted a rule under the Investment Advisers Act of 1940, requiring an investment adviser that exercises voting authority over its clients' proxies to adopt policies and procedures designed to ensure that the investment adviser votes those proxies in the best interests of their clients. Perfect. That is exactly what they should be doing.

The SEC's release adopting the rule clarified that ''an adviser could demonstrate that the vote was not a product of a conflict of interest if it voted client securities, in accordance with a predetermined policy, based upon the recommendations of an independent third party.''

Okay so far, but here is where we see the problem. As a result, institutional investors increase their reliance on these proxy adviser firms to help them decide how to vote their shares.

In 2004, the SEC staff, without a Commission vote, just the staff, issued two ''no action'' letters ''effectively blessing the practice of investment advisers simply voting the recommendations provided by a proxy adviser,'' according to SEC Commissioner Dan Gallagher.

Largely, as a result of the SEC's regulation, proxy adviser firms now wield tremendous outside influence on the U.S. proxy system. Studies have shown that the two largest proxy adviser firms are comprised of approximately 97 percent of all the proxy advisory industry and can control a significant percentage of share votes in corporate elections, which is sometimes as high as 40 percent. There have been numerous instances where these two firms have issued vote recommendations on publicly traded companies that include errors, misstatements of fact, and incomplete analysis.

Additionally, some proxy advisory firms' recommendations have been made without any sort of communication or contact with the public company that they are actually reviewing. In fact, these same proxy advisory firms even encourage companies to join their service on the other side of the ledger in order to have the privilege to ''influence'' an advisory firm's recommendations.

Members heard from the ranking member about a teacher having to check with a student about what their grades are going to be as a student.

Well, what this is, Mr. Speaker, this is the teacher shaking down the student for their lunch money and milk

money to make sure that they are behaving.

So let's talk about reality here.

Regulators, market participants, and academic observers have highlighted potential conflicts of interest inherent to this business model and activities of these proxy firms. For example, proxy advisory firms may feel pressured by their largest clients, who may be activist investors, to issue voting recommendations that reflect those clients' specific agendas, not the boards' or the corporations'.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 1 minute to the gentleman from Michigan (Mr. HUIZENGA).

Mr. HUIZENGA. Mr. Speaker, additionally, proxy advisory firms often provide voting recommendations to investment advisers on matters for which they also provide consulting services to public companies. Talk about, again, a conflict of interest.

Some proxy advisory firms also rate or score these public companies on their governance structures, policies, practices, and they are trying to actually influence the corporate governance practices of these companies.

Essentially, these proxy advisory firms have hijacked the proxy system by aligning themselves with activist shareholders, who also might be their clients, to push social and political initiatives rather than using shareholder votes to maximize shareholder value and increasing shareholder returns.

□ 1330

Well, H.R. 4015 is to the rescue on this. It would foster greater accountability, competition, responsiveness, and, most importantly of all, transparency.

This legislation would ensure that voting recommendations at proxy advisory firms are, in fact, in the interest of long-term shareholders.

So let's not misunderstand. The role of these proxy advisory firms serves a very important place in our economy. However, these firms aren't immune to conflicts of interest.

The good work of my friend, Mr. DUFFY, on H.R. 4015 will improve that transparency.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

It is not enough that my friends on the opposite side of the aisle just voted to give the biggest tax breaks to America's richest corporations. They are back here now supporting the control and the dominance of corporations over our investors who need protections. The difference between us and them, they are for deregulation of Dodd-Frank and protection for consumers to support, however they can give it, the biggest corporations in America.

Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), the distinguished ranking member of the Subcommittee on Capital Markets, Securities, and Investments.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I rise in support of investor protection and in opposition to H.R. 4015.

Proxy advisers provide recommendations to institutional investors on how to vote on board of director elections and shareholder resolutions.

Big institutional investors are shareholders at thousands of public companies, and they simply don't have time to carefully review every single hundred-page proxy statement in detail, especially because most public companies hold their shareholders meetings at about the same 3-month period.

So institutional investors rely on proxy advisers for vote recommendations, which are often tailored to the investor's particular corporate governance preferences. They also rely on proxy firms for their data management on shareholder votes and corporate governance.

This is healthy. Proxy advisers do actually have the time to carefully read all of the statements and proposals because they are professionals that are hired to do just that.

I agree that the current regulatory system for proxy advisers is not perfect. Two proxy advisory firms account for 97 percent of the market—ISS and Glass Lewis—but, for some reason, they are regulated differently. ISS is a registered investment adviser, while Glass Lewis is not. Surely, this is not an ideal setup, so I am open to the idea of a better and more consistent regulatory regime for proxy advisers.

But there are several things in this bill that concern me deeply. I don't see why companies should have a statutory right to receive and comment on a proxy adviser's draft recommendations before they are sent to investors. Proxy advisers aren't Federal agencies with a notice-and-comment for private companies. They are working for private companies that are providing a valuable service. This is not appropriate at all.

Asset managers that use proxy advisers also tell me that they would find proxy advisers a lot less useful if the proxy firm had to give the company an opportunity to comment on their vote recommendations before sending them to the asset manager.

And a new addition to the bill is very troubling. This would raise the possibility of proxy advisers being forced to send the clients the companies' own complaints about the proxy adviser's recommendations, even if the complaint is completely untrue.

This is totally inappropriate and, I would say, plain wrong. So while I am sympathetic to the idea that a better and more consistent regulatory regime could be developed, I cannot support this bill, and I have good company here.

Mr. Speaker, I include in the RECORD a letter from the Comptroller of the State of New York, Comptroller DiNapoli; a statement from the AFL–CIO of the United States of America; a statement from the Council of Institutional Investors; a statement from the Consumer Federation of America, and a statement by Glass Lewis.

This is a troubling bill. I urge my colleagues to vote ''no'' on it. It is bad for safety and soundness and for good governance in this country.

STATE OF NEW YORK,
OFFICE OF THE STATE COMPTROLLER,
Albany, NY, December 14, 2017.

Re Opposition to H.R. 4015, Corporate Governance Reform and Transparency Act of 2017.

DEAR MEMBERS OF THE NYS CONGRESSIONAL DELEGATION: I write to express my strong opposition to H.R. 4015, the Corporate Governance Reform and Transparency Act of 2017, which I understand will soon be voted on by the United States House of Representatives. I believe that H.R. 4015, if passed and enacted, would require unnecessary and expensive regulation. Further, this legislation was not promoted by those it purports to protect: shareholders. It would weaken corporate accountability and shareholder oversight, undercut proxy advisory firms' invaluable independence, increase costs to consumers of research and redirect proxy advisors to answer to companies rather than the clients it serves.

As Comptroller of the State of New York, I am the Trustee of the New York State Common Retirement Fund (Fund) and the administrative head of the New York State and Local Retirement System (the System). As a fiduciary responsible for the benefits of over one million state and local government employees, retirees, and beneficiaries, I am especially troubled by H.R. 4015's provisions that would weaken corporate accountability and shareholder oversight.

The system of corporate governance that has evolved in the United States relies on the accountability of boards of directors to shareholders, and proxy voting is a critical means by which shareholders hold boards to account. Currently, proxy advisors provide shareholders of corporations with independent advice. The proposed bill threatens that very independence, which is integral to the responsible exercise of a shareholder's voting rights.

In public comments defending H.R. 4015, members of the Financial Services Committee have voiced the erroneous assertions that proxy advisory firms dictate proxy voting results and that institutional investors utilizing proxy advisors do not make their own voting decisions. I personally review and approve the Fund's customized Proxy Voting and Corporate Governance Guidelines (Guidelines). In 2017, the Fund voted on nearly 30,000 agenda items on its portfolio companies' proxy statements, and every single one of those items was voted pursuant to the guidelines which state: ''proxy voting decisions are based on internal reviews of available information relating to items on the ballot at each company's annual meeting. . . . The Fund analyzes a variety of materials from publicly available sources, which include but are not limited to, U.S. Securities and Exchange Commission (SEC) filings, analyst reports, relevant studies and materials from proponents and opponents of shareholder proposals, third-party independent perspectives and studies, and analyses from several corporate governance advisory firms.'' All of our proxy voting decisions are made independently and in the best interest of our System's participants.

Proxy advisory firms provide cost-efficient, informed, and independent research,

analysis, and advice for institutional shareholders, which often hold thousands of companies in their investment portfolios. The independence of that advice is absolutely essential, and if proxy advisors are required to obtain corporate review and rebuttals before releasing their research to investors, that independence would be compromised, depriving public pension funds and other institutional investors of a vital resource. Such a requirement would also delay investors' access to research in the already constricted time frame available to consider ballot issues and develop independent voting decisions in an informed fashion.

As you consider your vote on this bill, please take into account the concerns I have expressed on behalf of the more than one million members, retirees and beneficiaries of the System for whom the Fund invests.

Thank you for your consideration of this very important matter. Please feel free to contact me if you would like to discuss these issues further.

Sincerely,

THOMAS P. DiNAPOLI,
State Comptroller.

AFL–CIO,
Washington, DC, December 14, 2017.

DEAR REPRESENTATIVE: On behalf of the AFL–CIO, I am writing to express our strong opposition to the ''Corporate Governance Reform and Transparency Act of 2017'' (H.R. 4015). H.R. 4015 will create a costly and untested regulatory regime for proxy advisory firms that provide research and voting recommendations to shareholders. The bill claims to foster ''accountability, transparency, responsiveness, and competition in the proxy advisory firm industry,'' while in reality it will interfere with shareholders' access to impartial analysis and undermine shareholders' ability to hold corporate management accountable.

For example, H.R. 4015 will undermine investors' ability to hold corporate management responsible on issues such as executive pay. H.R. 4015 would give corporate executives an effective veto over proxy advisor recommendations by enabling companies to delay vote recommendations. Corporate executives will be able to object to any proxy voting recommendation that is contrary to their own preferences, including votes on their own executive compensation packages.

The bill is based on the false idea that shareholders blindly follow the recommendations of proxy advisors. In reality, proxy advisors provide independent and unbiased research on proxy votes to help investors formulate their own proxy voting decisions. This flawed bill will create unnecessary regulations that undermine this free flow of information to investors.

For these reasons, we strongly urge you to vote against ''Corporate Governance Reform and Transparency Act of 2017'' (H.R. 4015).

Sincerely,

WILLIAM SAMUEL,
Director, Government Affairs Department.

COUNCIL OF INSTITUTIONAL INVESTORS,
Washington, DC, December 12, 2017.

Hon. PAUL RYAN,
Speaker of the House of Representatives, Washington, DC.
Hon. NANCY PELOSI,
Minority Leader, U.S. House of Representatives, Washington, DC.
Re H.R. 4015.

DEAR MR. SPEAKER AND MINORITY LEADER PELOSI: On behalf of the Council of Institutional Investors (CII or Council), we are writing to express our opposition to H.R. 4015, which we understand will soon be voted on by the United States House of Representatives.

CII is a nonpartisan, nonprofit association of public, corporate and union employee benefit funds, other employee benefit plans, state and local entities charged with investing public assets, and foundations and endowments with combined assets under management exceeding $3 trillion. CII's member funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families. The Council's associate members include a range of asset managers with more than $20 trillion in assets under management.

Many of our members and other institutional investors voluntary contract with proxy advisory firms to obtain research reports to assist the funds in voting their proxies according to the funds' own proxy voting guidelines. This contractual relationship provides investors a cost-efficient means of obtaining supplemental research on proxy voting issues, which is particularly beneficial since many funds hold thousands of companies in their investment portfolios.

H.R. 4015 would establish a new federal regulatory scheme for proxy advisory firms that would (1) grant ''companies,'' apparently meaning corporate management, the right to review the proxy advisory firms research reports before the paying customers—investors—receive the reports; (2) mandate that the proxy advisory firms hire an ombudsman to receive and resolve corporation's complaints; and (3) if the ombudsman to unable to resolve the complaints, and if the company management submits a written request, proxy advisory firms would be required to publish company management's dissenting statement. These provisions would result in the federal government interposing corporate management between investors and those proxy advisory firms that investors hire to provide them with research on issues, such as executive compensation, in which corporate management can have its own interests, sometimes in conflict with investors and with the corporate entity.

Setting aside whether the provisions of H.R. 4015 are consistent with First Amendment rights of freedom of speech, the provisions are not practical. The provisions would require proxy advisory firms to provide the management teams of more than 4,000 corporations the opportunity to present detailed comments on the firm's reports in a matter of weeks before the reports are provided to investors. Thus, investors would have limited time to analyze the reports in the context of their own proxy voting guidelines to arrive at informed voting decisions. Time is already tight, particularly in the spring ''proxy season,'' due to the limited period between a corporations' publication of the annual meeting proxy materials and the date in which investors are permitted to vote on proxy issues.

In addition, the provisions of H.R. 4015 would likely result in fewer market participants in the proxy advisory firm industry. The provisions would add significant costs increasing barriers to new entrants and potentially leading some existing firms to exit the industry altogether.

We also note that the United States Department of Treasury recently performed extensive outreach to identify views of company management teams and other market participants on proxy advisory firms in connection with its recently issued report to President Trump on ''A Financial System that Creates Economic Opportunities, Capital Markets.'' In its report the Treasury found that ''institutional investors, who pay for proxy advice and are responsible for voting decisions, find the [proxy advisory firm] services valuable, especially in sorting through the lengthy and significant disclosures contained in proxy statements.'' More significantly, the Treasury did not call for legislation of the proxy advisory firm industry.

Finally, we have attached for your information and review a November 9, 2017 letter signed by 45 investors and investor organizations describing in more detail the basis for their strong opposition to H.R. 4015.

Thank you for considering our views. We would welcome the opportunity to discuss our perspective on this important issue with you or your staff in more detail.

Sincerely,

JEFFREY P. MAHONEY,
General Counsel.

CONSUMER FEDERATION OF AMERICA,
December 18, 2017.

Re Vote No on H.R. 4015, the ''Corporate Governance Transparency Act''.

DEAR REPRESENTATIVE: We understand the House is scheduled to vote this week on legislation (H.R. 4015, the Corporate Governance Reform and Transparency Act) that would undermine the ability of shareholders to get reliable, independent analysis of proxy issues on which they are asked to vote. We urge you to vote no.

Although H.R. 4015 is presented as a bill to regulate proxy advisory firms in order to better protect investors and the economy, its effect would be to undermine their independence, simultaneously increasing their costs and undermining their value to the investors who use their services. Indeed, several of the bill's provisions are specifically designed to give the companies whose proxy proposals the firms are supposed to independently analyze greater input into and influence over their recommendations.

It would, for example, require proxy advisory firms to give companies a first look at their draft recommendations and an opportunity to comment on them before any recommendation to investors is finalized.

Proxy advisory firms would also be required to employ an ombudsman to take complaints about the accuracy of the voting materials from the companies that are subjects of the recommendations, and provide those companies with an opportunity to include a comment in materials sent to investors if their complaints are not resolved to their satisfaction.

Together, these provisions would empower companies to bully proxy advisory firms into dropping their objections to management proposals or watering down their recommendations.

We certainly agree that proxy advisory firms should be subject to appropriate regulation. Rather than create a bureaucratic new regulatory regime for a handful of firms, however, we believe that is better achieved by regulating these firms as investment advisers, with a fiduciary duty to act in the best interests of the investors who rely on their services and an obligation to minimize and appropriately manage conflicts of interest.

For these reasons, we urge you to vote no on this misguided and misdirected legislation. Please feel free to contact me directly if you have questions about our position on this bill.

Respectfully submitted,

BARBARA ROPER,
Director of Investor Protection.

GLASS LEWIS,
December 18, 2017.

Re HR 4015—Corporate Governance Reform and Transparency Act of 2017.

Hon. PAUL RYAN,
Speaker, House of Representatives, Washington, DC.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

DEAR SPEAKER RYAN AND LEADER PELOSI: I am writing to express opposition to HR 4015, the Corporate Governance and Reform and Transparency Act of 2017, which seeks to exert additional regulatory control over proxy advisory firms at the expense of investors. I urge a no vote when this legislation is considered by the full House of Representatives.

Shareholder voting, a regulatory obligation for U.S. registered investment advisors, is a primary means by which a public company's owners can influence company operations, corporate governance and activities of corporate social responsibility. As such, it is important for institutional investors (pension funds, mutual funds and other asset managers) to have access to the resources—including unbiased proxy research—that enable them to execute their votes in accordance with their views.

Glass Lewis is dedicated to helping institutional shareholders of public companies better understand and connect directly with the companies in which they invest. Our duty, as a proxy advisory firm, is to support—not usurp—the role of our clients as investors/owners, a distinction we take very seriously. It is reflected in how we develop and update our proxy voting policies, create our research, and engage with public companies, shareholders and other stakeholders.

H.R. 4015, as drafted, would damage investors in public companies by attempting to silence research firms that provide investors data, analysis and independent voting recommendations to support their fiduciary activities related to proxy voting. It would require the SEC to develop a new registration scheme that would compel proxy advisory firms to share their proprietary research reports with the subject public companies prior to distributing those reports to their investor clients—thereby granting the subject companies an unprecedented right of prior review. The proposed legislation also would establish a system whereby issuers could dispute recommendations of proxy advisory firms before the investor clients of proxy advisory firms were granted access to the research.

No other investment research analysts are subject to these prior review rules; in fact, FINRA prohibits investment research analysts from doing this to avoid conflicts of interest.

In SEC Staff Legal Bulletin No. 20 (June 30, 2014), the SEC restated that investor consumers of proxy advisory firm services are responsible for holding their advisors accountable. These investor consumers are satisfied with the current system. Indeed, it is telling that the call for regulating proxy advisory firms is coming not from investors but from the companies that are the subjects of the advisors' reports.

In October, the United States Department of Treasury issued its report to President Trump on ''A Financial System that Creates Economic Opportunities, Capital Markets.'' As part of that report, extensive outreach was undertaken to identify views of company management teams and other market participants on the role and activities of proxy advisors. Treasury found that ''institutional investors, who pay for proxy advice and are responsible for voting decisions, find the [proxy advisory firm] services valuable, especially in sorting through the lengthy and significant disclosures contained in proxy statements.'' More significantly, the Treasury did not call for legislation of the proxy advisory industry.

Further, in 2012, the European Securities and Markets Authority (ESMA), which comprises all the securities regulators in Europe, and the Canadian Securities Administrators (CSA) conducted comprehensive reviews of the proxy advisory industry and its activities. Both regulatory agencies concluded that neither binding nor quasi-binding regulation of proxy advisory firm activity was warranted. ESMA and the CSA each recommended the development of an industry code of conduct. In accordance with the specific direction of these regulators, the Best Practice Principles for Shareholder Voting Research (''Principles'') were launched in 2014.

Glass Lewis and ISS, the largest U.S.-based proxy advisory firms, apply the Principles globally. The Principles encourage transparency, conflict management and disclosure, and engagement with companies when appropriate. Glass Lewis meets the' Principles' standards by making its full guidelines; research approach and methodologies; conflict avoidance and disclosure policies; and public-company engagement procedures available publicly on its website.

Most recently, in an effort to ensure that the Principles remain fully aligned with applicable regulation, a global consultation was launched in order to seek views from investors and companies on whether the Principles have been effective in ensuring the integrity and efficiency of the services provided by shareholder voting analysts and advisors. The review is being carried out by a Steering Group comprised of five representatives of the current Principles' signatories, chaired by Chris Hodge, former Director of Corporate Governance at the Financial Reporting Council in the UK, and supported by an Advisory Panel whose members have broad experience and knowledge of investors, companies and different national markets, including the United States. By way of example, one of the key items on the agenda is the consideration of what actions will be needed in order to ensure the Principles are fully compatible with the revised EU Shareholder Rights Directive, which includes mandatory requirements for proxy advisors operating in the EU, scheduled to take effect in 2019.

The Corporate Governance Reform and Transparency Act is an attack on investors to the detriment of their beneficiaries—notably the millions of U.S. teachers, municipal employees, law enforcement officers, firefighters, retirees and mutual funds investors. If enacted, it will result in less informed, more time-constrained investors who will be less able to properly hold companies accountable for poor returns, overpaying executives at underperforming companies and ignoring shareholders and shareholder interests.

Glass Lewis joins with the many pension funds, institutional investors, and consumer advocates urging you to vote no on HR 4015 to protect shareholder rights.

Sincerely,

KATHERINE H. RABIN,
Chief Executive Officer.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. HILL), our Republican Conference whip.

Mr. HILL. Mr. Speaker, I rise in support today of the Corporate Governance Reform and Transparency Act of 2017, and I appreciate my good friend, SEAN DUFFY's work on it.

Over the past 3 decades, I have advocated for responsible shareholder activism and urged for corporate boards of directors to perform their responsibility of careful stewardship, particularly in their essential functions in evaluating corporate strategy, hiring able hardworking executive management, and, critically, capital allocation.

For example, as Berkshire Hathaway's CEO, Warren Buffett, recommends, corporate compensation committees must be composed of ''saber-toothed tigers,'' not ''house cats,'' in their work.

Likewise, investors must take their responsibility to hold boards accountable for their irreplaceable role in maximizing returns for shareholders, while executing a corporate strategy that balances shareholder returns with employees and customers.

So the question is: How can investors effectively lower agency costs and actively meet this accountability mission?

For 20 years, this has been a much-discussed area by thoughtful experts like Warren Buffett, ISS founder Robert Monks, Marty Lipton, and Lawrence Cunningham. Grad schools at UCLA, Stanford, Harvard, Yale all researched this challenge. Organizations of institutional investors and corporate directors all proffer best practices.

And how do we best align these interests for this mission, but make conflicts of interest readily apparent?

The role of proxy advisory firms in the U.S. economy has grown over the last 2 decades and is a major shaper of corporate governance, and it is of national importance. These firms counsel our pension plans, our mutual funds, other institutional investors, which are more and more in the market; 75 percent of the market, compared to when Robert Monks started thinking about the idea in the late 1980s.

Under the current system, two proxy advisory firms now have 97 percent of the market, Mr. Speaker, and this monopolization and the lack of transparency regarding their work means that the writings, analyses, reports, and vote recommendations of just these two firms have a disproportionate effect on the fundamental corporate transactions, like mergers and acquisitions, the approval of corporate directors, and other shareholder proposals.

Also, this has created more of a checklist mentality in the boardroom. Directors today need information, yes, but, more importantly, they need wisdom. And the proxy advisory firms are driving people in boardrooms, in my view, to more of a checklist mentality, regulatory mentality, and less using their business judgment and wisdom to guide our public companies.

Proxy advisory firms aren't immune to conflicts of interest.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Arkansas.

Mr. HILL. Mr. Speaker, these conflicts are provided by providing additional recommendations to the very firms that they are rating.

So, Mr. Speaker, we need balance in this arena, and I think Mr. DUFFY's bill provides a step toward that balance, an improvement in transparency in the proxy system, thereby enhancing shareholder access to important investment information. I appreciate his work on it. I thank him for his work in our committee.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. DAVID SCOTT), a hardworking member of the Financial Services Committee.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, this is indeed a very, very important issue. I come at this from one who has worked with my good friend, Mr. DUFFY, on this issue. More than that, I voted with Mr. DUFFY for this bill in committee.

However, there are some troubling things about this bill that could do one very damaging thing. It could put many of these proxy firms out of business.

I want to take a moment to explain what the danger is in the bill that made me change my mind. I chatted with Mr. DUFFY about it. He understands it. This is not to shed any negative light on his objective, but it is what he is doing to get to that objective that disturbs me and, I think, should disturb the people of this Congress and this country, and that is this:

It could be summed up in, basically, 2 words: unilateral authority.

That is what this bill provides to the Securities and Exchange Commission: unilateral authority to set the requirements, first of all, for what it means to be a proxy firm.

When you put unilateral authority into the hands of a regulatory agency, we know the damage that can be done. And I agree that there may be some things that need to be done, but these words, ''unilateral authority,'' would mean that the Securities and Exchange Commission could establish any number of hurdles for these proxy advisory firms to jump over in order to just stay in business.

Unilateral authority to do such things as setting financial requirements, one would say that nothing may be wrong with that; but other hurdles that the Securities and Exchange Commission could put up likely will be arbitrary, illogical, such as them setting requirements for how many employees a proxy firm should have.

Mr. Speaker, this is a step too far, especially during a time in our country when Federal regulators have used their powers to attack the American people at any and every level.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Georgia.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, second, let me give you an example of how you can put too much regulatory authority into an agency.

When HHS, this year, used their powers to attack women's health, that happened; or when the Department of Justice used their powers to reverse community policing reform at the Department of Justice.

All I am saying in this particular argument, Mr. Speaker, is that Mr. DUFFY is well-intended, but this goes too far, and I urge my colleagues to reject and vote ''no'' on this bill.

Mr. HENSARLING. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina (Mr. BUDD).

Mr. BUDD. Mr. Speaker, I rise today in support of H.R. 4015. I thank Chairman DUFFY for his leadership on this bipartisan piece of legislation, which will improve our country's shareholder proxy system.

Since the early 2000s, we have seen market share and the shareholder proxy system consolidate, essentially, into a duopoly, as two firms control 97 percent of the market, so, under the current system, potential conflicts of interest abound.

For example, proxy advisory firms that provide voting recommendations to advisers often provide consulting services to those same public companies. So wouldn't it make sense that they at least notify their shareholders of this potential conflict of interest?

Well, right now, while the SEC has offered guidance on this problem, the proxy firm wouldn't be required to do so. We need to get this bill on the books just to address this problem.

□ 1345

This bill is also timely because we have seen proxy firms align themselves with political causes, unions, and interest groups that do not always represent their shareholders' best interests. Shareholders oftentimes aren't even aware of these conflicts. Again, reform is needed.

So it should go without saying, Mr. Speaker, that the two problems outlined above pose problems for the shareholder and for the average investor. We cannot continue to allow the security laws and processes to be wrapped in a service of political agenda.

Mr. Speaker, we have dealt with this issue in the Financial Services Committee on a number of fronts with regard to disclosure of information that is being weaponized against public companies, from mining to conflict minerals. It is time to deal with the proxy issue today.

The number of public companies has fallen in recent years. It was never easy to be public, to be subject to the financial markets and the pressures that come from being accountable to your shareholders. This issue, the proxy issue, is part of a larger tapestry of challenges that public companies face. They are increasingly choosing not to play the game. They are getting capital from dark pools; they are getting capital from hedge funds; and they are just staying private. That puts investment opportunities in the hands of the 1 percent, and that leaves retail investors out in the cold.

Mr. Speaker, my constituents and North Carolina shareholders are from the part-time trader to the full-time trader. They deserve better than this. Luckily, this body can do something to address these problems, and that is where Chairman DUFFY's bipartisanship legislation comes into play. His bill will bring about much-needed accountability, competition, and, most importantly, transparency in the proxy advisory firm industry.

This bill also protects clients and their financial future from being influenced by activists and outside interest groups. His legislation accomplishes this by mandating that proxy advisory firms register with the SEC, disclose potential conflicts of interest to the shareholders, and make their methods for coming up with proxy recommendations available to the public.

Two proxy advisory firms should not have this much control of the marketplace and the power to disproportionately affect fundamental corporate transactions. This bill is a win for the consumer, a win for the free market, and should be a bipartisan priority for this body.

A number of outside commentators have been clear that the proxy industry has gained a worrisome degree of authority over companies. In fact, Columbia Law Professor Jeffrey Gordon said that the burden of annual voting would lead investors, particularly institutional investors, to farm out evaluation of most pay plans to a handful of proxy advisory firms who, themselves, will seek to economize on those very proxy review costs. There are a host of others who are saying these same things about the way things are today in proxy voting.

Ultimately, the shareholder is the one who suffers. We should put a stop to it.

Mr. Speaker, once again, I want to thank Chairman DUFFY for leading the fight on this issue, and I urge adoption of his legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO), an invaluable member of the Financial Services Committee.

Mr. CAPUANO. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, this is one of those mundane issues that 95 percent of America doesn't understand. I didn't understand much about it a while back because I don't have any proxy advisers. I do have money in retirement funds. I do get those 100-page documents in the mail, saying, ''We are having a proxy fight and you should read it,'' in the smallest print possible, and I do what 95 percent of America

does when I get those: I throw them right in the trash.

Now, that doesn't make me smart. It just means I can't read through that stuff. I can't understand what they are doing with my pension funds. I kind of have to go on faith that they are not sticking it to me. That is what most of us do, and most anybody listening to this, that is the only thing they have to do with this issue.

So I went out and found out what is a proxy adviser. Here is what it is.

The pension funds—not always, but mostly pension funds—that invest my pension money do it all across the board. Many of them are small. Some of them are big. And when it comes time to reading those 100-page documents and the thousands of companies they invest in, they go and hire somebody to help them do it, a proxy adviser. They go through those documents with accountants and actuaries and give them advice. Not a demand—advice.

Now, I don't know about you. I get advice from my lawyer on occasion. I get advice from my accountant on occasion. I get advice from my priest on occasion. And it is none of your damn business what advice they give me, because two of them I am paying and one of them loves me.

When a person or an entity hires someone else to give them advice, it is no one else's business what that is. This bill says it is. It now would be the business of the company about whom they are giving the advice.

I paid them. Why should I share that information with you? That is what a proxy adviser is. It is not some big swami sitting in the back sticking it to big corporations. It is a paid adviser.

Now, we have heard, oh, terrible things that these advisers do.

Who do they work for? Well, they work for pension funds—mostly pension funds, by the way, that are public pension funds, not all. They have the pension money of teachers, firefighters, police officers, trash collectors, water workers all across this country.

And then there are private pension funds that work for union members: the AFL–CIO, the Bricklayers, the SEIU. That is who is doing most of this investing on behalf of little people like me who don't have the knowledge or the time to be able to go through 100 pages of really fine print, really detailed stuff, to determine which person I should vote for on a board of a company I don't know much about. That is it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Massachusetts.

Mr. CAPUANO. Mr. Speaker, let's figure out who are the worst of the worst of the people who hire these people.

Well, it turns out the Dominican Sisters hire a proxy adviser. Oh, they are put together for the very purpose of ripping the heart out of corporate America. Those Dominican Sisters, they are evil investors.

Let's not forget the Daughters of Charity. Oh, terrible, terrible people. They are so busy caring for the poorest people in the world that they take time out of that in order to find a way to stick it to the biggest corporate people in the country.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Massachusetts.

Mr. CAPUANO. Mr. Speaker, they use proxy advisers.

Let me see. Who wants this bill? Every corporation in America. Why? They don't want you knowing what they are doing.

Let's see. Whose side am I on? I think if I have a choice between being on the side of the biggest corporations in this country or being with the Dominican Sisters, I am choosing the Dominican Sisters. They are doing God's work. They use and need proxy advisers. Leave them alone.

Mr. HENSARLING. Mr. Speaker, I yield myself 10 seconds just to say that, if the gentleman is so busy he can't read a 100-page proxy statement, perhaps he could read a 20-page bill and he would realize that his comments have almost absolutely nothing to do with the bill whatsoever.

Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. DUFFY), the sponsor of the legislation and the chairman of the Financial Services Subcommittee on Housing and Insurance.

Mr. DUFFY. Mr. Speaker, I appreciate the gentleman for yielding time to me, the chairman of Financial Services, Mr. HENSARLING. I appreciate his leadership and stewardship on our committee.

Mr. Speaker, I want to get into the bill in a second, but I can't let the Dominican Sisters reference go.

It is not the Dominican Sisters who are using proxy advisers. It is the largest financial investors in the world that are using these advisers, which we are going to get into in a little bit.

And if you want to talk about sisters, I will talk about the Little Sisters of the Poor, who have been ravaged by ObamaCare because they can't practice their faith, if you want to talk about sisters. We are not going to go there today.

Mr. Speaker, we are in a situation where, my friends, if you listen to the debate, you might say, ''Well, Republicans are asking for a little more regulation in the proxy advisory space,'' and Democrats, miraculously, are saying, ''We don't want any regulation.''

Well, our concern is that you have consolidated power in two companies that control 97 percent of the industry, and some have made the claim and the allegation that there might be political motivations behind both—or at least one—of these massive proxy advisory firms, because Glass Lewis is owned by the Ontario Teachers' Pension fund, and they might have a political agenda that might affect the recommendations that have a massive impact on American corporate governance. Maybe that could be the distinction between the two parties in today's debate.

Mr. Speaker, we have covered this quite a bit, but I want to go into it again. The role of proxy advisory firms in the U.S. economy is incredibly important. It is important stuff.

These firms counsel pension plans and mutual funds and institutional investors on how to vote their shares. No one is trying to get rid of proxy advisory firms. We think they are a good thing, but we think they should have a little bit of regulation and a little bit of oversight.

I think it is troubling, when you look at the share of institutional ownership, in 1987, it was 46 percent. Today, that has grown to 75 percent, meaning that institutional investors control billions of shares.

There was a recent study that was done by Stanford that says that asset managers with $100 billion or more under their control only make 10 percent of the decisions on these proxy issues, meaning they outsource 90 percent of the decisions to one of two firms, consolidating great power in these proxy advisory firms.

This was pointed out before as well, but, again, two firms, 97 percent of the market share, writing analysis reports, voting recommendations that affect the fundamentals of corporate governance, mergers, acquisitions, approval of corporate directors, and shareholder proposals.

What is of greatest concern is that these firms are not free of conflicts of interest. For example, in addition to providing recommendations to institutional investors about how to vote, proxy advisory firms may advise companies about corporate governance issues, rate companies on corporate governance, help companies improve those ratings, and advise proponents about how to frame a proposal to get the most votes. They are playing every side of the issue. They are getting every dollar from anybody who cares about the corporate governance space. They play everybody. And if you want access, you pay.

I am going to give you an example in just a little bit of one of the hundreds of letters that I have received on this issue. But before I do that, I think it is important to say: What are we asking for? What is the radical idea that we brought to the floor today, which, by the way, had six Democrats' support?

Mr. SCOTT commented about his support as well, and I know he had an issue about the cost that this would have on proxy advisory firms; but the CBO, which I rarely quote, did a study on this and said the cost to proxy advisory firms of this bill is minimal, if

anything. I think his concern might be misplaced.

But what are we asking to do here? We are asking for accountability. We are asking for transparency, responsiveness, and competition in the proxy advisory space. By doing that, we will improve corporate governance, and, in the end, we are going to protect investors.

Specifically, again, this bipartisan bill will ensure that proxy advisory firms are registered with the SEC. They will disclose potential conflicts of interest. They will maintain a code of ethics and make publicly available their methodologies for formulating their proxy recommendations.

The SPEAKER pro tempore (Mr. HOLDING). The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 1 minute to the gentleman from Wisconsin.

Mr. DUFFY. Mr. Speaker, I don't know what my friends across the aisle have about maintaining a code of ethics or disclosing potential conflicts of interest or instituting an ombudsman to resolve issues that might come up. This is commonsense stuff. This is good governance, and I would encourage all of my friends across the aisle to join us.

Mr. Speaker, I want to read one part of a letter that I received that I think embodies what is going on in corporate America.

□ 1400

I am not going to give the name of the company, but it says:

> Upon contacting ISS and seeking explanation on one of the recommendations, we were told there was a firewall between the ISS recommendation group and the ISS group that deals with corporate matters. Ultimately, we were advised that if we were willing to join ISS, which includes payment of a relatively substantial amount of money, we could have input in the recommendations before they were made.

So, Mr. Speaker, pay for the input.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. Mr. Speaker, I yield an additional 1 minute to the gentleman from Wisconsin.

Mr. DUFFY. Mr. Speaker, it goes on to say:

> Meanwhile, during our latest discussions we were again advised that we could avoid some issues by subscribing to ISS corporate services and thereby have some input before such recommendations are published.

Mr. Speaker, of course, such a subscription would entail big payouts.

It goes on to say:

> On the one hand, ISS makes wholly unsupportable, unreasonable, and irrational recommendations regarding corporate elections without investigation, regulatory support, or even contact with the victim company. While, on the other hand, seeking fees from the victim company for the privilege of influencing ISS's recommendations.

Mr. Speaker, so what you have here is you have the mafia on the streets. So, lo and behold, your little shop on the street corner gets burglarized at 10 o'clock one night and at 8 o'clock in the morning, and lo and behold, the thugs come in and say: Do you want to buy some insurance? Do you want to buy some protection? Pay up. We will keep you safe. ISS, Glass Lewis, you pay up, and we can help you with your recommendation. We can help you with your ratings.

Mr. Speaker, this is thuggery.

Let's have a little commonsense oversight in this space. It is a good bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman talked about what is happening in corporate America. They are dancing in the streets after that big tax cut that was just given by my friends on the opposite side of the aisle.

As to just a couple of companies—or too few companies—that are doing the advising for these investors, it was just a week or so ago that my friends on the opposite side of the aisle came here representing one company, Berkshire Hathaway, where they were asking this Congress to allow them to charge higher interest rates on the most vulnerable people in our population, with high interest rates and the terrible foreclosure practices all over this manufactured housing that Berkshire Hathaway is selling to these most vulnerable people in our society.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. AL GREEN), who is the ranking member of the Subcommittee on Oversight and Investigations.

Mr. AL GREEN of Texas. Mr. Speaker, I thank the ranking member for yielding.

Mr. Speaker, I would also like to note that the ranking member, the Honorable MAXINE WATERS, is often the sentinel on watch. She is the person who is there to protect investors. She is there to protect persons who might, but for her absence, be taken advantage of. So I am honored to speak with her and to stand with her.

Mr. Speaker, I oppose this bill today because this bill epitomizes what I believe is a business model that allows corporate America to take advantage of investors. This business model is one that has been perpetrated and perpetuated by my colleagues on the other side. This business model is one that surfaced in 2008, when the credit rating agencies became captives of the businesses that were providing the instruments that were to be rated. They were catering to the businesses to the detriment of the investors.

I believe this business model is one that allows the fiduciary rule to be compromised. The fiduciary rule simply said that, if you are working on behalf of an investor, you can't put your interest ahead of the investor's interest. That rule was compromised by my colleagues on the other side.

So today they again come with another business model that will allow investors to be taken advantage of. Caveat emptor is going to apply in a way that it has never been seen before as it will relate to these investors.

It is time for us to prevent the business model of allowing investors to be taken advantage of and to present a business model that allows the investor to have the benefit of advice from the proxy. That is what we have currently. Let's not change the business model. Let's make sure that the investor is properly protected.

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

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON LEE.)

Ms. JACKSON LEE. Mr. Speaker, I thank the gentlewoman from California for yielding.

It is certainly my pleasure to be on the side of the gentlewoman from California. Every time we have got in these fights to attack Dodd-Frank, she has been on the right side of the issue.

So let me clearly, though my voice is a little raspy, speak on behalf of those, as my colleagues have spoken about, of us who certainly have a degree of education and receive those long statements where there are big fights and the print is so small.

I will tell you that the proxy advisers are representing not us, but those vulnerable pensioners who put everything they have ever had in that pot, and those advisers give those public pension funds the counsel and advice that is necessary.

First of all, this bill is entirely impractical. Pension plans and other institutional investors often hold shares in thousands of public companies. The bill will require proxy advisory firms, who provide voting recommendations to these shareholders, to provide the management with more than 4,000 public companies with the opportunity to present detailed comments on the firm's draft recommendations before paying shareholders receive a final report.

It also wants to burden them with all kinds of extra trinkets that they have to give information about, an unprecedented right to weigh in by the corporations on voting recommendations, executive compensation, nondiscrimination policies. Again, the proxy advisers work with the public pension funds.

Who are they?

They are the coal miners and the bus drivers. They are, in fact, those teachers, firemen, and policemen. They are Americans who depend upon their pensions.

Mr. Speaker, the reason that I wanted to stand on this floor today is, just a few minutes ago, we again voted for this catastrophic tax bill. I wanted to tie this to, as I heard my good friend from Texas, jumping up and celebrating. I assume they will run to the White House when this bill is passed in one way or the other.

Let me describe to you what I believe is the scenario on the tax bill. We all like cliffhanger movies. Cliffhanger movies always get the family together to be able to tell the story or to sit in the movie and look at the cliffhanger because it is always the heroes that win on a cliffhanger. You are waiting for the hero to launch down and save everyone.

Here is the Republican cliffhanger: it is this tax bill, and the cliffhanger is you are going up a mountain. As you go up the mountain, here are the Republicans and this tax bill that is going to take away millions of dollars from Medicaid.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentlewoman from Texas.

Ms. JACKSON LEE. They are throwing over the cliff the Medicaid recipients, people with dementia. My good friend who has ALS, who is in a wheelchair, thrown over the cliff. They are throwing over teachers. They are throwing over individuals who are believing them that they are going to get jobs, but they are getting no jobs. They are throwing over families, working class families, 86 million of them—throwing them over the cliff.

It is not a good ending. It is a tragic ending, and they are standing one by one by one and throwing them over this cliff with this phony tax bill. They are not going to be able to do what is right for those who are truly in need. The benefits for those who are working Americans is temporary, and those of corporations is forever.

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

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I include in the RECORD letters from the California Public Employees' Retirement System, the California State Teachers' Retirement System, the Ohio Public Employees Retirement System, and the National Conference on Public Employee Retirement Systems.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM EXECUTIVE OFFICE,
Sacramento, CA, December 18, 2017.

Subject H.R. 4015, The ''Corporate Governance Reform and Transparency Act of 2017''.

HON. KEVIN MCCARTHY,
Majority Leader, House of Representatives, Washington, DC.
HON. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

DEAR LEADERS MCCARTHY AND PELOSI: On behalf of the California Public Employees' Retirement System (CalPERS), I write to express our opposition to H.R. 4015, the ''Corporate Governance Reform and Transparency Act of 2017,'' which is scheduled to be considered by the full House this week.

CalPERS is the largest public, defined benefit pension plan in the United States, with approximately $346.13 billion in global assets, as of market close December 13, 2017. CalPERS manages investment assets on behalf of more than 1.8 million public employees, retirees, and beneficiaries. As a global, institutional investor that invests in more than 11,000 public companies worldwide, we rely on the integrity and efficiency of our financial markets to furnish the long-term sustainable, risk-adjusted returns that allow us to meet our liabilities.

Although we support the House Financial Services Committee's focus on bipartisan ways to foster a system that promotes capital formation and maximizes shareowner value, we have several substantive concerns about H.R. 4015. Given the large number of public companies in which CalPERS holds voting shares, we use proxy advisory firms and other data providers to assist us with analysis of management and shareowner proposals and director elections. In providing these services to CalPERS, these firms are guided by our Governance and Sustainability Principles and proxy voting policies to efficiently provide independent research and analysis that helps to inform our voting decisions. While we are certainly in favor of ensuring that proxy advisory firms are well-regulated and transparent, we oppose efforts to create an unduly burdensome regulatory regime in this area.

H.R. 4015 would create such a regulatory regime by establishing conflict of interest management requirements that are duplicative of existing Securities and Exchange Commission (SEC) authority. Currently, shareowners pay proxy advisory firms through contractual arrangements, and this provision of H.R. 4015 appears designed to fix a problem that does not exist among contracting parties.

In addition, the bill would establish a process by which corporations have preliminary access to the proxy information that investors pay for under contracts with proxy advisory firms. At the same time, corporations that do not provide early access to their consultants' positions on items subject to shareowner votes would not be required to register with the SEC. The bill would also significantly increase proxy voting costs for investors and create additional barriers to entry for new proxy advisory firms. Finally, the bill's definition of ''proxy advisory firm'' makes it unclear whether the intent is to regulate the thousands of entities that provide advice to institutional investors or only the three or so that would be considered proxy advisory firms under this definition.

Considering the SEC's limited resources and ever-increasing responsibilities for addressing a broad range of emerging challenges in our securities markets, it would be imprudent to impose unnecessary requirements on the agency. As an institutional investor that uses proxy advisory services, we oppose H.R. 4015.

Thank you for your consideration of these views. Please do not hesitate to contact me if we can be of any assistance.

Sincerely,

MARCIE FROST,
Chief Executive Officer.

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM,
West Sacramento, CA, December 14, 2017.

Hon. MAXINE WATERS,
Washington, DC.

Re H.R. 4015.

TO THE HONORABLE MAXINE WATERS: CalSTRS was established more than 100 years ago to provide retirement benefits for California's public school teachers and is the largest educator-only pension fund in the world. The CalSTRS portfolio is currently valued at approximately $215 billion, which we carefully invest, as patient capital with a long-term investment horizon, to meet the retirement needs of more than 900,000 plan participants and their families.

We are writing to express our opposition to H.R. 4015, which would impose new regulatory burdens and restrictions on proxy advisors. As a large institutional investor, we use proxy advisors to help inform our proxy voting at portfolio companies. Investors such as CalSTRS are the main clients of the services of proxy advisory firms. Proxy advisory firms provide useful research regarding the governance and finances at these companies to supplement our own due diligence and research, and they play an important and helpful role in enabling cost-effective proxy voting with respect to the more than 7,000 companies in our investment portfolio. We do not outsource our proxy voting to these proxy advisors. Rather, our Investment staff, in consultation with our governing Teachers' Retirement Board, develops carefully thought-out proxy voting guidelines, and then we vote our own proxies based on those well-established guidelines.

H.R. 4015 would establish a new federal regulatory scheme for proxy advisory firms that would (1) grant companies the right to review the proxy advisory firms' research reports before the paying customer—investors—receive the reports; (2) mandate that proxy advisory firms hire an ombudsman to receive and resolve company complaints; and (3) if the ombudsman is unable to resolve the complaints, and if the company submits a written request, require proxy advisory firms to publish the company management's dissenting statement. While the stated goal of the proposed legislation is the ''protection of investors'', we believe H.R. 4015 is unnecessary, overly burdensome and counterproductive. Furthermore, we believe the proposed requirements on the industry could weaken the governance of public companies in the U.S. and do not reflect the needs of proxy advisory firm customers who are primarily institutional investors, such as CalSTRS.

While we understand some funds may utilize proxy advisory firms to assist them in executing their proxy voting responsibilities, the SEC has taken steps to make sure investors are properly carrying out their due diligence obligations. In fact as recently as 2014, the SEC acknowledged the important role proxy advisors play in the oversight of proxy voting of fund fiduciaries and, in 2014, issued updated regulatory guidance on the responsibilities of Investment Advisers who utilize proxy advisory firms in their proxy voting. In addition, the SEC has authority under current law to address any conflicts at these proxy advisory firms and has taken steps to require additional disclosure of these conflicts by proxy advisors. Accordingly, we believe that the existing SEC regulatory regime already protects our interests with respect to proxy advisory firms and that H.R. 4015 is both unnecessary and counter-productive.

The proposed legislation would result in higher costs for pension plans, like CalSTRS, and other institutional investors. H.R. 4015 would give companies the right to review reports and lobby the advisory firms prior to the reports being distributed to their customers and require firms to establish an ombudsman to address issues raised by the companies. Given the already short time period between when companies issue their proxy materials and the shareholder meeting date, the review and lobby process would severely limit CalSTRS ability to review and vote proxies in a timely manner. This multi-layered review would substantially raise costs in order to meet deadlines and maintain the current level of scrutiny and due diligence

over proxy voting. Moreover, the proposed legislation is likely to limit competition by reducing the current number of proxy advisors and imposing additional barriers to entry for potential new firms—again raising costs for investors.

Thank you for considering our views on this very important matter. We would be happy to discuss our perspectives with you or your staff at your convenience. Should you have any immediate questions or wish to discuss our concerns, please contact Aeisha Mastagni, Portfolio Manager.

Sincerely,

ANNE SHEEHAN,
Director of Corporate Governance.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM,
Columbus, Ohio, December 15, 2017.

DEAR REPRESENTATIVE: We are writing on behalf of the Ohio Public Employees Retirement System (OPERS) to oppose HR 4015, the Corporate Governance Reform and Transparency Act of 2017 (Act), a bill that could significantly and negatively impact OPERS' ability to effectively and efficiently vote its proxies and fulfill its fiduciary obligations.

OPERS is the 12th largest public retirement system in the country, with more than one million active, inactive, and retired members, which means that almost one out of every 12 Ohioans has some connection to our System. In order to provide secure retirement benefits for our members, OPERS has invested more than $78 billion in capital markets around the world, including holdings in more than 10,000 public companies. As a fiduciary, OPERS is required to act in the best interests of its members, and this responsibility extends to the prudent management of the investments we make with our members' retirement contributions. We believe it is our duty to engage with, participate in, and exercise our voting rights for each of public companies in which we are invested in an effort to ensure that those companies continue to generate value for their shareholders.

However, with limited time and resources, it is difficult for an investor, even one as sophisticated as OPERS, to fully research every proxy and follow every issue. That is why we have engaged the services of proxy advisory firms—they perform the research and analyses that we cannot, and provide us with impartial voting recommendations that we consider against our own proxy voting guidelines. Without timely access to the reports provided by our proxy advisory firms, it would be significantly more difficult to meet our obligations to our members.

We are aware of the criticisms that have been leveled at proxy advisory firms, namely that they wield undue influence over the proxy voting decisions of their clients, but OPERS has taken steps to ensure that this is not the case. Our Board of Trustees has adopted proxy voting guidelines to govern our voting decisions as shareholders. To the extent that a proxy advisory firm report or recommendation conflicts with our proxy voting guidelines, OPERS Corporate Governance staff will closely scrutinize the discrepancies and the firm's recommendations can be disregarded.

Given the sheer necessity of proxy advisory firms and the services they provide, it is troubling that the House of Representatives is considering changes that would erode investor confidence in the impartiality and independence of proxy advisory firm reports. If enacted, the Act would make it harder—perhaps impossible—for OPERS to effectively vote each of the thousands of proxies it receives during any given proxy season. In our view, this constitutes a violation of our duty to our members and the people of Ohio, and is therefore unacceptable

We urge you to oppose the Corporate Governance and Transparency Act of 2017.

Thank you for your continued support of Ohio's public retirement systems. If you have questions regarding OPERS' comments or proxy voting guidelines, please do not hesitate to contact OPERS' Corporate Governance Officer, Patti Brammer.

Sincerely,

KAREN CARRAHER,
Executive Director.
PATTI BRAMMER,
Corporate Governmance Officer.

NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS,
Washington, DC, December 11, 2017.

Hon. PAUL RYAN,
Speaker of the House of Representatives,
House of Representatives, Washington, DC.
Hon. Nancy Pelosi,
Minority Leader,
House of Representatives, Washington, DC.

DEAR SPEAKER RYAN AND LEADER PELOSI: On behalf of the National Conference on Public Employee Retirement Systems (NCPERS), I am writing to relay our serious concerns with, and opposition to, H.R. 4015, the ''Corporate Governance Reform and Transparency Act of 2017,'' which was reported out of the House Financial Services Committee on November 15.

The legislation is riddled with worrisome provisions, premised on false assumptions, that undercut the ability of pension plans to receive independent, unbiased corporate governance research, introducing new costs and burdens to pension plans and undermining their ability to effectively exercise their fiduciary responsibilities. We are alarmed by the precedent this legislation would set.

NCPERS is the largest national, nonprofit public pension advocate, representing more than 500 funds that manage more than $3 trillion in pension assets. We strive to protect the autonomy and independence of state and local government retirement systems. H.R. 4015 would undermine this very principle.

Many pension plan administrators employ proxy advisory firms to provide them with unbiased and independent data and analytical research to help them formulate their corporate governance and proxy voting policies. In addition, in some instances our members ask the proxy advisory firms to implement their proxy voting instructions on their behalf following a plan's guidelines. The use of proxy research reports prepared by proxy advisory firms is one important way that our members exercise their due diligence to make independent, well-informed decisions. H.R.4015 would (1) grant corporations the ''right to review'' these reports before the pension plan receives the report; (2) mandate that proxy advisory firms hire an ombudsman—a cost that pension funds would ultimately pay—to receive and resolve corporations' complaints; and (3) if the ombudsman is unable to resolve the complaints, and if the corporation submits a written request, proxy advisory firms would be required to publish the corporation's dissenting statement. This would effectively allow corporations the privilege to make the ''final cut'' on a report that is requested and paid for by the pension plan. Such corporate interference in the affairs of its shareholders is unprecedented and would dilute the independence of the proxy firms' reports and ultimately the independence of pension plans.

Additionally, the regulatory regime proposed under H.R.4015 is part-inappropriate and part-unnecessary, and would needlessly drive up costs for public pension plans while reducing market choice. While NCPERS welcomes the opportunity to protect public pensions, we are puzzled by the need to impose a new federal regulatory regime that is largely duplicative of existing SEC requirements that are designed to protect investors, including those for registered investment advisers under the Investment Advisers Act of 1940. Other provisions of H.R. 4015 propose to bypass free-market principles by authorizing the SEC to pre-qualify industry entrants based on a set of vague and highly subjective standards. We believe that contrary to the sponsors' stated intent, namely to increase competition and protect investors, the heavy-handed regime would result in fewer market participants, would enhance barriers to new entrants and could potentially lead smaller proxy advisory firms to exit the industry altogether, reducing market choice for our members. In the end, H.R.4015 would increase costs, perhaps significantly increase costs, to pension plans administrators and beneficiaries while providing no additional benefits.

Public pensions play an important role in the local, state and national economies. We ask that you consider the detrimental impact that H.R. 4015 would have on the independence and financial wellbeing of public pension plans, and urge you to oppose this and any similar legislation.

NCPERS greatly appreciates your time and consideration. If there is any additional information I can provide that would assist you, please do not hesitate to contact me.

Sincerely,

HANK KIM, ESQ.,
Executive Director & Counsel.

Ms. MAXINE WATERS of California. Mr. Speaker, they are frightened, absolutely frightened, that we could possibly be on the floor today negotiating with the opposite side of the aisle about investment advisers.

They can't understand why it is that we have Members of Congress who do not understand how important it is to have someone protecting the interest of middle class workers all over America.

You have heard the reference to the teachers, firefighters, garbage collectors, and on and on and on. These people work every day. They invest in their retirement and they expect their retirement to be taken care of, honored, and not to be basically undermined by corporate interests. So these investment advisers are extremely important to the investors of these retirement systems.

Having said that, Mr. Speaker, H.R. 4015 is simply the latest effort by Republicans to check off every item on the corporate wish list before the holidays. The bill would empower corporate management at the expense of institutional shareholders, like our Nation's public pension plans, by allowing corporations to unfairly influence proxy voting recommendations.

Because of the size of their portfolios, public pension plans who may hold shares in thousands of companies must rely on proxy advisers to provide independent research and voting recommendations on the merits of proposals. Without the work of proxy advisers, institutional investors would, in practical terms, be left voiceless on corporate matters that are important to them, including governance, board

compensation, executive pay, and environmental sustainability.

H.R. 4015 would give corporate management the unprecedented right to interfere in the relationship between institutional investors and the proxy advisers they hire.

At its core, the bill is based on the false premise that shareholders blindly follow the recommendations of proxy advisers who themselves are beholden to activist interests. This belief is directly contradicted by reality.

For example, in 2017, the largest proxy advisory firm recommended ''no'' votes on less than 12 percent of say-on-pay proposals, which are nonbinding votes on executive compensation practices required under the Dodd-Frank Act. That means they sided with company management 88 percent of the time.

When it comes to director elections, the largest proxy firm voted ''yes''—''yes'' votes for 90 out of 100 directors. Proxy advisers understand that the vast majority of companies' proposals are good for shareholders, but not for all.

Mr. Speaker, I ask for a ''no'' vote on this misdirected bill, and I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore. The gentleman from Texas has 2 minutes remaining.

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

Mr. Speaker, while I was fascinated to hear so many of my friends on the other side of the aisle exclaim how much they care about working Americans, it just makes we wonder why now twice—twice—in the last 24 hours they have voted against giving the average working American a $2,059 tax cut. Twice now they have voted to deny working Americans tax relief in order to bolster their paychecks. I wonder about that.

I also wonder, as I listened to this litany of groups whose letters were entered into the RECORD, how often I heard labor union; government pension; Washington, D.C.; and special interest group.

What I didn't hear about is average working Americans who have their investment in trying to save to buy a home, trying to perhaps fund a small business, or send a kid to college. It is their interest that we are trying to stand up for.

So what we know is that the SEC—the Securities and Exchange Commission—have, for all intents and purposes, required investment advisers to use one of two proxy advisory firms, one of which, as my colleague, the author of the bill pointed out, is owned by a foreign labor union. Yet the SEC requires us to use them.

So here is the radical nature of the bill: the bill, H.R. 4015, simply says that we ought to have transparency—something apparently my friends across the other side of the aisle are against.

We say they have to register with the SEC—something my friends on the other side of the aisle are against.

They have to disclose potential conflicts of interest. Apparently my friends on the other side are against that.

They have to disclose codes of ethics. Apparently my friends on the other side of the aisle are against that, as well as making their methodologies public.

This is a disclosure bill to help investors, pure and simple. We ought to vote in favor of H.R. 4015.

Mr. Speaker, I yield back the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I include in the RECORD the following letters:

AMERICANS FOR FINANCIAL REFORM,
Washington, DC, December 18, 2017.

DEAR REPRESENTATIVE: On behalf of Americans for Financial Reform (AFR), we are writing to urge you to vote against H.R. 4015, the ''Corporate Governance Reform and Transparency Act of 2017'', which will be considered on the House floor this week. By placing an excessive and unnecessary regulatory burden on proxy advisory firms, this bill would unfairly disadvantage shareholders as compared to firm management, and raise serious First Amendment concerns as well. AFR joins major representatives of shareholders such as the Council of Institutional Investors (CII) and the California Public Employee Retirement System (CALPERS) in opposing this bill.

H.R. 4015 would establish a new Federal regulatory scheme for proxy advisory firms. These firms provide institutional investors, including pension funds, with the research and information they need in order to exercise their voting rights as shareholders. The regulations proposed in H.R. 4015 would require proxy advisory firms to provide the management of public companies with detailed voting recommendations relevant to their firms before these recommendations were shown to shareholders who paid for proxy advisory services. Advisory firms would also be required to resolve any complaints from firm management, and employ an ombudsman to ensure that such complaints were addressed. If complaints were not resolved to the satisfaction of firm management, then the full text of complaints from companies would be included next to voting recommendations in proxy advisory reports. Regulations would also mandate extensive disclosure requirements for the details of proxy advisory methodologies, reducing incentives to invest in developing such methodologies. The costs of this regulatory regime would be passed on to investors and pension funds that use proxy advisory services.

The regulatory scheme is a transparent attempt to weaken if not eliminate the independence of proxy advisory firms from firm management by placing sharp restrictions on their expression of opinions which differ from those of firm management. Besides raising First Amendment issues, this improperly restricts the ability of shareholders to obtain independent views on how they should exercise their voting rights.

This legislation cannot be justified, as some have attempted to do, by any analogy to the regulation of credit rating agencies. Proxy advisory services do not face a fundamental conflict of interest in their business model because they are not paid by securities issuers while providing certification of securities quality to securities investors. They also have not been implicated in massive fraudulent behavior that contributed directly to a global financial crisis. Further, proxy advisory services are clearly recognized as providing opinions regarding voting decisions, in a context where many other such opinions are available, rather than being entities that certify the quality of securities.

Any concerns about the independence of proxy advisory services can be addressed by simply requiring such services to register as investment advisors under the Investment Advisors Act. The radical regulatory scheme laid out in H.R. 4015 goes far beyond anything even mentioned in the recent Treasury Department report on capital markets, which examined the issue of proxy advisory firms and recommended only that regulators engage in ''further study and evaluation of proxy advisory firms, including regulatory responses to promote free market principles if appropriate.'' The regulatory scheme in H.R. 4015, besides being misguided in other ways, certainly does not promote free market principles.

The effort in H.R. 4015 to eliminate the independent voice of proxy advisory services should be rejected. We urge you to vote against it.

For more information please contact AFR's Policy Director, Marcus Stanley.

Sincerely,

AMERICANS FOR FINANCIAL REFORM.

COUNCIL OF INSTITUTIONAL INVESTORS,
Washington, DC, November 9, 2017.

Re Proposed Legislation Relating to Proxy Advisory Firms.

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services, House of Representatives, Washington, DC.
Hon. MAXINE WATERS,
Ranking Member, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN AND RANKING MEMBER WATERS: On behalf of the Council of Institutional Investors (CII or the Council) and the undersigned 45 investors and investor organizations, we are writing to express our opposition to legislation that has recently been introduced and is pending in the Committee on Financial Services related to proxy advisory firms.

CII is a nonpartisan, nonprofit association of public, corporate and union employee benefit funds, other employee benefit plans, state and local entities charged with investing public assets, and foundations and endowments with combined assets under management exceeding $3 trillion. CII's member funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families.

H.R. 4015, the ''Corporate Governance Reform and Transparency Act of 2017,'' and similar language which was incorporated in Subtitle Q of Title IV of H.R. 10, ''the Financial CHOICE Act,'' would require, as a matter of federal law, that proxy advisory firms share their research reports and proxy voting recommendations with the companies about whom they are writing before they are shared with the institutional investors who are their clients. In essence, while the stated goal of the proposed legislation is the ''protection of investors,'' as the primary customer of proxy advisory firm research, institutional investors believe that adding the new proposed requirements to the industry is unnecessary, overly burdensome and counter-productive.

The proposed legislation appears to be based on several false premises, including

the erroneous conclusion that proxy advisory firms *dictate* proxy voting results and that institutional investors do not drive or form their own voting decisions. Indeed, many pension funds and other institutional investors contract with proxy advisory firms to review their research, but most large holders have adopted their own policies and employ the proxy advisory firms to help administer the voting of proxies during challenging proxy seasons.

In short, most large institutional investors vote their proxies according to their own guidelines. While large institutional investors rely on proxy advisors to manage the analysis of issues presented in the proxy statements accompanying over 38,000 meetings annually, and to help administer proxy voting, this does not mean that they abdicate their responsibility for their own voting decisions.

The independence that shareowners exercise when voting their proxies is evident in the statistics related to ''say on pay'' proposals and director elections. Although Institutional Shareholder Services Inc. (ISS), the largest proxy advisory firm, recommended against say on pay proposals at 11.92 percent of Russell 3000 companies in 2017, only 1.28 percent of those proposals received less than majority support from shareowners. Similarly, although ISS recommended votes in opposition to the election of 10.43 percent of director-nominees during the most recent proxy season, just 0.185 percent failed to obtain majority support.

We believe the pending legislation (both Subtitle Q of Title IV of H.R. 10 and H.R. 4015, which was introduced last month) would weaken corporate governance in the United States; undercut proxy advisory firms' ability to uphold their fiduciary obligation to their investor clients; and reorient any surviving firms to serve companies rather than investors. The system of corporate governance that has evolved in the United States relies on the accountability of boards of directors to shareowners, and proxy voting is a critical means by which shareowners hold boards to account. Currently, proxy advisors provide equity holders of U.S. corporations with independent advice. The proposed bills threaten to abrogate that very independence, which is a hallmark of ownership and accountability.

Proxy advisory firms, while imperfect, play an important and useful role in enabling effective and cost-efficient independent research, analysis and informed proxy voting advice for large institutional shareholders, particularly since many funds hold thousands of companies in their investment portfolio. In our view, the proposed legislation would undermine proxy advisory firms' ability to provide a valuable service to pension funds and other institutional investors.

We are particularly concerned that, if enacted, H.R. 10 and H.R. 4015 would:

Require that proxy advisory firms: 1) provide companies early review of their recommendations and most elements of the research informing their reports; 2) give companies an opportunity to review and lobby the firms to change their independent recommendations; 3) mandate a heavy-handed ''ombudsman'' construct to address issues that companies raise.

Under H.R 10, the company could essentially veto the proxy advisor's report and prevent its publication, while H.R. 4015 would require proxy advisors to publish a company's statement ''detailing its complaints'' in the proxy advisory firms' final reports to their clients, if the ombudsman is unable to resolve these complaints and if the companies make the request in writing.

Giving corporate issuers the ''right to review'' the proxy advisors' work product BEFORE the reports go to the paying customers would not only give corporate management substantial undue influence over proxy advisory firms' reports, but could compromise the very fiduciary duties that large institutional investors have to their own clients, beneficiaries and shareowners. We believe the objective of the bills is to bias proxy advisory firm recommendations in favor of corporate management, creating a dynamic that would encourage the firms to view management as their clients, rather than the investors who contract for this research. This approach would award a privileged position to high-powered CEOs and other executives to talk proxy advisory firms out of criticizing management on subjects such as CEO pay, without providing the same pre-publication right to others. Another concern is that such forced pre-publication review may not be consistent with First Amendment rights to freedom of speech. Regardless, the attempt by government fiat to interpose corporate management between investors and those investors hire to provide them with independent research is highly questionable as a matter of public policy.

Further, the additional regulatory hurdles imposed would surely: increase the complexity of the challenges faced by the proxy advisory firms; impose even more severe time constraints on the production of reports; and, without doubt, add significant resource burdens that would increase the cost of their services. In short, H.R. 4015 would add no value but would add an unnecessary drag to institutional investors' portfolios. This is not constructive regulatory ''reform,'' and is not supported by institutional investors.

Under both bills, pension funds and other institutional investors would have less time to analyze the advisor's reports and recommendations in the context of their own adopted proxy voting guidelines to arrive at informed voting decisions. Time is already tight, particularly in the highly concentrated spring ''proxy season,'' due to the limited period between a company's publication of the annual meeting proxy materials and annual meeting dates.

Moreover, the proposed legislation does not appear to contemplate a parallel requirement that dissidents in a proxy fight or proponents of shareowner proposals also receive the recommendations and research in advance. This would violate an underlying tenet of U.S. corporate governance that where matters are contested in corporate elections, management and shareowner advocates should operate on a level playing field.

Require the Securities and Exchange Commission (SEC) to assess the ability of proxy advisory firms to perform their duties and to assess the adequacy of proxy advisory firms' ''financial and managerial resources.''

The entities that are in the best position to make assessments about the ability of proxy advisory firms to perform their contractual duties are the pension funds and other institutional investors that choose to purchase and use the proxy advisory firms' reports and recommendations. These are sophisticated consumers who make choices based on free-market principles.

In 2014, the SEC staff issued guidance reaffirming that investment advisors have a duty to maintain sufficient oversight of proxy advisory firms and other third-party voting agents: We publicly supported that guidance. We are unaware of any compelling empirical evidence indicating that the guidance is not being followed or that the burdensome federal regulatory scheme contemplated by the proposed legislation is needed.

Increase costs for institutional investors with no clear benefits.

If enacted, the proposed legislation is likely to result in higher costs for pension plans and other institutional investors—potentially much higher costs if investors seek to maintain current levels of scrutiny and due diligence around proxy voting amid the exit of some or all proxy advisory firms from the business. The proposed legislation is highly likely to limit competition, by reducing the current number of proxy advisory firms in the U.S. market and imposing serious barriers to entry for potential new firms.

We believe that the cost estimate provided by the Congressional Budget Office to the House Financial Services Committee in September 2016 on substantially similar legislation in the 114th Congress (that is, that private sector costs would be less than $154 million) underestimates the costs that this bill would impose through private-sector mandates. The CBO should analyze the probable effects of the proposal on competition, and the costs to investors if (a) competition is reduced and the pricing power of a surviving proxy advisory firm is enhanced, and (b) if all present firms exit the market and the services they provided are no longer available, forcing individual investors to use internal resources not subject to the new regulatory mandate.

Finally, we note that in recent months the United States Department of Treasury (Treasury) performed outreach to identify views on proxy advisory firms in connection with its recently issued report to the President on ''A Financial System that Creates Economic Opportunities, Capital Markets.'' In that report, the Treasury found that ''institutional investors, who pay for proxy advice and are responsible for voting decisions, find the services valuable, especially in sorting through the lengthy and significant disclosures contained in proxy statements.'' More importantly, the Treasury did not recommend any legislative changes governing the proxy advisory firm industry.

Thank you for considering these views. CH would be very happy to discuss its perspective in more detail.

Sincerely,

Jeff Mahoney, General Counsel, Council of Institutional Investors; Marcie Frost, Chief Executive Officer, CalPERS; Anne Sheehan, Director of Corporate Governance, California State Teachers' Retirement System; Gregory W. Smith, Executive Director/CEO, Colorado Public Employees' Retirement Association; Denise I. Nappier, Connecticut State Treasurer, Trustee, Connecticut Retirement Plans and Trust Funds; Michael McCauley, Senior Officer, Investment Programs & Governance, Florida State Board of Administration; Michael Frerichs, Illinois State Treasurer; Jonathan Grabel, Chief Investment Officer, Los Angeles County Employees Retirement Association; Scott Stringer, New York City Comptroller; Karen Carraher, Executive Director, Ohio Public Employees Retirement System; Richard Stensrud, Executive Director, School Employees Retirement System of Ohio; Jeffrey S. Davis, Executive Director, Seattle City Employees' Retirement System.

Tobias Read, Treasurer, State of Oregon; Michael J. Nehf, Executive Director, STRS Ohio; Theresa Whitmarsh, Executive Director, Washington State Investment Board; Heather Slavin Corzo, Director, Office of Investment, AFL–CIO; Dieter Waizenegger, Executive Director, CtW Investment Group; Timothy J. Driscoll, Secretary-Treasurer, International Union of Bricklayers & Allied Craftworkers; Janice J. Fueser, Research Coordinator, Corporate Governance, UNITE HERE; Euan Stirling, Global Head of Stewardship & ESG Investing, Aberdeen Standard Investments; Blaine Townsend, Senior Vice

President, Director, Sustainable, Responsible and Impact Investing Group Bailard, Inc.; Jennifer Coulson, Senior Manager, ESG Integration, British Columbia Investment Management Corporation (bcIMC); Julie Cays, Chair, Canadian Coalition for Good Governance; Mike Lubrano, Managing Director, Corporate Governance and Sustainability, Cartica Management, LLC.

Carole Nugent, CCRIM Coordinator, Conference for Corporate Responsibility, Indiana and Michigan; Karen Watson, CFA, Chief Investment Officer, Congregation of St. Joseph; Sister Teresa Teresa George, D.C., Provincial Treasurer, Daughters of Charity, Province of St. Louise; Mary Ellen Leciejewski, OP, Vice President, Corporate Responsibility, Dignity Health; Jeffery W. Perkins, Executive Director, Friends Fiduciary Corporation; Matthew S. Aquiline, CEO, International Council of Employers of Bricklayers & Allied Craftworkers; Andrew shapiro, Managing Member & President, Lawndale Capital Management, LLC; Clare Payn, Head of Corporate Governance North America, Legal & General Investment Management; Susan S. Makos, Vice President of Social Responsibility, Mercy Investment Services, Inc.; Luan Jenifer, Chief Operating Officer, Miller/Howard Investments, Inc.; Michelle de Cordova, Director, Corporate Engagement Public Policy, NEI Investments; Judy Byron, OP, Director, Northwest Coalition for Responsible Investment.

Amy O'Brien, Global Head of Responsibile Investing, Nuveen, the investment manager of TIAA; Julie Fox Gorte, Ph.D, Senior Vice President for sustainable Investing, Pax World Management, LLC; Kathleen Woods, Corporate Responsibility Chair, Portfolio Advisory Board, Adrian Dominican Sisters; Judy Cotte, VP & Head, Corporate Governance & Responsible Investment, RBC Global Asset Management; Maria Egan, Portfolio Manager and Shareholder Engagaement Manager, Reynders, McVeigh Capital Management, LLC; Maureen O'Brien, Vice President and Corporate Governance Director, Segan Marco Advisers; Kevin Thomas, Director of Shareholder Engagement, Shareholder Association for Research & Education; Jonas D. Kron, Senior Vice President, Director of Shareholder Advocacy, Trillium Asset Management, LLC; Tim Smith, Director of ESG, Shareowner Engagement, Walden Asset Management; Sonia Kowal, President, Zevin Asset Management, LLC.

COUNCIL OF INSTITUTIONAL INVESTORS,
Washington, DC, December 12, 2017.

Re H.R. 4015.

Hon. PAUL RYAN,
Speaker of the House of Representatives, House of Representatives, Washington, DC.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

DEAR MR. SPEAKER AND MINORITY LEADER PELOSI: On behalf of the Council of Institutional Investors (CII or Council), we are writing to express our opposition to H.R. 4015, which we understand will soon be voted on by the United States House of Representatives.

CII is a nonpartisan, nonprofit association of public, corporate and union employee benefit funds, other employee benefit plans, state and local entities charged with investing public assets, and foundations and endowments with combined assets under management exceeding $3 trillion. CII's member funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families. The Council's associate members include a range of asset managers with more than $20 trillion in assets under management.

Many of our members and other institutional investors voluntary contract with proxy advisory firms to obtain research reports to assist the funds in voting their proxies according to the funds' own proxy voting guidelines. This contractual relationship provides investors a cost-efficient means of obtaining supplemental research on proxy voting issues, which is particularly beneficial since many funds hold thousands of companies in their investment portfolios.

H.R. 4015 would establish a new federal regulatory scheme for proxy advisory firms that would (I) grant ''companies,'' apparently meaning corporate management, the right to review the proxy advisory firms research reports before the paying customers—investors—receive the reports; (2) mandate that the proxy advisory firms hire an ombudsman to receive and resolve corporation's complaints; and (3) if the ombudsman to unable to resolve the complaints, and if the company management submits a written request, proxy advisory firms would be required to publish company management's dissenting statement. These provisions would result in the federal government interposing corporate management between investors and those proxy advisory firms that investors hire to provide them with research on issues, such as executive compensation, in which corporate management can have its own interests, sometimes in conflict with investors and with the corporate entity.

Setting aside whether the provisions of H.R. 4015 are consistent with First Amendment rights of freedom of speech, the provisions are not practical. The provisions would require proxy advisory firms to provide the management teams of more than 4,000 corporations the opportunity to present detailed comments on the firm's reports in a matter of weeks before the reports are provided to investors. Thus, investors would have limited time to analyze the reports in the context of their own proxy voting guidelines to arrive at informed voting decisions. Time is already tight, particularly in the spring ''proxy season,'' due to the limited period between a corporations' publication of the annual meeting proxy materials and the date in which investors are permitted to vote on proxy issues.

In addition, the provisions of H.R. 4015 would likely result in fewer market participants in the proxy advisory firm industry. The provisions would add significant costs increasing barriers to new entrants and potentially leading some existing firms to exit the industry altogether.

We also note that the United States Department of Treasury recently performed extensive outreach to identify views of company management teams and other market participants on proxy advisory firms in connection with its recently issued report to President Trump on ''A Financial System that Creates Economic Opportunities, Capital Markets.'' In its report the Treasury found that ''institutional investors, who pay for proxy advice and are responsible for voting decisions, fmd the [proxy advisory firm] services valuable, especially in sorting through the lengthy and significant disclosures contained in proxy statements.'' More significantly, the Treasury did not call for legislation of the proxy advisory firm industry.

Finally, we have attached for your information and review a November 9, 2017 letter signed by 45 investors and investor organizations describing in more detail the basis for their strong opposition to H.R. 4015.

Thank you for considering our views. We would welcome the opportunity to discuss our perspective on this important issue with you or your staff in more detail.

Sincerely,

JEFFREY P. MAHONEY,
General Counsel.

□ 1415

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 657, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. SARBANES. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SARBANES. I am opposed.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Sarbanes moves to recommit the bill, H.R. 4015, with instructions to report the same back to the House forthwith, with the following amendments:

Page 14, strike line 23.

Page 14, line 25, strike the period and insert ''; and'' and after such line insert the following:

''(C) does not include proxy voting recommendations on shareholder proposals related to political campaign contributions of a company.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland is recognized for 5 minutes in support of his motion.

Mr. SARBANES. Mr. Speaker, this is the final amendment to the bill, which will not kill the bill or send it back to committee. If adopted, the bill will immediately proceed to final passage, as amended.

Mr. Speaker, this amendment is about promoting greater transparency and shareholder review of political campaign activity of public corporations.

As we have heard, the underlying bill would create new restrictions on proxy advisory firms that would erode their capacity to provide reliable, independent advice to public company investors: institutional investors such as pension funds that serve firefighters, teachers, and police officers. My amendment would restore the ability of advisory firms to provide research and vote recommendations regarding a public company's spending on political campaign contributions.

Over the past half a century, public companies have increasingly entered the political arena, spending huge sums on political contributions and campaign activity. Court rulings like Citizens United and SpeechNOW.org have opened new avenues of influence for corporate America and have worked to amplify the role of public companies in our politics. Mr. Speaker, the public is becoming increasingly anxious about this.

Fortunately, in recent years, some shareholders and public interest organizations have successfully put pressure on public corporations to adopt shareholder review of corporate political activity, stemming the tide of unchecked political spending from public corporations. Yet the underlying bill would unwind that progress, giving corporations direct influence over proxy advisory firm recommendations to shareholders regarding political activity, knocking down yet another pillar of political accountability in our politics.

Mr. Speaker, we need more, not less political accountability from our Nation's corporations. As this week has shown, corporate America has an outsized influence in our Nation's public policy. Look no further than today's vote on the GOP tax scam or yesterday's further deregulation of some of our Nation's largest financial institutions.

There is no mystery as to why this has happened. A sophisticated corporate influence economy involving campaign contributions, aggressive lobbying, a web of trade associations, corporate-backed think tanks, and outside political organizations has sprung up in Washington to shape who runs for office, who wins office, and the policies we in Congress adopt.

Mr. Speaker, Americans hate this system. They hate the arrogance with which monied interests exert their influence on our politics and our government. They feel that their voice, the voice of the people, is ignored while Big Money insiders have their way on Capitol Hill. They want us to change the corrosive status quo.

Mr. Speaker, we can take a small step forward with this amendment to restore the American people's faith in our ability to stand up to corporate power. We should adopt this modest, but important change to an otherwise flawed piece of legislation.

At a minimum, we should protect the opportunity for institutional investors to receive independent research and advice when it comes to the political activity of public companies. It is about transparency. It is about accountability. It is about the public interest.

Mr. Speaker, to that end, I urge my colleagues to support the motion to recommit, and I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I claim the time in opposition.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, I listened carefully. I didn't hear anything about labor union political campaign contributions, known political allies of the Democratic Party.

This is yet one more assault on the First Amendment's freedom of speech by my friends on the other side of the aisle. Mr. Speaker, it ought to be rejected, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. SARBANES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 21 minutes p.m.), the House stood in recess.

□ 1808

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MITCHELL) at 6 o'clock and 8 minutes p.m.

HOUR OF MEETING ON TOMORROW

Mr. YODER. Mr. Speaker, pursuant to clause 4 of rule XVI, I move that when the House adjourns on this legislative day, it adjourn to meet at 9 a.m. on Thursday, December 21, 2017.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas.

The motion was agreed to.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

The motion to recommit on H.R. 4015;

Passage of H.R. 4015, if ordered; and

Agreeing to the Speaker's approval of the Journal, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

CORPORATE GOVERNANCE REFORM AND TRANSPARENCY ACT OF 2017

The SPEAKER pro tempore. The unfinished business is the vote on the motion to recommit on the bill (H.R. 4015) to improve the quality of proxy advisory firms for the protection of investors and the U.S. economy, and in the public interest, by fostering accountability, transparency, responsiveness, and competition in the proxy advisory firm industry, offered by the gentleman from Maryland (Mr. SARBANES), on which the yeas and nays were ordered.

The Clerk will redesignate the motion.

The Clerk redesignated the motion.

The SPEAKER pro tempore. The question is on the motion to recommit.

The vote was taken by electronic device, and there were—yeas 189, nays 231, not voting 11, as follows:

[Roll No. 701]

YEAS—189

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Correa
Costa
Courtney
Crist
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NAYS—231

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)

Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—11

Bridenstine
Brooks (AL)
Kennedy
Mullin
Napolitano
Pocan
Renacci
Simpson
Smith (TX)
Thompson (MS)
Wilson (FL)

□ 1837

Messrs. NUNES, UPTON, JENKINS of West Virginia, MOONEY of West Virginia, ROUZER, CALVERT, MESSER, RUTHERFORD, KNIGHT, LEWIS of Minnesota, FORTENBERRY, Ms. FOXX, Messrs. DENHAM, WALDEN, HILL, and GOODLATTE changed their vote from ''yea'' to ''nay.''

Messrs. RASKIN, WELCH, NORCROSS, GUTIÉRREZ, and LEWIS of Georgia changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. HENSARLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 238, nays 182, not voting 11, as follows:

[Roll No. 702]

YEAS—238

Abraham
Aderholt
Allen
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Cooper
Costello (PA)
Cramer
Crawford
Cuellar
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Delaney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foster
Foxx
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gottheimer
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Himes
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Mast
McCarthy
McCaul
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Meeks
Messer
Mitchell
Moolenaar
Mooney (WV)
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Peters
Peterson
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Rosen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Stefanik
Stewart
Stivers
Suozzi
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NAYS—182

Adams
Aguilar
Amash
Barragán
Bass
Beatty
Bera
Beyer
Biggs
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Correa
Costa
Courtney
Crist
Crowley
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Massie
Matsui
McClintock
McCollum
McEachin
McGovern
McNerney
Meng
Moore
Moulton
Murphy (FL)
Nadler
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Pingree
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rohrabacher
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Slaughter
Smith (WA)
Soto
Speier
Swalwell (CA)
Takano
Thompson (CA)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOT VOTING—11

Bridenstine
Brooks (AL)
Kennedy
Mullin
Napolitano
Pocan
Renacci
Simpson
Smith (TX)
Thompson (MS)
Wilson (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1847

Mr. TURNER changed his vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE JOURNAL

The SPEAKER pro tempore. The unfinished business is the question on agreeing to the Speaker's approval of the Journal, which the Chair will put de novo.

The question is on the Speaker's approval of the Journal.

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

Mr. HENSARLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 217, nays 194, answered ''present'' 2, not voting 18, as follows:

[Roll No. 703]

YEAS—217

Abraham
Aderholt
Allen
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Bilirakis
Bishop (UT)
Black
Blumenauer
Brady (TX)
Brat
Brooks (IN)
Brown (MD)
Buchanan
Budd
Bustos
Butterfield
Calvert
Carson (IN)
Carter (TX)
Cartwright
Castro (TX)
Chabot
Cheney
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cole
Collins (GA)
Collins (NY)
Comstock
Cook
Cooper
Costello (PA)
Cramer
Crist
Cuellar
Culberson
Curtis
Davidson
Davis (CA)
Davis, Danny
Davis, Rodney
DeGette
DeLauro
Demings
Dent
DeSaulnier
Deutch
Dingell
Doggett
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Ellison
Eshoo
Estes (KS)
Evans
Faso
Ferguson
Fleischmann
Fortenberry
Foster
Frankel (FL)
Frelinghuysen
Gabbard
Garamendi
Gianforte
Gibbs
Goodlatte
Gowdy
Granger
Griffith
Grothman
Guthrie
Gutiérrez
Handel
Harper
Harris
Hartzler
Hensarling
Higgins (LA)
Hill
Himes
Hollingsworth
Huffman
Huizenga
Hultgren
Hunter
Issa
Johnson (LA)
Johnson, Sam
Jones
Joyce (OH)
Kaptur
Kelly (IL)
Kelly (MS)
Kelly (PA)
Kildee
King (IA)
King (NY)
Kuster (NH)
Kustoff (TN)
Labrador
LaMalfa
Lamborn
Latta
Lewis (MN)
Lipinski
Long
Loudermilk
Lucas
Luetkemeyer
Lujan Grisham, M.
Marino
Massie
McCarthy
McCaul
McClintock
McCollum
McEachin
McHenry
McMorris Rodgers
McNerney
Meadows
Meeks
Meng
Messer
Mitchell
Moolenaar
Mooney (WV)
Moulton
Murphy (FL)
Nadler
Newhouse
Noem
Nunes
O'Rourke
Olson
Panetta
Pascrell
Pelosi
Perlmutter
Peters
Pingree
Posey
Quigley
Reichert
Roby
Roe (TN)
Rogers (KY)
Rooney, Francis
Rooney, Thomas J.
Ross
Rothfus
Rouzer
Royce (CA)
Ruppersberger
Russell
Rutherford
Sanford
Scalise
Schneider
Schweikert
Scott (VA)
Scott, David
Sensenbrenner
Sessions
Shea-Porter
Sherman
Shimkus
Shuster
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (WA)
Smucker
Speier
Stefanik
Stewart
Suozzi
Takano
Taylor
Thornberry
Titus
Trott
Tsongas
Velázquez
Wagner
Walden
Walker
Walorski
Walters, Mimi
Walz
Wasserman Schultz
Waters, Maxine
Webster (FL)
Welch
Westerman
Williams
Wilson (SC)
Wittman
Womack
Yarmuth
Yoho
Young (IA)

NAYS—194

Adams
Aguilar
Amash
Barragán
Bass
Bera
Beyer
Biggs
Bishop (GA)
Bishop (MI)
Blackburn
Blum
Blunt Rochester
Bonamici
Bost
Boyle, Brendan F.
Brady (PA)
Brownley (CA)
Buck
Bucshon
Burgess
Byrne
Capuano
Carbajal
Cárdenas
Carter (GA)
Cleaver
Clyburn
Coffman
Cohen
Comer
Conaway
Connolly
Correa
Costa
Courtney
Crawford
Cummings
Curbelo (FL)
DeFazio
Delaney
DelBene
Denham
DeSantis
DesJarlais
Diaz-Balart
Doyle, Michael F.
Emmer
Engel
Espaillat
Esty (CT)
Farenthold
Fitzpatrick
Flores
Foxx
Fudge
Gallagher
Gallego
Garrett
Gomez
Gonzalez (TX)
Gosar
Gottheimer
Graves (GA)
Graves (MO)
Green, Al
Green, Gene
Grijalva
Hanabusa
Hastings
Heck
Herrera Beutler
Hice, Jody B.
Higgins (NY)
Holding
Hoyer
Hudson
Hurd
Jackson Lee
Jayapal
Jeffries
Jenkins (KS)
Jenkins (WV)
Johnson (GA)
Johnson (OH)
Johnson, E. B.
Jordan
Katko
Keating
Khanna
Kihuen
Kilmer
Kind
Kinzinger
Knight
Krishnamoorthi
LaHood
Lance
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
LoBiondo
Loebsack
Lofgren
Love
Lowenthal
Lowey
Luján, Ben Ray
Lynch
MacArthur
Maloney, Carolyn B.
Maloney, Sean
Marchant
Marshall
Mast
Matsui
McGovern
McKinley
McSally
Meehan
Moore
Neal
Nolan
Norcross
Norman
O'Halleran
Palazzo
Pallone
Palmer
Paulsen
Payne
Pearce
Perry
Peterson
Pittenger
Poe (TX)
Poliquin
Polis
Price (NC)
Raskin
Ratcliffe
Reed
Rice (NY)
Richmond
Rogers (AL)
Rohrabacher
Rokita
Ros-Lehtinen
Rosen
Roskam
Roybal-Allard
Ruiz
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schrader
Scott, Austin
Serrano
Sewell (AL)
Sinema
Sires
Slaughter
Soto
Stivers
Swalwell (CA)
Tenney
Thompson (CA)
Thompson (PA)
Tiberi
Tipton
Torres
Turner
Upton
Valadao
Vargas
Veasey
Vela
Visclosky
Walberg
Watson Coleman
Weber (TX)
Wenstrup
Woodall
Yoder
Young (AK)
Zeldin

ANSWERED ''PRESENT''—2

Rice (SC)
Tonko

NOT VOTING—18

Beatty
Bridenstine
Brooks (AL)
Castor (FL)
Crowley
Gaetz
Gohmert
Graves (LA)
Kennedy
Lieu, Ted
Mullin
Napolitano
Pocan
Renacci
Simpson
Smith (TX)
Thompson (MS)
Wilson (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1853

So the Journal was approved.

The result of the vote was announced as above recorded.

RECOGNIZING MAYOR SANDRA MARTIN FOR 30 YEARS OF PUBLIC SERVICE

(Mr. CARTER of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER of Georgia. Mr. Speaker, I rise today to recognize Mayor Sandra Martin from Flemington, Georgia, for more than 30 years of public service. Mayor Martin is a talented public servant who has truly made Flemington, in Georgia's First Congressional District, a better place to live.

Flemington is located near Hinesville, Georgia, which is home to the Fort Stewart military base, and being the mayor here comes with unique challenges. Under her leadership, Flemington took these challenges and ran with them.

Flemington built its first-ever city hall for meetings and events. Before that time, citizens needed to search around town for a city council member to speak with.

The city also went from being an inconspicuous town on the side of the highway to advertising itself and coaxing visitors to come in and experience its hospitality.

I am proud to have a city official like Mayor Martin who is immensely dedicated to our area in the First Congressional District. Other mayors could learn from her example of good government.

□ 1900

THANKING MATT BRAVO

(Mr. SCALISE asked and was given permission to address the House for 1 minute.)

Mr. SCALISE. Mr. Speaker, I rise today to honor and thank somebody who has been a key part of my team since I got elected into House leadership. He is the floor director right now for the whip's office, Mr. Matt Bravo.

Matt Bravo has been with my team and has helped us through some critical key legislative victories, not the least of which is the Tax Cuts and Jobs Act today, helping pass the bills through the floor and helping us get our work done as we whip the bills to make sure we can move the majority's agenda.

Matt has worked for years, Mr. Speaker, not just in the whip's office for me, he has also worked for former whip and majority leader Eric Cantor. He has worked for the Energy and Commerce Committee.

Matt Bravo has dedicated more than 10 years of his life to public service in this institution with honor and integrity.

Mr. Speaker, Mr. Matt Bravo is somebody who has the full respect of not only our Members on the House Republican side, he is respected by the Democratic leadership as well and is a key part of our staff and, again, has helped us pass critical legislation. I would call him the best floor director ever.

We are going to miss him here. Jennifer and I wish him and his wife, Summer, and their soon-to-be growing family all the best in their future life.

Mr. Speaker, I want to thank him for the time and the public service he has given to this House of Representatives.

Again, thank you, Mr. Matt Bravo, for the service you have given to all of us.

Mr. HOYER. Mr. Speaker, will my friend yield?

Mr. SCALISE. Mr. Speaker, I yield to the gentleman from Maryland (Mr. HOYER).

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

Mr. Speaker, I agree with everything the gentleman said. Maybe he is not the best floor director—I have got a pretty good one myself—but he is a very, very good floor director.

Mr. SCALISE. Mr. Speaker, we can maybe disagree on that like we disagree on who has the best crabs, but we will enjoy that disagreement.

Mr. HOYER. Mr. Speaker, I was going to say that one of the problems that I have with Mr. Bravo is that he thinks that Louisiana crabs are better than Maryland crabs, but loyalty is an important aspect of our service.

Mr. Speaker, I am pleased to rise to join my friend, Mr. SCALISE, the majority whip, and thank Matt Bravo for the leadership that he has given on this floor, and particularly on behalf of my floor staff with whom he has worked very closely, both when he was with Mr. Cantor, with whom I worked very closely, and now Mr. SCALISE, with whom I work closely. We thank him for his service to this House.

Every time I rise, I say, whether it is a Democratic or a Republican staffer who works this floor, they work with all of us, and they work in a way that tries to facilitate the doing of the people's business.

They are not always as successful as they would like to be. It is the fault of the Members, not of the staff. They have good plans that go awry because the Members do not cooperate. Mr. Speaker, I would like to tell Matt that I understand that very well.

Mr. Speaker, we want to thank Matt for the very collegial, positive, constructive way in which he has worked with my staff, with the leader's staff, with other staff on this side of the aisle, as well as staff on his side of the aisle to assure that we can, to the best extent possible, work in a constructive way on behalf of the American people.

I am sure that Matt will be as successful in future endeavors as he has been here, and, if so, very, very successful indeed.

Mr. Speaker, I thank the majority whip for yielding me time, and I wish Matt Bravo the very best.

Mr. SCALISE. Mr. Speaker, I want to thank the Democratic whip for his kind words and for the way that our offices do work together on those occasions. Frankly, it is most occasions where we are working together on things. Obviously, there are times when we are not; but even in those times, our staffs have a great working relationship and a trust level that is really important to the House getting its business done.

Mr. Speaker, I thank the Democratic leader.

Mr. MCHENRY. Mr. Speaker, will the gentleman yield?

Mr. SCALISE. Mr. Speaker, I would be honored to yield to the chief deputy whip, Mr. MCHENRY.

Mr. MCHENRY. Mr. Speaker, I want to thank my friend for yielding.

Mr. Speaker, it is a special pleasure to come and speak to the career of a great public servant, Matt Bravo.

Matt has worked here in the House for 11 years in various roles. He started off as body guy for Leader Cantor when Leader Cantor served as chief deputy whip. In addition to that, he has held various roles in the whip operation, in the leader's office on the Republican side of the aisle, as well as important work on the Energy and Commerce Committee.

Matt Bravo has a great sense of humor, a great love for the game of golf. He is much better at the game of golf than he is at his jokes. We love Matt Bravo. We love teasing him. We love giving him a hard time, but we know his true character. We know how he works intensely to see things through, to grind out the votes to get 218 to pass our agenda.

Mr. Speaker, we know Matt will be successful in this next phase of his career. We thank him for his friendship. We thank him for his service to this House. On both sides of the aisle, the respect that he has gained is immense, and we congratulate him on this next phase.

Mr. Speaker, we thank Matt for his service in the people's House, to his government, to the United States of America's people. We will miss him.

Mr. SCALISE. Mr. Speaker, I would be remiss if I didn't recognize that Matt's lovely wife, Summer, is in the balcony, too, and I thank her for the time that she lent him to us and to this great institution. The best of luck to her family and her future with Matt.

PROTECT BOB MUELLER

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, today the Republicans showed their values.

They showed their values in the tax bill that gave 83 percent of the dollars to the upper 1 percent of the economic strata in this country.

They showed their values in giving real estate developers special tax breaks, like President Trump and others, and gave people who are extremely wealthy the opportunity to will more money to their children or whoever they choose than they can today, an $11 million break.

It has been sad sitting on the Judiciary Committee and watching the Republicans be aiders and abetters of the President in trying to demean the reputation of one of the finest Americans and public servants I have ever had the opportunity to know, Bob Mueller, and probably with the intention of firing him, something that should wake Republicans up to the fact that our country is in jeopardy.

We shouldn't be doing things that help the Russians get away with efforts to change our elections and interfere with our country's values. America first, Russia last. Protect Bob Mueller.

HEZBOLLAH IS A TERRORIST GROUP AND A CRIMINAL ORGANIZATION

(Mr. POE of Texas asked and was given permission to address the House for 1 minute.)

Mr. POE of Texas. Mr. Speaker, Hezbollah is not only a terrorist group, it is a criminal organization that funds its terror through drug trafficking, arms dealing, and money laundering.

Hezbollah is believed to raise $4 billion to $5 billion, annually, through these criminal activities. Tons of Hezbollah cocaine makes its way into the United States every year, but the past administration refused to designate Iran's proxy, Hezbollah, as a criminal organization making it possible to prosecute Hezbollah in the United States.

They repeatedly delayed and denied DEA requests to investigate and prosecute Hezbollah drug dealing and arms dealing networks. Why? So Iran would not back out of the nuclear deal.

In 2016, the White House even let a Hezbollah arms dealer with connections to Putin go free. That is why Representatives COOK, ROS-LEHTINEN, and I sent a letter to the President yesterday urging him to designate Hezbollah as a transnational criminal organization and a kingpin entity.

No more backroom deals for Iran. We must change course quickly. Every day more illegal money flows into Hezbollah's coffers. Hezbollah terrorists and criminals ought to be prosecuted.

And that is just the way it is.

GOP TAX BILL IS THE GREATEST TRANSFER OF WEALTH

(Mr. BEYER asked and was given permission to address the House for 1 minute.)

Mr. BEYER. Mr. Speaker, the tax bill we passed today has little in common with what Speaker RYAN described to us yesterday. Putting more money into the pockets of working people would be great, but that is not what they wrote this bill to do.

I have grown a business, made payroll every 2 weeks for more than 40 years, and invested many millions of dollars in plant and equipment. I still voted ''no,'' though, because I was just wise enough to realize that without our people, our employees, we have nothing. I would be enthusiastic about a tax bill that actually put more money into their pockets instead of mine.

We have 381 hardworking men and women on our payroll today. Not a single one will benefit from the doubling

of the estate tax exclusion, but every one will be affected by the medical insurance premium rates, which this bill will drive up.

Every one will be at risk when their minimal so-called tax cuts expire in just a few years. Mine, by the way, are permanent. Our children and grandchildren will suffer ever more greatly as we continue to balloon the Federal debt.

This tax bill may be the greatest transfer of wealth from working Americans to the idle rich in the history of our country. Mr. Speaker, this is a very sad day for the country I love.

HONORING TWO NAVAJO CODE TALKERS

(Mr. BIGGS asked and was given permission to address the House for 1 minute.)

Mr. BIGGS. Mr. Speaker, I rise today to honor the lives of two Navajo Code Talkers, George B. Willie Sr. and Teddy Draper Sr., who recently both passed away in my home State of Arizona.

While both young men, Mr. Willie and Mr. Draper enlisted in the U.S. Marine Corps and valiantly served in World War II in the Battles of Okinawa and Iwo Jima.

The Navajo Code Talkers used the Navajo language to transmit and receive messages that could not be translated or intercepted by the Japanese. This unique skill was a great advantage for the United States' victory in the Pacific theater.

In 2001, both Mr. Willie and Mr. Draper were awarded the Congressional Silver Medal for their service and selfless devotion to duty. The sacrifices of Mr. Willie and Mr. Draper and their families during World War II will be remembered for generations. We will be forever grateful for their dedication to our Nation.

GOP TAX PLAN

(Mr. LOWENTHAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWENTHAL. Mr. Speaker, the tax bill passed by the House GOP today embodies everything that Americans dislike about Congress:

It was drafted behind closed doors where the drafters cast aside expert analysis and relied instead on special interests and faulty disproven assumptions.

The plan slashes tax rates for multinational corporations and the superwealthy, but leaves hardworking Americans in the 47th Congressional District to pay the bill.

It penalizes taxpayers in California and other blue States for investing in our schools, in our roads, and in our public services.

It cruelly hits children, seniors, and low-income Americans by putting at risk Medicare, Medicaid, SNAP, and Social Security.

Mr. Speaker, I could not, and proudly did not, vote for this disastrous piece of legislation.

UNION COUNTY FREEHOLDER VERNELL WRIGHT RETIRES

(Mr. PAYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAYNE. Mr. Speaker, I rise to honor a public servant from my district in Union County, New Jersey, Freeholder Vernell Wright, on the occasion of her retirement.

Freeholder Wright began her career in public service in 1966 as a title 1 teacher at Jefferson School in Union Township, New Jersey. For 36 years, she helped educate the county's public schoolchildren.

In 2012, the people of Union Township sent their beloved educator to represent them on the Union County Board of Chosen Freeholders.

Freeholder Wright's legacy as an elected official is best characterized by her unselfish devotion to the constituents whom she represents. As recognition for her dedicated work and selfless service, she has been awarded New Jersey's Freeholder of the Year Award and Union County's Chester Holmes Humanitarian Award.

Freeholder Wright is a model for the next generation of public servants.

Mr. Speaker, I ask my colleagues to join me and the people back in Union County tonight at a dinner to honor Freeholder Wright's lifetime of service. I am honored to be her Member of Congress.

God bless Freeholder Wright.

□ 1915

HONORING THE LIFE OF LORIMER ARENDSE, PRINCIPAL OF GRAND PRAIRIE HIGH SCHOOL

(Mr. VEASEY asked and was given permission to address the House for 1 minute.)

Mr. VEASEY. Mr. Speaker, I rise today to honor the life of Lorimer Arendse, the principal of Grand Prairie High School, who lost his battle with stage IV lung cancer on December 15.

Never shy about sharing his hatred for school during his formative years, Lorimer found his passion for academics once he met and fell in love with his wife, Jeanelle, while attending Grace College in Warsaw, Indiana. Upon graduating Grace College, Lorimer continued his passion for education upon earning his master's degree in educational administration from Ashland University.

From there, he began his career in education as a math teacher and advanced to assistant principal. In 2013, Lorimer was named principal of the Young Men's Leadership Academy at Kennedy Middle School in Grand Prairie. In 2014, he was named principal of Grand Prairie High School.

Although his time with us was short, let us all be encouraged by his final lesson: treat each other with kindness. Be respectful. Be courteous. Be what a Gopher is.

At this time, I ask my colleagues to join me in extending their prayers to Principal Lorimer Arendse's family and the Grand Prairie High School community.

CELEBRATING THE LIFE OF COUNCILMAN PETER BROWN

(Ms. JACKSON LEE asked and was given permission to address the House for 1 minute.)

Ms. JACKSON LEE. Mr. Speaker, I rise this evening to celebrate the life of a dear friend, the Honorable Peter Brown, former council member at large for the city of Houston. Tomorrow he will be memorialized in Houston, Texas.

It saddens me that I will not be able to join him and his family and the many, many Houstonians and friends who will come to honor him. The reason is because Peter Brown was Houston's chief champion. He loved Houston. He loved to talk about mobility in Houston. Even before most Houstonians understood the value of the light rail system, Peter Brown was on the forefront.

He was an architect, and he understood beauty and planning. He had a humorous and wonderful touch, but he also was serious and stern when it came to planning and the environment. Peter Brown wanted to see Houston as it is and as it continues to be a world class city. Before we spoke of greenery and all the things that make a city great, the parks, green space, Peter Brown was doing so.

Peter Brown was also a dear friend to me, my family, and so many others. He lost his battle just about 10 days ago to a terrible and vicious disease. But as I visited Peter, I can assure you that on the occasions I went to see him, he was always thinking about others and thinking about the city, thinking about our State and the Nation, always sharing, but fighting his fight.

To his family and his children and to the people who love him, I just simply want to say: tonight and tomorrow we honor a great American, a friend to us all.

He may be from Houston, Texas, but if you got a chance to know him, you would love him, too.

Mr. Speaker, I ask for a moment of silence in honor of the Honorable Peter Brown.

HEALTHCARE AND LITTLE LOBBYISTS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I rise today to defend our Nation's children.

The GOP tax scam repeals the provision assuring all families have health

insurance access. Nonpartisan experts estimate 13 million fewer Americans will be insured because of the Republican repeal, including millions of children.

Yesterday I met with families from the Little Lobbyists. I was struck by Laura Hatcher's story of her child and her emotion when she learned about the passage of the Affordable Care Act. She burst into tears. She knew her son, who has cerebral palsy, could gain insurance with no fear of discrimination due to preexisting conditions.

Ms. Hatcher urged yesterday that America must turn from its destructive and immoral path. She said: We are here to show what access to affordable, quality healthcare and programs like Medicaid mean for our families. These programs that the Republican Congress intends to cut to fund tax breaks to wealthy heirs and corporations are the difference between our children having a future or being forced back into institutions reminiscent of a Dickens novel. This is wrong.

Mr. Speaker, Members of Congress were elected to protect and defend the American people, not put families like the Hatchers at risk because of the Republican's billionaire tax bill.

Mr. Speaker, I include in the RECORD Laura Hatcher's remarks:

LAURA HATCHER REMARKS

Thank you Leader Pelosi for inviting the Little Lobbyists here today to speak on behalf of families of children with complex medical needs.

It's the holidays and the Muppet version of ''A Christmas Carol'' has been on repeat at my house. We're all big Muppet fans and my 11–year-old son Simon loves music, silliness, and a sweet story. I also think another reason Simon likes the movie so much is because he identifies with the character ''Tiny Tim.'' It's easy to see the resemblance. Like Tim, Simon is sweet and kind, he loves Christmas, he even sits by the fireplace and sings sometimes.

Dickens doesn't identify Tiny Tim's diagnosis, but I imagine he might have had cerebral palsy like Simon. Simon has trouble walking and like Tim, he wears braces to support his legs. Though I miss him being little enough to carry on my shoulders the way Bob Cratchit carries Tiny Tim, Simon still loves to be held and hugged. And I do hug him all the time, as often as I can. Because, like the Cratchits, due to another rare disease we don't yet understand, we Hatchers don't know how long we'll have Simon with us.

I also find it's strikingly easy to draw another analogy between ''A Christmas Carol'' (Muppet version included), and what's happening in our lives right now. In the story, the miserly Ebenezer Scrooge is warned that his decisions have far-reaching consequences that impact many people. The same can be said of the decisions being made by Congress today. The choices they're making, like whether or not to pass this tax bill, have far reaching consequences for us all.

It is for this reason my family has been coming to Capitol Hill with the Little Lobbyists since July. Our government seemed to turn away from protecting people with disabilities and complex medical needs, like my little boy, and began trying to take away the legal protections and programs my son's life and my family's future depend on. Lately it seems like everything is under threat—accessibility, education, and health care.

It was less than 10 years ago that the passage of the Affordable Care Act made sure that people with preexisting conditions, like my Simon, would always have the right to health care. It promised families like mine could not be cut off by insurers and forced into bankruptcy because our child's health care was just too expensive. It expanded Medicaid, including waiver programs, so more kids like Simon can have access to the therapy, health care, and inclusion programs they need to survive and thrive in their communities.

I remember the exact moment it passed—I was in the grocery store and I burst into tears of relief when my husband texted me with the news. After years of worrying every single day about how we'd be able to care for our sweet boy in the future, it finally seemed like things were going to be okay. Living with that knowledge has been a huge gift for a family like ours, who routinely deal with life and death situations most families can't imagine.

But since this summer there have been multiple attempts to repeal the ACA, including as a part of this Tax Bill. Non-partisan experts have told us that 13 million people will lose access to health insurance if it passes. Once the ACA is weakened, protection for people with pre-existing conditions will become too costly to afford.

Very soon, I could once again be facing a future where I don't know how I'll be able to care for my child. This is a thought I simply find too difficult to bear.

And all of this is happening against the advice of experts. Without the input of those it will impact. It makes one wonder who our government is listening to, if not us. According to lobbying disclosure forms, this tax bill was written with the input of over 6,000 (real, not little) lobbyists. Some representatives have even said publicly that their donors have told them to ''get it done, or else.''

Or else. We parents of medically complex kids understand consequences. We know what will happen if this tax bill passes, if our country does not turn from this destructive and immoral path.

And so, here we are. We are the ghosts of ''Christmas present.'' We are here to show legislators what access to affordable, quality health care and programs like Medicaid mean for our families. These programs, that Congress intends to cut to fund tax breaks to wealthy heirs and corporations, are literally the difference between our children having a future in their homes and communities, or being forced back into institutions reminiscent of a Dickens' novel. This is wrong.

We're also here to show everyone that kids with complex medical needs and disabilities are just kids. They love to play, they love to learn, they love the Muppets. And as Americans they deserve to have a government that protects them. Today, as a mother and as a voice of conscience, I'm asking everyone that can hear me that can see these children—please protect them. Help us make sure that Christmases yet to come are even more joyful than those past.

God bless us, everyone.

THE INFAMOUS TRUMP TOWER MEETING

(Mr. HUFFMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUFFMAN. Mr. Speaker, June 9, 2016, was the date of the infamous Trump Tower meeting with at least five Russians with Kremlin ties. That date is about the only constant in a tangled web of lies we have heard from Team Trump.

When Donald Trump, Jr., was first asked about this meeting, he said it was just about adoption, not a campaign issue. But he changed his tune when the New York Times revealed emails showing it was all about the campaign; in fact, an offer to get damning information on Hillary Clinton as ''part of Russia and its government's support for Mr. Trump. . . .''

Now, Donald Trump, Jr.'s, response to this illegal offer says it all: ''. . . if it is what you say, I love it. . . . ''

We may never know how much collusion was set in motion at this meeting, but we do know two things:

First, Team Trump has repeatedly misled us, concealing it from security clearance forms, issuing a false statement dictated by President Trump himself.

Second, the Russians did go on to produce a massive cache of stolen emails and helped the Trump campaign in other ways.

These are damning facts, Mr. Speaker, and there are many more to come. We need to find out what else they lied about and what else they are hiding.

The SPEAKER pro tempore (Mr. KUSTOFF of Tennessee). Members are reminded to refrain from engaging in personalities toward the President.

CONGRATULATING AMSTERDAM RADIO LEGEND SAM ZURLO ON HIS RETIREMENT

(Mr. TONKO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TONKO. Mr. Speaker, I rise to congratulate Amsterdam radio legend, Sam Zurlo, on his retirement this week.

For over 60 years, Sam's voice has greeted the residents and visitors of Montgomery County, New York. Sam has been working in broadcasting since 1953. Now at 82, he hosts the longest-running talk show in the history of the county.

Sam's broadcasting career was born from his service with Armed Forces Radio in Germany, where he delivered a nightly broadcast for 3 years. Sam also worked as a print journalist for the Schenectady Gazette for some 35 years.

Decade after decade, his distinctive voice has been the catalyst for free and open debate. He has brought an air of familiarity and of community to our humble corner of upstate New York. Listening to conversations about current events with Sam has always made the abstractions of politics a little more real. Sam's personality has inspired many and brought light, comfort, and connection to countless neighbors and friends.

Mr. Speaker, I thank Sam Zurlo for his years of exceptional work and a legendary career in local journalism. I wish him the best for an equally special retirement.

THE GOP TAX SCAM

(Mr. RYAN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN of Ohio. Mr. Speaker, what a day in Washington, D.C. We have many Republicans in this town saying: What a great day it is for the American people; what a great Christmas for America.

The average family—63 percent in America—can't withstand a $500 emergency. With this tax cut, Apple is going to get $47 billion and Donald Trump's family is going to get $1 billion. They are going to toss out a few crumbs to working class families who work 60, 70 hours a week, and the fat cats in Washington and Wall Street are going to run off with the whole pot of gold.

Whatever happened in this country where we said, To whom much is given, much is expected?

We need to challenge the wealthy corporations. They are sitting on $4 trillion worth of cash. If they want to start a factory, buy a machine, or hire workers, they could do it now. They don't need to take it from the middle class.

PROJECT CASSANDRA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2017, the gentleman from Georgia (Mr. JODY B. HICE) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mr. JODY B. HICE of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. JODY B. HICE of Georgia. Mr. Speaker, today I rise to speak on an issue that is just now beginning to gain momentum and traction. Already, this issue of great importance is bringing great alarm and concern, as well as focus. I speak specifically in regard to the Obama administration's apparent decision to sacrifice the opportunity to take down Hezbollah and bring terrorists to justice.

What most Americans know about Hezbollah is that it is an Iran-backed proxy militia based in Lebanon, which was responsible for a string of terrorist attacks against Americans in the 1980s, including the attack in 1983 of the Beirut barracks, which killed 241 American servicemembers.

Since that time, Hezbollah has openly attacked Israel. They have propped up regimes supported by Iran, like Bashar al-Assad in Syria. They are defined by their violence and human rights abuses.

But what most Americans are not aware of, Mr. Speaker, is that over the last 30 years, Hezbollah has evolved beyond its origins as Iran's attack dog in the Middle East and they now run one of the world's most expansive and dangerous multinational criminal networks in the world.

Hezbollah works directly with corrupt governments, like Venezuela and others, to create criminal networks across Latin America, Africa, Europe, and the Middle East. They have literally moved tons—metric tons—of cocaine across the world, laundered money, and trafficked weapons and individuals. They are a critical part of a network responsible for the use of IEDs in the Middle East, which have killed literally thousands of American soldiers in Iraq and Afghanistan.

Hezbollah, Mr. Speaker, is a scourge not only in the Middle East, but throughout the entire world. The reason we know this—which has just, in recent days, started to become public—is because, in 2008, the DEA launched a campaign known as Project Cassandra, which amassed evidence over 8 years of investigation regarding Hezbollah's criminal activities. They used wiretaps, undercover operations, informants, and so forth to map Hezbollah's illicit networks with the help of some 30 different U.S. and foreign security agencies. These DEA agents traced the activities all the way to the inner circles of Hezbollah and its state sponsors in Iran.

But—and here is where all of this starts coming into play—when the time came to extradite and prosecute these terrorists, the Obama administration's Department of Justice and Department of State refused to move forward.

That is unthinkable to me. It is unthinkable to many people in our country.

The Justice Department refused to file criminal charges against suspects that were already in custody in Europe. The State Department refused to put meaningful pressure on allied countries to extradite Hezbollah leaders to the United States.

Why? Why did they refuse to get involved?

According to an Obama administration Treasury official, in her written testimony to the House Foreign Affairs Committee, investigations to Hezbollah were tapped down for fear of rocking the boat with Iran and jeopardizing the nuclear deal.

□ 1930

The nuclear deal is already deeply, deeply flawed in so many ways. The Iran nuclear deal apparently took precedence over crippling a foreign terrorist organization directly responsible for the deaths of American citizens and one of the world's largest drug and weapons trafficking networks.

Hezbollah is responsible for procuring parts for Iran's nuclear and ballistic missile program, the very program that the nuclear deal was supposed to curtail. Hezbollah is supplying parts to them.

Instead of prosecuting the leadership of Hezbollah and shutting down Iran's weapons pipeline, the Obama administration legitimized Iran's nuclear program and let Hezbollah leadership slip through the cracks and let them totally off the hook.

After the conclusion of the Iran nuclear deal, the Obama administration shut down Project Cassandra. We lost all that we had gained in 8 years of investigations—all the information. We had them in our grasp, Mr. Speaker, after 8 years of investigation. We lost unprecedented insight into these global criminal networks.

Mr. Speaker, this is morally reprehensible. It is stunning that we had our previous administration and that administration's Justice Department and State Department evidently involved, engaged, and deliberately letting these criminals off the hook.

How in the world can our allies in the global war on terror trust us when we won't prosecute terrorists when we have the chance to do so?

How can our allies in Latin America trust us when we refuse to prosecute leaders of one of the world's largest drug trafficking networks?

I have a few colleagues here tonight who are going to address this issue as well. Before I introduce the first one, I want to bring up one more point.

Ali Fayad is a suspected leader in Hezbollah. He is an operative and a major weapons supplier. He has been indicted on charges of planning the murders of U.S. citizens, attempting to provide materiel support to a terrorist organization and attempting to acquire, transfer, and use antiaircraft missiles.

For nearly 2 years, this terrorist was held in custody in the Czech Republic. For 2 years, the Obama administration failed to provide enough pressure to the Czech Republic, our NATO ally. The Obama administration refused to put pressure to extradite that terrorist to the United States.

Ali Fayad now, as we speak here tonight, is a free man and alleged to be back in the business of arming militants in Syria. This is inexcusable.

Mr. Speaker, I want to personally thank those who served on Project Cassandra for their service to our Nation and for the work they did. I want them to know that what they did mattered.

I am appalled that the Obama administration did virtually nothing to stop Hezbollah's criminal activities. I think this warrants an investigation by the U.S. House of Representatives, and that is what this Special Order tonight is all about: getting to the bottom of what is yet another example of a swamp that stinks to high heaven that needs to be cleaned up and drained out.

We need an investigation into what happened in the Obama administration, the Department of Justice, and the Department of State in allowing these

terrorists and this terrorist network to get off the hook.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. BIGGS), a good friend. He has been a leader in issues such as this, bringing to our attention both the highlighting of dangerous, harmful activity such as this tonight. He has been a great champion.

Mr. BIGGS. Mr. Speaker, I thank my friend from Georgia for yielding.

This is a very important topic. I am going to touch on this by beginning with this idea of the distinction between the current administration and its foreign policy as outlined in the recent statement from President Trump and that of the previous administration.

The distinction is very clear. The previous administration basically clung to an idea of neo-liberal institutionalism. That is to say, where there was a vacuum of power, we did not set the stage. America did not fill it. It remained a vacuum, with the idea being that an institution would fill that. Maybe the United Nations, maybe some other regional institution. But in doing so, we ceded over much of our sovereignty and failed to act to preserve and protect America's best interests.

The current administration has taken a more realistic point of view. They are realists. That is, America's interests will be first and paramount. We will see to it, we will foster alliances, and we will foster participation with our fellow nations to preserve America's best interests.

When America is strong, there is a greater chance for peace in the world. I believe that. That is the position of realists all the way back to Hans Morgenthau. Even neo-realists like Kenneth Waltz might agree.

One thing that we know is that this particular episode that unfolds is a scandalous episode that put America in greater danger, probably, and perhaps, in order to foster political gains by the previous administration.

One Treasury Department official who served in the Obama administration testified to the House Committee on Foreign Affairs that, under the Obama administration, these Hezbollah-related investigations were tamped down for fear of rocking the boat with Iran and jeopardizing the nuclear deal.

That becomes the heart and the rationale for how the previous administration handled a political decision instead of a foreign policy national security decision.

We know a number of things that took place, and this is why the House needs to conduct its own investigation: so we can know how this played out, why this played out, who is responsible, and we can resolve never to do this again.

We had Project Cassandra. This was a DEA campaign designed to expose a money laundering scheme in which Latin American drug-running was being funneled to Hezbollah.

Hezbollah is a pro-Iranian Lebanese malitia and has been a foreign terrorist organization since 1987, and so designated. It fosters alliances with rogue nations such as North Korea, Iran, and is violently anti-Israel and anti-United States.

It has become a player in international cocaine trafficking—using the proceeds of that drug trafficking to purchase explosives, EFPs, which is the deadliest type of IED used against American soldiers in Iraq.

EFPs killed hundreds of American soldiers, and they were supplied by the Iranian Government and its Hezbollah allies. EFPs were literally ripping M1 Abrams tanks in half. It is a weapon that makes all the armor protection they have irrelevant. Mere threats of EFPs shut down all ground supply routes near American bases on the Iranian border.

The result: cut off the head or the financing of Hezbollah through these international cocaine distribution routes.

Project Cassandra was born in 2008. It found clear evidence that Hezbollah had grown from a Middle East-focused military and political organization into an international crime syndicate, likely collecting somewhere in the neighborhood of $1 billion a year from drug and weapons trafficking, money laundering, and other criminal activities.

For 8 years, DEA agents conducted high-stakes investigations—dangerous investigations—using technology as well as undercover operations and informants. That type of capital is expensive and dangerous.

The result was to map these illicit drug networks. They did this with the help of 30 U.S. and foreign security agencies. They saw worldwide, far-flung international drug trafficking from South America to Africa, from Europe to the Middle East, and in the United States, where drug funds were funneled through an array of businesses, including used car lots.

What happened?

As we saw the previous administration's desire and design to leave a signature legacy foreign policy win, the negotiations for the Iran nuclear deal got going and were in place. Project Cassandra's agents say the Justice and Treasury Departments repeatedly hindered their attempts to pursue these investigations—the prosecutions, arrests, and financial sanctions against the key figures in this far-reaching drug scheme.

This was a policy decision. It was a systematic decision.

David Asher is quoted as saying: ''They serially ripped apart this entire effort that was very well supported and resourced, and it was done from the top down.''

They didn't bring criminal charges. They didn't continue to pursue these Hezbollah members or the banks that were laundering those billions in drug profits. Instead, they tore down the apparatus that was working on apprehending the head of the snake.

Well, we are going to go on with this. We need to go on with this. We need to investigate this further. This type of political decision that impacts and actually works cross-wise to our very purpose in the Middle East must be stopped, and we must find out why that happened. Those who allowed our men and women to be put in harm's way for a political decision need to be held accountable.

So, Mr. Speaker, those who cling to the neo-liberal institutionalist mantra, who rely on multilateral institutions rather than putting America first, are the ones who produced this result.

We are going to find out more in the coming weeks. My request is that the leadership in Congress, in this House of Representatives, instigate and prosecute an investigation to get to the bottom of this very heinous and very wrongheaded and dangerous decision.

I thank the gentleman for allowing me to participate and for his lead on this tonight.

Mr. JODY B. HICE of Georgia. Mr. Speaker, this highlights the importance of the issue that we are dealing with and the need for an investigation.

Hundreds, even thousands, of lives have been put in danger, not to mention our own Nation's national security interests.

Next up is a tremendous leader, not only here in Congress, but in our military. He is a general who has done an outstanding job. I don't know that anyone understands the importance of the issue any more than my good friend.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. PERRY). I am honored to have him here addressing this issue.

Mr. PERRY. Mr. Speaker, I thank the gentleman from Georgia (Mr. JODY B. HICE), my good friend. I thank him for bringing this issue to the attention of the Congress and for this Special Order.

When I was growing up, Mr. Speaker, I believed that my government would do all it could to stop crime from happening in the community I lived in, including drug use.

□ 1945

I have always been, my whole life, an ardent opponent of drug use. I have never used drugs, but yet I have seen the ravages and the devastation in the community I live in of this. You just knew in your heart that your government—the police, so on and so forth—were stopping those kind of things.

Then years later, as I grew up and was privileged to serve in uniform, I ended up going to Iraq. I got a briefing on this new type of weapon that was being used in Iraq called an EFP, an explosively formed penetrator, for which we had very little defense. There were other kinds of IEDs, whether they were used with a cell phone or a pressure plate or whatever, but these things were particularly grave because

we didn't have anything to stop them. We all knew, from the briefing, that they were coming from Iran.

And, of course, we thought, wearing the uniform, that our government would do everything it could to protect the servicemembers who were in harm's way and to protect our national security. That includes making sure that we got to the bottom of these EFPs, where they were coming from, and prosecuting and persecuting those who were providing them.

So imagine my surprise and my dismay just a few short days ago reading an article from a publication here in Washington, D.C., that outlined how our government, essentially, sanctioned not only the use of these EFPs from Iran in Iraq and Afghanistan, but, essentially, allowed for them to be paid for and enabled the paying for them.

There was this operation ongoing called Operation Cassandra to root out drugs coming into the United States being supplied by Hezbollah, a client of Iran. While this was ongoing, this nuclear agreement concern came into being. It was, apparently, so important that all of the work that was done in Operation Cassandra to stop these drugs from coming into the United States, that had to stop because we didn't want to irritate, we didn't want to disrespect, we didn't want to insult the Iranians when they were so close to getting a nuclear deal.

So we said, well, all these people have been working on this for years—this Operation Cassandra—to identify these people from Iran who were using this operation of selling drugs, illicitly moving stolen cars, and laundering money to then sell drugs into the United States and Europe, but also to use that money that they got from selling the drugs and the used cars to make these EFPs, to send them to Iraq, to send them to Afghanistan to kill American soldiers. That all had to stop because, heaven forbid, we can't offend Iran. We can't offend Iran.

Now, I will tell you this, Mr. Speaker. Nuclear war is a grave issue and it is worth a lot. If we have to stop nuclear war and give up some things to do that, I get it, I get it completely. There are no second chances with nuclear war. Once the bomb goes off, it is over. So if you have to give a little bit to get something on that, that is something even I could understand, even though I find some of it objectionable.

Where I come into conflict is this, Mr. Speaker. There is no question, at this point, whether Iran will have a nuclear weapon. There is no reason to be testing ballistic missiles except to deliver a nuclear weapon. They are not delivering leaflets, Mr. Speaker. They are going to deliver a nuclear weapon with that, which is why they are testing it.

There is no reason to have centrifuges. There is no reason to enrich to the level that Iran is except to create a nuclear weapon. We don't need that to have a nuclear power plant, which is what Iran says it wants to do.

And, of course, we all know, since the Ayatollah took over and took American hostages back in the day that Iran is a known liar. That is what they do. They lie. They obfuscate. They just say one thing and do another. It is not a question of if they will have a nuclear weapon, Mr. Speaker; it is a question of when.

So what we did here was we said, look, let's not offend the Iranians. Even though they are killing Americans on the battlefield, and even though they are killing Americans in your hometown by selling drugs to them—and the two are working towards each other; they are selling drugs and using that money to buy the articles of war, the implements of war that are killing Americans—it is okay. We are going to allow that to happen as long as we delay Iran from having a nuclear weapon for 15 years. That is exactly what it looks like.

Now, I didn't do the investigative reporting. It is, I think, 14,000 words, so it is pretty in-depth. But I will tell you this. It is being discredited out there. These are a couple of rogue employees who just disagreed with the policy.

Mr. Speaker, the Drug Enforcement Agency agent on the case, who has over 20 years of government experience tracking the financing of terror networks, said this of the leader of Hezbollah:

> I had no clue who he was, but this guy was sending money into Iraq to kill American soldiers.

The point is he had 20 years on the job. This wasn't some piker who just showed up on the job at Treasury and said: ''Hey, track this money and see what you can find.'' This is a guy who did this for a living for 20 years, and he ran into Hezbollah. He ran into Hezbollah, based on his investigation.

And then they tracked him. They tracked the money. They tracked the drugs—not just a little bit, tons—tons of drugs coming into the United States, literally at a time when we have 60,000 Americans dying, annually, of drug overdose. That is more people than we lost in Vietnam, Mr. Speaker, in the whole time of Vietnam. A year, that is how many are dying in America based on drug overdose.

These people tracked it. They tracked the weapons on the other side, and they were told to stand down. They went to get these guys. They had one in custody in Prague. He was arrested. The United States wanted him extradited and prosecuted.

Do you know where he is right now, Mr. Speaker? He is back on the battlefield because we let him go.

So not only did Iran get to sell drugs in the United States and kill American citizens in your hometown, but they used that money to then make EFPs to kill the soldiers from your hometown who went to defend America's freedom.

And, oh, by the way, in less than 15 years now, you can expect Iran to be a nuclear armed power.

Mr. Speaker, if nothing else, if absolutely nothing else happens here from this, we need to have hearings on this in both the Foreign Affairs Committee and the Oversight and Government Reform Committee to make sure that this never ever can happen again, that we don't trade the safety of the lives of American servicemembers overseas and American citizens at home for a bad deal overseas of something that we are never really going to be able to reconcile with, which is a nuclear-armed Iran.

We are going to have very few options at stopping them, like we do with North Korea right now. That is where we are headed. We will not only have North Korea to deal with, but we will also have a nuclear-armed Iran.

That circumstance can never happen again, which is why hearings are so critical, so that we get to the truth, so that we get to the bottom of this, so that there are no skeletons in the closet, Mr. Speaker, so we understand who did what for why, so we can rationalize was this worth it or was this just political expedience. We need to know that so that we learn from that, so that we never make those mistakes again.

Mr. Speaker, again, I thank the gentleman from Georgia (Mr. JODY B. HICE). I appreciate his interest in this topic, as I am, and bringing it to the floor.

Mr. JODY B. HICE of Georgia. Mr. Speaker, I appreciate the gentleman so much. I just think it is critically important that in a Special Order such as this we have someone who has been there, on the front line, who knows exactly from the perspective of a soldier defending our country what has been taking place. I appreciate his expertise and his willingness to talk about it here this evening.

Another colleague who is going to address the seriousness of the issue this evening is KEN BUCK from Colorado, a good friend and another leader on this issue and many others like this. The American people deserve to know what happened. The dots are coming into play. The dots are being connected. We need to finish connecting those dots to find out what went on and let the American people know.

Mr. Speaker, I yield to the gentleman from Colorado (Mr. BUCK).

Mr. BUCK. Mr. Speaker, I thank my friend and colleague, Representative Jody Hice, for the opportunity to speak this evening on such an important issue.

We are here today to discuss the recent revelations that the Obama administration, in their pursuit of the Iran deal, blocked important efforts by U.S. law enforcement officials to fight the terrorist organization Hezbollah.

The past administration's treatment of Iran reveals an imprudent and negligent approach to American foreign policy that must never be repeated. We see in their actions, at best, an incompetence born of a lack of clarity and information and, at worst, an administration determined to create a false foreign policy legacy so that America's

best interests were thrown to the wayside.

In a recent report from Politico mentioned by some of my colleagues already, we have learned that the Obama administration allegedly blocked efforts by U.S. law enforcement officials to fight Hezbollah's transnational drug and weapons trafficking operations.

Hezbollah, Iran's terrorist proxy organization, has also become one of the world's most powerful and dangerous criminal organizations, receiving over $1 billion every year from their illicit activities. We have learned that, through an expansive criminal trafficking network, they funnel cocaine throughout the Middle East, Europe, Africa, Latin America, and the United States.

It has also come to light that Hezbollah launders millions of dollars through schemes involving used car purchases in the United States, and, ultimately, the money earned through these activities can be used for violent terrorist activities aimed at spreading fear and pain throughout the world.

Politico quoted the following from a confidential DEA report on Hezbollah's criminal activities: Hezbollah ''has leveraged relationships with corrupt foreign government officials and transnational criminal actors . . . creating a network that can be utilized to move metric ton quantities of cocaine, launder drug proceeds on a global scale, and procure weapons and precursors for explosives.''

It ''has at its disposal one of the most capable networks of actors coalescing elements of transnational organized crime with terrorism in the world.''

The DEA's acting deputy administrator in 2016 stated that Hezbollah's criminal operations ''provide a revenue and weapons stream for an international terrorist organization responsible for devastating terror attacks around the world.''

Certainly, an organization like that deserves America's utmost scrutiny; and for years, the men and women of the Drug Enforcement Administration's Project Cassandra poured their lives into investigating Hezbollah's criminal activities. These agents tracked financial transactions, cultivated sources, and trailed operatives. But, in several cases, when the DEA asked for prosecutions, arrests, or sanctions, President Obama's Department of Justice delayed or denied their requests. The State Department also reportedly declined to demand the extradition of important suspects who could have aided the investigation and spearheaded the downfall of this international operation.

Unfortunately, thanks to multiple sources involved in the matter now coming forward, we have learned that the Obama administration likely stalled the Hezbollah investigations and prosecutions in order to keep Iran happy and nuclear deal talks on the table. If the DEA rocked the boat by arresting and charging key members of Hezbollah's drug and weapons trafficking operations, then Iran might walk away from the negotiating table.

This thinking reveals a fundamental blindness to reality. Hezbollah is funded by Iran. Hezbollah is Iran. While negotiating with Iran, the former administration turned a blind eye to Hezbollah's extensive criminal activities that were only worsening the drug crisis here in the United States and feeding weapons to terrorists in the Middle East region.

American foreign policy can be pragmatic, but this was not pragmatism. This was foolishness. U.S. foreign policymakers traded an end to Iran's nuclear program for the protection of Iran's terrorist program. And even then, we can't even trust Iran to abide by the agreement meant to end their nuclear program.

So we are left with a bad deal. I have said it many times before. But now we know the deal is even worse than we suspected. Aside from just delivering pallets of cash to Iran, aside from just freeing billions in frozen assets, aside from just lifting important sanctions, we are also giving a transnational criminal organization and terrorist network free rein over the world.

We are here today to affirm to the world that Iran and its affiliated terrorist organization, Hezbollah, are enemies of the free world.

We should never negotiate with terrorists. I urge President Trump and America's law enforcement community to once again turn its attention to Hezbollah. This terrorist organization has spread its evil influence throughout the world, and we have a duty to fight it.

Mr. Speaker, I thank my friend, the gentleman from Georgia, for this opportunity today, and I thank him for bringing this issue up and shining some light on this important subject.

Mr. JODY B. HICE of Georgia. Mr. Speaker, I thank Representative BUCK in his leadership on this, as well.

Mr. Speaker, I just want to say, not only to Mr. BUCK, but to all of the participants in our discussion this evening, a big thank you for coming and being a part of this.

As more information is beginning to come to light, I am convinced that we are just at the tip of the iceberg of gaining information as to what has taken place here that has jeopardized our national security. I believe it is incumbent upon Congress at this time to fulfill the obligation that we have to exercise oversight over the executive branch and follow through with a thorough investigation of the Obama administration's refusal—absolute refusal—to follow through on the work that was done by the DEA.

□ 2000

We had these terrorists in our grasp, Mr. Speaker, and we let them go. How could this happen? The American people deserve to know why, and we need to get to the bottom of this.

That is why tonight we are calling for an investigation into all aspects of this Hezbollah scandal, regardless of where it leads us: to the very top of the Obama administration, the Secretary of State, the previous Department of Justice, wherever it may lead. We need to get to the bottom of this, and we are calling for an investigation.

Mr. Speaker, I yield back the balance of my time.

ROBERT MUELLER SMEAR CAMPAIGN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2017, the gentleman from Maryland (Mr. RASKIN) is recognized for 60 minutes as the designee of the minority leader.

Mr. RASKIN. Mr. Speaker, I am delighted to be organizing this special hour on behalf of the minority.

We are going to be talking tonight about the growing smear campaign against Robert Mueller, the special counsel investigating contacts between Russians interfering in our Presidential election in 2016 and Americans. What we have seen over the last several weeks is a rising tide of criticism of Mr. Mueller in attempts to undermine and sabotage the special counsel investigation.

We are going to be talking about all the different components of this attack, and we are going to be asking the question: Why?

Why suddenly is Mr. Mueller, who was once a hero to our friends across the aisle, a decorated Vietnam war veteran, former Director of the FBI, former U.S. Attorney for the Commonwealth of Massachusetts and the State of California, a celebrated law enforcement figure, and a registered Republican—why suddenly has he come under withering attack by everyone from our colleagues across the aisle in the House, to Republicans in the Senate, to people in the White House, to FOX News? Why has the whole rightwing propaganda machine turned on Mr. Mueller in the special counsel investigation suddenly? And what is it that we can do to try to prevent an assault on the special counsel in an effort to dismantle the special counsel investigation?

To begin tonight, I am going to call on a colleague from Florida (Mrs. DEMINGS), who is an extraordinary freshman class Member in the House of Representatives representing the people of Florida. She was the chief of police in Orlando, Florida, before she came to Congress; so she has exceptional law enforcement experience and a whole career in law enforcement.

Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. DEMINGS.)

Mrs. DEMINGS. Mr. Speaker, I thank my colleague from Maryland. I thank him for his leadership on this issue and shining a light on this very important issue tonight.

Mr. Speaker, I rise tonight to speak about the promise of America: that

every person living in this country, a country that we say is the greatest country in the world, where every person can have an opportunity, where every person can have a right to life, liberty, the pursuit of happiness, and the pursuit of justice.

The promise of America, though, relies on the police officer who walks his beat, come rain or shine. Mr. Speaker, either we enforce our laws, or, if we do not, they are just words on a piece of paper. The promise of America is fulfilled every time a person receives a fair trial. For you see, without a fair-minded search for the truth, we have no society. Or, Mr. Speaker, put it another way, the truth will, indeed, set us free.

The special counsel is a decorated veteran. You have heard my colleague say it, a registered Republican appointed by a Republican President, President Bush. I have personally met Mr. Mueller. After serving 27 years in law enforcement, working very closely with the Federal Bureau of Investigation, I know him to be a person of honor and integrity.

Mr. Mueller has been praised for his integrity by every Republican leader. You see, he is, Mr. Speaker, a man searching for the truth, and the truth does matter. Without truth, life becomes death, liberty becomes slavery, and the pursuit of happiness becomes impossible.

If a President can shut down an investigation into his activities and deny our right to the truth, then the promise of the America that we love to celebrate is broken. Over the past year, our institutions—law enforcement, the judiciary—have come under daily assault, so persistent, so relentless, that we, on occasion, have tuned it out or brushed it aside. But these assaults, Mr. Speaker, undermine what is essential to our country and our society.

If President Trump chooses to fire the special counsel or otherwise interfere with the legal and appropriate investigation into himself and his staff, it would be a deliberate act to dismantle the fundamental institutions that preserve American democracy and liberty.

Mr. Speaker, we cannot allow that, and I hope that my Republican colleagues will remember why they came to Congress in the first place. You see, Mr. Speaker, as Members of Congress, we are truth seekers, and we know that the special counsel will go only where the evidence leads him. That is the man President Bush appointed, and that is the same person leading this investigation at this very time.

Mr. Speaker, we must let the special counsel finish his work. Failure to do so leaves us with only one question: What is the administration afraid of?

Mr. RASKIN. Mr. Speaker, I thank Mrs. DEMINGS for her passion and her leadership. I am delighted to learn today that she will be joining the House Judiciary Committee as a new colleague next week, and I am thrilled about that.

Mrs. DEMINGS. Mr. Speaker, I thank the congressman.

Mr. RASKIN. Mr. Speaker, Mrs. DEMINGS focused our attention on the rule of law and the startling disdain for the rule of law that is being shown in Washington right now, and the President's basic confusion about the proper role for the Department of Justice.

One of my revered colleagues on the House Committee on the Judiciary from California (Mr. TED LIEU), who also serves on the Committee on Foreign Affairs, has had a front row seat to everything that has happened over the course of this year. He saw the Speaker of the House praise Mr. Mueller's appointment; he saw Senator MCCONNELL praise Mr. Mueller's appointment as special counsel; he saw Mr. Mueller's nonpartisanship and professionalism being widely heralded by our colleagues on the Republican side; and now he is watching every day as they do everything in their power to destroy the reputation and the credibility of Mr. Mueller and his excellent team at the special counsel's office.

I have invited Mr. TED LIEU to come up and speak and tell us what he thinks is going on and what is behind this smear campaign.

Mr. TED LIEU of California. Mr. Speaker, I thank Congressman RASKIN for organizing this terrific forum tonight.

I am here to, first of all, commend Senator WARNER for going on the Senate floor earlier today and drawing very bright lines for the President of the United States. If Donald Trump were to either get Robert Mueller fired or parting key witnesses, he will be violating those red lines.

Now, everyone is entitled to their opinions, but not to your own facts. So I am going to run through three facts about the special counsel's investigation.

The first is that it is being led by three people: Deputy Attorney General Rod Rosenstein, who is overseeing the entire investigation; Special Counsel Robert Mueller; and FBI Director Christopher Wray. All three of them are Republicans. They were also appointed by a Republican President.

FBI Director Christopher Wray also happened to have given over $39,000 in political contributions exclusively to Republicans. So the notion that this investigation is somehow a Democratic investigation is false. It is a Republican investigation investigating a Republican President.

The second fact you should know is Donald Trump cannot actually fire Robert Mueller directly. He would have to fire Deputy Attorney General Rod Rosenstein first because Mr. Rosenstein came to the Judiciary Committee and testified under oath that there is no cause to fire Special Counsel Mueller.

So for this to happen, Donald Trump would have to get Rod Rosenstein fired. He would have to fire him. Then he would have to find another person to put in that position who would fire Robert Mueller. So the next person to take Rod Rosenstein's place would be Associate Attorney General Rachel Brand. And while she is conservative and while she also made over $37,000 of political contributions exclusively to Republicans, she is also known as a person of integrity. I believe she will not fire Robert Mueller. So Donald Trump would have to then fire her. He would then have to stick a third person in, find anyone to fire Robert Mueller.

Well, that is exactly what Richard Nixon did in the Saturday Night Massacre when he fired three Department of Justice officials because the first two would not fire their investigator against Richard Nixon. So if Donald Trump wants to follow in the footsteps of Richard Nixon, he is certainly welcome to try, but it will not end well for him.

And then the third fact that you should know is that no one has been able to attack the actual legal actions of Robert Mueller. There has been two guilty pleas: one of George Papadopoulos, a Trump campaign official on the foreign policy team; and the second is Michael Flynn, the former National Security Advisor to Donald Trump.

No one disputes that those guilty pleas have a solid legal and factual basis. Two other people have also been indicted: Paul Manafort and Mr. Gates. As people know, Mr. Manafort was the campaign manager for Donald Trump for a period of time. No one disputes that those two indictments have a solid factual and legal basis.

So nothing Robert Mueller has done can be attacked, and that is why they are now doing a smear campaign on his team because they are getting desperate. And when I say ''they,'' I am talking about the White House as well as some of my colleagues in the House on the Republican side.

I sat through a Judiciary Committee hearing that I thought was disgraceful, with Members on the other side of the aisle trying to smear not only FBI Director Christopher Wray, but also Rod Rosenstein and Director Mueller. These are good people. They have integrity. And if they think that the Women's March was large, wait till they see what happens if the President actually tries to take these unconstitutional and, what would really amount to, criminal actions because he would be obstructing justice.

So, at the end of the day, it is very important for the American people to understand that no one is above the law. That was the central lesson of Watergate, it is the central lesson of American history, and I urge the President to understand what happened in Watergate and to refrain from taking criminal and unconstitutional actions.

Mr. RASKIN. Mr. Speaker, I thank Mr. TED LIEU for his excellent presentation. I would ask one question, and I hope that the law professor in me isn't showing too much, but I wanted to ask

Mr. TED LIEU about one thing he said at the beginning.

Mr. TED LIEU made the point very well that Mr. Mueller is a distinguished law enforcement officer, who is also Republican, and he was appointed by a Republican. Mr. Rosenstein is another distinguished and well-respected law enforcement official, who himself had been appointed by Attorney General Sessions, who is a Republican.

□ 2015

All of that is true. But then Mr. LIEU said this is not a Democratic investigation, which certainly it is not. It is a Republican investigation.

But wouldn't it be more appropriate to say it is a law enforcement investigation?

And if you want to be searching for some kind of partisan tilt, you are going to find that these are Republicans, not Democrats.

Mr. TED LIEU of California. Mr. Speaker, I thank the gentleman for letting me clarify that statement.

It is a law enforcement investigation led by Republicans.

Mr. RASKIN. It is a critical point because, up until all of this started, basically the President respected the independence of the Department of Justice and we didn't go around searching in people's garbage cans trying to find out whether their wife was a registered Democrat or whether they voted Republican. Rather, we assumed that prosecutors and FBI agents and police officers can have a partisan registration and they can vote and participate as long as they do their jobs.

Mr. LIEU's point here is they are doing their job. Nobody is making any complaint about any of the guilty pleas or any of the prosecutions. They are complaining about a bunch of irrelevant stuff.

Mr. TED LIEU of California. Mr. Speaker, that is absolutely right. I trust FBI Director Christopher Wray and Associate Attorney General Rachel Brand to do the right thing, even though they have made contributions to Republicans, because it is demeaning and offensive to the FBI and Department of Justice prosecutors to say that somehow they can't be fair just because they have a political opinion in exercising their rights under the First Amendment.

Keep in mind that under our democracy, fundamental to it is the rule of law. To attack law enforcement and smear their credibility just because you don't like where an investigation is heading is disgraceful.

Mr. Speaker, let me conclude by quoting my favorite Press Secretary. Sarah Sanders previously said: When you are attacking FBI agents because you are under investigation, you are losing.

Mr. RASKIN. Mr. Speaker, I thank Mr. LIEU for all of his excellent work and leadership both in the Judiciary Committee and the Foreign Affairs Committee.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. SCHNEIDER), another distinguished colleague on the House Judiciary Committee, who is also a member of my class, of sorts. He has been in Congress several different times and he makes a great contribution for his people whenever he is here.

Mr. SCHNEIDER. Mr. Speaker, I thank my colleague from Maryland for organizing this special hour this evening and for leading the conversation.

Mr. Speaker, I share my colleagues' concern about the unfounded attacks on the special counsel and the need to make sure that the investigation is allowed to proceed to its conclusion.

But, Mr. Speaker, I join my colleagues tonight in also raising grave concerns about the unwillingness of our present administration, including not only the President, but the Justice Department as well, to take seriously the threat of foreign interference in our elections.

It is the unanimous assessment of our intelligence community that the Russian Government launched a focused campaign, at the direction of Vladimir Putin, to interfere in our elections last year.

Irrespective of President Trump's refusal to accept this objective reality or his ongoing efforts to obfuscate the truth, the ongoing threat to the integrity of our elections is real and only likely to increase in 2018. As the Russians sought to disrupt our elections last year, and as they have done so in elections around the world, we can be certain that they will be back next year.

That is why we, as Congress and as a country, need to be urgently focused on how to prevent in future elections the kinds of foreign interference we saw in 2016.

Mr. Speaker, the first primary elections are barely 3 months away and Americans will collectively head to the polls in less than 11 months. The clock is, quite literally, ticking. Without a serious effort to address these varied and increasing threats, we as a nation remain vulnerable.

Over the past month, I have had the opportunity to ask both the number one and number two official at the Department of Justice, as well as the Director of the Federal Bureau of Investigation, about our efforts to secure our elections. Their answers have been far from satisfactory.

In November, Attorney General Jeff Sessions came before the House Judiciary Committee. Three weeks prior to that, in testimony before the Senate Judiciary Committee, he admitted to Senator SASSE that his Department had fallen short in addressing election security.

I was, therefore, surprised when I asked Attorney General Sessions about the actions he had taken to secure our elections subsequent to his Senate hearing. He could not name any single specific step taken by the Justice Department.

He admitted: ''I have not followed through to see where we are on that.''

And then he committed: ''I will personally take action to do so.''

Nevertheless, when Deputy Attorney General Rod Rosenstein appeared before the committee a month later, he could not demonstrate that the Department had even formally reviewed the matter.

It is clear to me that the administration is not handling this threat with the seriousness it deserves.

Last month I led a letter with 15 of my Judiciary colleagues to the Attorney General, calling on him to make good on his commitment to urgently brief Members of Congress on the Department's efforts to secure our elections from foreign meddling. The deadline for this request has come and gone, and there is still not one—no commitment from the Department of Justice to work cooperatively with Congress on this critically important issue.

This inaction is unacceptable. The clock is ticking until our next election, and we need to act and we need to act now. Our Nation needs—and the American people are right to expect—this administration to urgently and aggressively take measures to protect our elections.

Mr. Speaker, this is not a partisan issue. The very foundation of our democracy depends on the integrity of our elections.

I urge my colleagues to join us in our efforts to defend against foreign interference and hold this administration accountable for doing all it can to prevent any interference in the future.

Mr. RASKIN. Mr. Speaker, I thank the gentleman for that excellent and indispensable discussion about what is really at stake here, which is democracy itself. If we can't rely on the integrity of our elections and the authenticity of the results, then democracy is in danger, in deep peril. I thank the gentleman for his leadership and for his outspokenness.

Mr. Speaker, to recap, we are here in this Special Order hour to defend Robert Mueller, because, in America, we live and die by the rule of law under democracy. The rule of law is the revolutionary idea, the one that our forebears fought for in the 18th century, that the most powerful officials in the land will be governed just like everybody else: by constitutional and statutory boundaries fixed in writing in the law in order to protect democracy and the rights of the people.

Ever since he whipped up chants of ''Lock her up'' in the 2016 campaign, Donald Trump has displayed complete ignorance of the difference between a constitutional democracy and a banana republic, a complete ignorance of the role of judges and the Justice Department.

The men and women who work at the Department of Justice for us, they inhabit a world of law, facts, and evidence. They cannot be forced to execute the President's personal vendettas

or prosecute his enemies, real or imagined, or provide support for his propaganda and delusional alternative facts.

President Trump has been on a collision course with the rule of law for a long time. Remember during the campaign, Mr. Speaker, when he attacked Judge Curiel for being Mexican American, implying that his ethnic identity somehow disqualified him from being a competent judge with integrity.

In February, he trashed Federal judges hearing arguments about his Muslim ban order. He has questioned the separation of powers, which he says is somehow obsolete. He has railed continuously against the free press and the media, which he describes as the enemy of the people.

He has continued, in direct violation of the Foreign Emoluments Clause in Article I, section 9, clause 8, to collect money from foreign governments at the Trump Hotel, at the Trump Tower, at the Trump golf courses without obtaining congressional consent first, which is what the Constitution requires.

The critical flash point for President Trump's hostility to the rule of law recently has been his stubborn and baffling refusal to accept the reality of the Russian campaign to interfere in our election last year, and then his seemingly determination to undermine the investigation into what actually happened.

Most Americans have regarded this campaign of cyber espionage and cyber sabotage of our election as a frightful danger to democratic sovereignty in our country and a reason to dramatically improve election security across the land, as Congressman SCHNEIDER just argued; but Donald Trump keeps denying that the autocrat Vladimir Putin, the former director of the KGB, did anything wrong in our election.

He tried to convince then-FBI Director James Comey to drop his investigation into Trump's National Security Advisor Michael Flynn and to swear a personal loyalty oath to the President. When Comey refused these orders, when he refused this entreaty to change the course of the criminal investigation, when he refused to override his oath to the Constitution of the United States by swearing a personal oath to the President, something that we had never heard of before, Trump fired him. This was about as naked a case of obstruction of justice as you can imagine.

Now we hear from President Trump's personal lawyer that the President cannot be guilty of obstruction of justice. They say, by definition, the President cannot be guilty of obstruction of justice because the President is the chief law enforcement officer in the land.

This is analogous to the old monarchical dogma that the king can do no wrong, the king cannot commit a crime, the king is above the law; if the king does it, it can't be illegal.

Well, our friends seem to have forgotten this is the United States of America. We have got a Constitution here. We have got a Bill of Rights here. We have no kings here. We have no queens here. We have no royalty. We have just we the people, a government of laws, not of men. We have got a Bill of Rights and popular government.

Our friends across the aisle once understood that nobody was above the law. They brought impeachment charges against President Bill Clinton—two charges. One of the charges was obstruction of justice. They moved to impeach President Clinton for obstructing justice, which is now an offense that our friends say a President can't even be guilty of. They brought a case against President Clinton, Clinton v. Jones, which established that a President can even be sued while he is in office and can be deposed and so on.

They understood that at one point. They understand, when a Democrat is President, that nobody's above the law. But now, suddenly, Mr. Speaker, this President is above the law and he gets to determine the course of criminal investigations in the United States of America.

That is not constitutional democracy. That is a banana republic, when the President dictates to law enforcement, dictates to prosecutors what they are going to do, who they are going to investigate, and who will be prosecuted.

So now the race is on, Mr. Speaker, to smear the FBI. The race is on to smear Mr. Mueller, the very man who was praised by Senator MCCONNELL, who was praised by Speaker RYAN, who was described by all of our colleagues as beyond reproach, unimpeachable, the former Director of the FBI, former U.S. Attorney for Massachusetts and California, a decorated veteran of the Vietnam war.

Now, suddenly, they cry havoc. They set loose the dogs of war on Mr. Mueller.

Why?

Because he is doing his job. Because we have two guilty pleas: one by the President's former National Security Advisor, Mr. Flynn; and one by Mr. Papadopoulos for lying to government agents.

We have got 12-count indictments that have been handed down against Mr. Manafort and Mr. Gates, and they are afraid that investigation might be closing in on the very highest levels of government.

So what do they do?

They attack the prosecution.

That is what we have been seeing in Washington over the last couple of weeks, a truly extraordinary display of contempt for the rule of law, for the Justice Department, and honest prosecution and law enforcement in the United States of America.

Now, the first effort revolved around an FBI agent who Robert Mueller removed from the investigation in the summertime. He removed him because there were text messages revealed in which he was trashing a lot of political figures, not just President Trump. He was trashing BERNIE SANDERS, who he called an idiot. He also called President Trump an idiot.

□ 2030

He had unkind words for Eric Holder, and he had very harsh words for my friend and the former Governor of Maryland, Martin O'Malley. He was an equal opportunity insulter.

But our friends, seeing the progress of the Trump-Russia investigation of this special counsel's work, now suddenly decided: We found a villain. We have got our villain. His name is Peter Strzok, and he wrote all these texts, so let's go back to a guy who was removed from the investigation in the summertime. Let's leak all these texts out in the most mysterious and suspicious way, because this was the middle of an inspector general investigation, and they leaked out thousands of texts.

When I asked Mr. Rosenstein about it, he said it had been approved by the inspector general. But the inspector general released a statement the next day which professed that they had not been contacted about it, so there is a whole mystery there.

But, clearly, somebody wanted to get these texts out there. They wanted to create a thick fog of propaganda and confusion. And all that we heard from our colleagues was: Did you see what he said in this text to his friend? Did you see what he said in this text to his friend?

Nobody claimed that the guilty pleas by Flynn or Papadopoulos were legally flawed in any way. They didn't say there were any legal problems with anything that the special counsel had done—no illegal searches, no illegal seizures. They didn't say anything was wrong with the indictment.

But they find some text messages by a guy who was removed from the investigation, and then this becomes the big propaganda smoke screen, this guy who insulted, to my count, a lot more Democrats than he insulted Republicans. Regardless, he showed unprofessionalism.

He was removed quickly by Mr. Mueller—unlike, for example, what President Trump did when he learned that General Flynn, his National Security Advisor, was a serial liar, was lying to Federal agents, was lying to Federal officers, was lying to the Cabinet about his dealings with Russia and foreign governments.

It took President Trump 18 days before he removed him from office in the most begrudging way, and then, even then, after learning that he had been lying about his contacts with foreign agents, he tried to get Mr. Comey, the then-FBI Director, to cancel out the investigation of Michael Flynn, asserting that he is a good guy. Let it go. Let the whole thing go, he said.

But, no, that is not what Mr. Mueller did, the special counsel. When he learned that there were these text messages going out attacking various public figures, he said: We don't need that

kind of stuff on this investigative team. And he got rid of them, end of story.

Except this: It is an opportunity to create an irrelevant distraction from what is going on, to put up a big propaganda smoke screen.

And that wouldn't even be such a big deal in itself. Their arguments are transparently silly. We have colleagues who are saying this is a fruit of the poisonous tree, they intoned. It is all fruit of the poisonous tree.

Except it has nothing to do with fruit of the poisonous tree. That is a Fourth Amendment document which says that, if there is an illegal search or seizure by the government, the government may not use that unlawfully obtained evidence against someone in court. At that point, the exclusionary rule operates; the exclusionary rule is activated.

We asked our colleagues, and I asked Mr. Rosenstein: Was there an illegal search?

No.

Was there an illegal seizure?

No.

There was no illegality. You had an agent who sent some text messages trashing a bunch of politicians in the middle of a Presidential campaign, which is what millions of people were doing. It was irresponsible. He got removed, end of story.

That didn't work so well. That was the first time that they were throwing spaghetti with tomato sauce on it all over the walls. They threw it up and it slipped off. Nobody bought it.

So the next day, or a day later, they came back with another claim about asserting that the GSA had improperly released emails of the Trump Presidential transition team.

Well, there are a few problems with that. One is everybody was told from the beginning that all of those are government property. They were turned over by Trump's GSA, voluntarily. And Mr. Mueller released a one-sentence statement saying that all of the information that we have received was either voluntarily given or was lawfully obtained, end of story.

That didn't work so well either. Threw some more spaghetti against the wall in this smear campaign, and it slides off. It leaves a tomato sauce stain all over the wall, but it doesn't really stick.

Now they are going after Mr. McCabe, the number two person at the FBI. And I haven't been told exactly what their complaint is, but we are going to have a closed-door hearing about it tomorrow in the House Judiciary Committee. From published reports, all I understand is that he has committed the great sin and crime of being married to a woman who is active in Democratic Party politics.

Look, let's get something straight here. This is the United States of America, and law enforcement officers have a right to be registered as a Democrat, as an Independent, as a Republican, as a Green Party member, as a Libertarian. They can register however they want. And consistent with the Hatch Act, they can be involved in politics and members of their family can be involved in politics. There is nothing wrong that.

There is nothing wrong with the fact that Mr. Mueller, who is now the target of all of their venom, is a registered Republican or that he got appointed by another Republican, Mr. Rosenstein, or that he got appointed by a Republican, Attorney General Sessions, or that he got appointed by a Republican, President Trump; right? All those people are Republicans. They have a right to be Republicans, but they have got to do their public duty.

The irony, of course, is that the Republicans are attacking Republicans in office for being partisan against Republicans. It is completely incoherent; it is fantastical; and it shows the desperation of this smear campaign. It just doesn't make sense to anyone.

So we will see if they are able to smear another good, qualified, competent law enforcement official, which is what they want to do with the number two person at the FBI.

And what is interesting is that the people who are attacking their fellow Republicans for somehow being partisan just for doing their jobs never have anything to say about what we know was the real political corruption and contamination of the FBI back in the days of J. Edgar Hoover, when he used the resources of the FBI to go after Martin Luther King, Jr., and the civil rights movement, or the days of COINTELPRO, where the FBI actively tried to disrupt the civil rights movement and the antiwar movement and so on. They don't say anything about that.

It would strengthen their argument, of course, that their fellow Republican partisans somehow might be capable of political bias, but they don't even have the historical context to do that, and they don't believe in it.

The fact is that the FBI used to have a real problem with being a tool of political prosecution, and it has gotten over that. It has gotten beyond it today, in 2017.

Now, suddenly, all of their fire is trained on Mr. Mueller. It is trained on the special counsel: discredit and undermine him. And it wouldn't be such a big deal if they were just exercising their First Amendment rights, which they have every right to do. If they were just exercising their rights under the Speech and Debate Clause, which they have every right to do, to use their place in this body in order to denounce the FBI, to attack Mr. Mueller, to try to discredit law enforcement, they have got the right to do it. But what everyone is afraid of now is that they are trying to set the stage for the removal of Robert Mueller.

Now, that is no simple thing. The President can't simply fire Mr. Mueller. He would have to get Mr. Rosenstein to do it. And he can't be fired for any reason at all. He can only be fired for misconduct, for conflict of interest, or for some other good cause or incapacity. So there has got to be a reason why.

And when we asked Mr. Rosenstein whether he saw any reason to remove Mr. Mueller now, he said, no, that he is totally satisfied with the conduct of the investigation.

So what trumped-up alibi could they produce? What trumped-up justification could they find for the removal of Mr. Mueller?

It would create a serious constitutional emergency and crisis in America. And, of course, when we say a constitutional crisis, it is not the Constitution that is in crisis; it is us. They would be creating a political crisis that would require a resort to extraordinary constitutional mechanisms.

This would be a clearly impeachable offense for the President to use his power in order to thwart a criminal investigation that implicates the President. That is the very definition of obstruction of justice. It would just be an expansion and a refinement of what the President was doing when he fired Mr. Comey way back in the beginning of the administration for refusing to lay off Michael Flynn and for refusing to swear a personal loyalty oath to the President of the United States instead of to the Constitution and the people of the country.

So that is where we are. The people need to know. The people need to know what is going on, that there is an organized campaign being orchestrated at the highest levels of government to discredit Mr. Mueller and the special counsel investigation—not for not doing their job, but for doing their job. That is why they are being attacked today.

Mr. Speaker, I close with a thought just about the rule of law.

The rule of law is the idea that even the people who occupy the highest office in the land are subject to the Constitution, are subject to the laws of the people, because here the people govern. We have no kings here. That is what we rebelled against.

Our Founders believed, with Madison, that the very definition of tyranny is the collapse of all powers into one, where someone says: I have got all the power; I am the boss. Our Founders said: No, we are going to divide powers up:

Article I, we will vest the lawmaking power in the representatives of the people in the House and the Senate;

Article II, we will create a President who will take care that the laws be faithfully executed;

And then Article III, we will vest the judicial power in the Supreme Court and the Federal judiciary to sort out actual cases or controversies about what the law means.

But notice what comes first there, Article I. The people's representatives come first. The President works for us. The President works for a Congress,

which works for the people. The President implements the laws that we pass here.

The President is not above the law. The President is subject to the law, and the President has the honor of enforcing the laws that we adopt.

So let's get that straight. No one is above the law. Anybody can be found guilty of obstructing justice if one thing can be shown: if they obstruct justice.

And it looks like they are setting the stage for a further obstruction of justice with this outrageous smear campaign being leveled this week against Robert Mueller, against Mr. Rosenstein, against Mr. McCabe, and against the men and women of the FBI. That is what is taking place in Washington today.

Mr. Speaker, the people need to know, and we in Congress have got to do our constitutional duty, too.

I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LEWIS of Minnesota). Remarks in debate in the House may not engage in personalities toward the President or Members of the Senate, whether originating as the Member's own words or being reiterated from another source.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 8 o'clock and 42 minutes p.m.), the House stood in recess.

□ 2244

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Ms. CHENEY) at 10 o'clock and 44 minutes p.m.

ADJOURNMENT

Mr. BYRNE. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 45 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, December 21, 2017, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

3461. A letter from the Principal Deputy Assistant Secretary, Energy Efficiency and Renewable Energy, Department of Energy, transmitting a letter report on Federal Government energy management for FY 2015 providing information on energy consumption in Federal buildings, operations, and vehicles, with multiple reporting requirements, pursuant to 42 U.S.C. 15852(d); Public Law 109-58, Sec. 203(d); (119 Stat. 653); to the Committee on Energy and Commerce.

3462. A letter from the Acting Assistant Secretary for Legislation, Department of Health and Human Services, transmitting the Department's annual report entitled ''United States Tobacco Product Exports That Do Not Conform to Tobacco Product Standards'', pursuant to Sec. 801(p)(1) of the Federal Food, Drug, and Cosmetic Act; to the Committee on Energy and Commerce.

3463. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a report covering the period from August 9, 2017, to November 8, 2017 on the Authorization for Use of Military Force Against Iraq Resolution, pursuant to 50 U.S.C. 1541 note; Public Law 102-1, Sec. 3 (as amended by Public Law 106-113, Sec. 1000(a)(7)); (113 Stat. 1501A-422) and 50 U.S.C. 1541 note; Public Law 107-243, Sec. 4(a); (116 Stat. 1501); to the Committee on Foreign Affairs.

3464. A letter from the Secretary, Department of the Treasury, transmitting a six-month periodic report on the national emergency with respect to Belarus that was declared in Executive Order 13405 of June 16, 2006, pursuant to 50 U.S.C. 1641(c); Public Law 94-412, Sec. 401(c); (90 Stat. 1257) and 50 U.S.C. 1703(c); Public Law 95-223, Sec 204(c); (91 Stat. 1627); to the Committee on Foreign Affairs.

3465. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting the CY 2016 report on the Employment of United States Citizens in Certain International Organizations, pursuant to 22 U.S.C276c-4; Public Law 102-138, Sec. 181 (as amended by Public Law 114-323, Sec. 308); (130 Stat. 1923); to the Committee on Foreign Affairs.

3466. A letter from the Assistant Legal Adviser, Office of Treaty Affairs, Department of State, transmitting reports concerning international agreements other than treaties entered into by the United States to be transmitted to the Congress within the sixty-day period specified in the Case-Zablocki Act, pursuant to 1 U.S.C. 112b(a); Public Law 92-403, Sec. 1(a) (as amended by Public Law 108-458, Sec. 7121(b)); (118 Stat. 3807); to the Committee on Foreign Affairs.

3467. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a certification, pursuant to Sec. 36(c) of the Arms Export Control Act, Transmittal No.: DDTC 17-018; to the Committee on Foreign Affairs.

3468. A letter from the Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting a report on the status of U.S. citizens detained in Iran and the Department's efforts to secure their release, pursuant to Public Law 115-44, Sec. 110; to the Committee on Foreign Affairs.

3469. A letter from the Acting Director, Office of Personnel Management, transmitting a detailed report justifying the reasons for the extension of locality-based comparability payments to non-General Schedule categories of positions that are in more than one executive agency, pursuant to 5 U.S.C. 5304(h)(2)(C); Public Law 89-554, Sec. 5304(h) (as added by Public Law 102-378, Sec. 2(26)(E)(ii)); (106 Stat. 1349); to the Committee on Oversight and Government Reform.

3470. A letter from the Secretary, Department of Education, transmitting the Department's Agency Financial Report for FY 2017, pursuant to 31 U.S.C. 3515(a)(1); Public Law 101-576, Sec. 303(a)(1) (as amended by Public Law 107-289, Sec. 2(a)); (116 Stat. 2049); to the Committee on Oversight and Government Reform.

3471. A letter from the Executive Analyst (Political), Department of Health and Human Services, transmitting two notifications of a designation of acting officer and discontinuation of service in acting role, pursuant to 5 U.S.C. 3349(a); Public Law 105-277, 151(b); (112 Stat. 2681-614); to the Committee on Oversight and Government Reform.

3472. A letter from the Associate General Counsel for General Law, Department of Homeland Security, transmitting a notification of a vacancy and designation of acting officer, pursuant to 5 U.S.C. 3349(a); Public Law 105-277, 151(b); (112 Stat. 2681-614); to the Committee on Oversight and Government Reform.

3473. A letter from the Acting Assistant Secretary for Congressional and Intergovernmental Relations, Department of Housing and Urban Development, transmitting the Department's Fiscal Year 2017 Annual Financial Report, pursuant to 31 U.S.C. 3515(a)(1); Public Law 101-576, Sec. 303(a)(1) (as amended by Public Law 107-289, Sec. 2(a)); (116 Stat. 2049); to the Committee on Oversight and Government Reform.

3474. A letter from the Acting Assistant Secretary for Congressional and Intergovernmental Relations, Department of Housing and Urban Development, transmitting the Department's Fiscal Year 2017 Federal Housing Administration Mutual Mortgage Insurance Fund Report, pursuant to 12 U.S.C. 1708(a)(4); June 27, 1934, ch. 847, title II, Sec. 202(a)(4) (as amended by Public Law 110-289, Sec. 2118(a)); (122 Stat. 2810); to the Committee on Oversight and Government Reform.

3475. A letter from the Acting Chairman, Federal Maritime Commission, transmitting the Commission's Office of the Inspector General's Semiannual Report to Congress for the period April 1, 2017, through September 30, 2017; to the Committee on Oversight and Government Reform.

3476. A letter from the Deputy Liaison, Institute for Education Science, Department of Education, transmitting a notification of a nomination, pursuant to 5 U.S.C. 3349(a); Public Law 105-277, 151(b); (112 Stat. 2681-614); to the Committee on Oversight and Government Reform.

3477. A letter from the Chairman, National Endowment for the Arts, transmitting the Endowment's Semiannual Report to the Congress of the Inspector General and the Chairman's Semiannual Report on Final Action Resulting from Audit Reports, Inspection Reports, and Evaluation Reports for the period of April 1, 2017, through September 30, 2017, pursuant to Sec. 5 of the Inspector General Act of 1978; to the Committee on Oversight and Government Reform.

3478. A letter from the Treasurer, National Gallery of Art, transmitting the Gallery's Inspector General Act of 1978 report for FY 2017; to the Committee on Oversight and Government Reform.

3479. A letter from the Labor Member and Management Member, Railroad Retirement Board, transmitting the Board's Performance and Accountability Report for Fiscal Year 2017, pursuant to 31 U.S.C. 3515(a)(1); Public Law 101-576, Sec. 303(a)(1) (as amended by Public Law 107-289, Sec. 2(a)); (116 Stat. 2049); to the Committee on Oversight and Government Reform.

3480. A letter from the Acting Chairman, Surface Transportation Board, transmitting the Board's Performance and Accountability Report for Fiscal Year 2017, pursuant to 31 U.S.C. 3515(a)(1); Public Law 101-576, Sec. 303(a)(1) (as amended by Public Law 107-289, Sec. 2(a)); (116 Stat. 2049); to the Committee on Oversight and Government Reform.

3481. A letter from the Assistant Attorney General, Department of Justice, transmitting the Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act for the six months ending June 30, 2017, pursuant to 22 U.S.C. 621; June 8, 1938, ch. 327, Sec. 11 (as amended by Public Law

104-65, Sec. 19); (109 Stat. 704); to the Committee on the Judiciary.

3482. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — IFR Altitudes; Miscellaneous Amendments [Docket No.: 31165; Amdt. No. 536] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3483. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Hawthorne, NV [Docket No.: FAA-2017-0315; Airspace Docket No.: 16-AWP-4] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3484. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment to Class D and Class E Airspace; Pueblo, CO [Docket No.: FAA-2017-0666; Airspace Docket No.: 17-ANM-15] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3485. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class E Airspace; Alexander City, AL [Docket No.: FAA-2016-9549; Airspace Docket No.: 17-ASO-5] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3486. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Rosebud, SD [Docket No.: FAA-2016-9545; Airspace Docket No.: 16-AGL-33] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3487. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments [Docket No.: 31158; Amdt. No. 3768] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3488. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments [Docket No.: 31160; Amdt. No. 3770] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3489. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments [Docket No.: 31159; Amdt. No. 3769] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3490. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments [Docket No.: 31157; Amdt. No.: 3767] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3491. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Helicopters Deutschland GmbH Helicopters [Docket No.: FAA-2017-0933; Product Identifier 2017-SW-051-AD; Amendment 39-19106; AD 2017-24-02] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3492. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Airplanes [Docket No.: FAA-2017-0478; Product Identifier 2016-NM-174-AD; Amendment 39-19087; AD 2017-22-07] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3493. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Airplanes [Docket No.: FAA-2017-0690; Product Identifier 2017-NM-061-AD; Amendment 39-19107; AD 2017-24-03] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3494. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; The Boeing Company Airplanes [Docket No.: FAA-2017-0526; Product Identifier 2017-NM-026-AD; Amendment 39-19109; AD 2017-24-05] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3495. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Sikorsky Aircraft Corporation Helicopters [Docket No.: FAA-2017-0491; Product Identifier 2016-SW-020-AD; Amendment 39-19031; AD 2017-19-01] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3496. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Agusta S.p.A. Helicopters [Docket No.: FAA-2017-0982; Product Identifier 2017-SW-009-AD; Amendment 39-19102; AD 2017-23-08] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3497. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Boothville, LA [Docket No.: FAA-2017-0649; Airspace Docket No.: 17-ASW-11] received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3498. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Fokker Services B.V. Airplanes [Docket No.: FAA-2017-1095; Product Identifier 2012-NM-215-AD; Amendment 39-19108; AD 2017-24-04] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3499. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Bombardier, Inc., Airplanes [Docket No.: FAA-2017-0338; Product Identifier 2016-NM-153-AD; Amendment 39-19103; AD 2017-23-09] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3500. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; The Boeing Company Airplanes [Docket No.: FAA-2017-0499; Product Identifier 2016-NM-205-AD; Amendment 39-19090; AD 2017-22-10] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

3501. A letter from the Management and Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; ATR — GIE Avions de Transport Regional Airplanes [Docket No.: FAA-2017-1027; Product Identifier 2017-NM-092-AD; Amendment 39-19105; AD 2017-24-01] (RIN: 2120-AA64) received December 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SESSIONS: Committee on Rules. House Resolution 668. Resolution providing for consideration of the Senate amendment to the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (Rept. 115–476). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. OLSON (for himself and Ms. STEFANIK):

H.R. 4690. A bill to amend the Congressional Accountability Act of 1995 to require Members of Congress to reimburse the Treasury for amounts paid as awards and settlements under such Act in connection with violations of such Act consisting of acts of sexual harassment or sexual assault committed personally by Members of Congress;

to the Committee on House Administration, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FITZPATRICK (for himself and Mr. CRIST):

H.R. 4691. A bill to amend the Animal Welfare Act to prohibit the issuance of licenses to certain individuals connected to dealers of dogs who have had licenses revoked, and for other purposes; to the Committee on Agriculture.

By Mr. JONES:

H.R. 4692. A bill to revise the boundaries of a John H. Chafee Coastal Barrier Resources System Unit in Topsail, North Carolina; to the Committee on Natural Resources.

By Mr. FITZPATRICK (for himself and Mr. CRIST):

H.R. 4693. A bill to amend the Animal Welfare Act to provide for the humane treatment of dogs, and for other purposes; to the Committee on Agriculture.

By Mr. BEYER (for himself, Mr. WITTMAN, Mr. SERRANO, Mr. DESAULNIER, Mr. POCAN, Mr. BRADY of Pennsylvania, Ms. NORTON, Mrs. COMSTOCK, Mr. KILMER, Ms. BARRAGÁN, Mr. PERLMUTTER, Ms. SHEA-PORTER, Mr. CONNOLLY, Mr. CICILLINE, Ms. CLARK of Massachusetts, Mr. CUMMINGS, Mr. SCOTT of Virginia, Ms. MENG, Mr. LOWENTHAL, Ms. PINGREE, Mr. TAKANO, Mr. BROWN of Maryland, Mr. HOYER, Mr. RASKIN, Mr. DELANEY, Mr. GARAMENDI, and Mr. LYNCH):

H.R. 4694. A bill to provide for the compensation of Federal employees furloughed during a Government shutdown; to the Committee on Oversight and Government Reform.

By Mr. SCHRADER (for himself, Mr. REED, Mr. GOTTHEIMER, Mr. LANCE, Mr. BERA, Mr. TROTT, Mrs. MURPHY of Florida, Mr. THOMPSON of Pennsylvania, Mr. O'HALLERAN, Mr. COSTELLO of Pennsylvania, Mr. SUOZZI, Mr. DENT, Mr. PANETTA, Mr. CURBELO of Florida, Ms. SINEMA, Mr. FITZPATRICK, Mr. SOTO, Mr. KATKO, Mr. LIPINSKI, Mr. FASO, Ms. ESTY of Connecticut, Mr. COSTA, Mr. NOLAN, Mr. SCHNEIDER, Mr. PETERS, and Mr. WELCH):

H.R. 4695. A bill to amend the Patient Protection and Affordable Care Act to provide for stabilization in the individual health insurance market, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BUCSHON:

H.R. 4696. A bill to amend the Federal Power Act to promote hydropower development at existing nonpowered dams, and for other purposes; to the Committee on Energy and Commerce.

By Ms. CHENEY:

H.R. 4697. A bill to amend the Wyoming Wilderness Act of 1984 to clarify authorized recreational uses in the Palisades, High Lakes, and Shoal Creek Wilderness Study Areas; to the Committee on Natural Resources.

By Mr. JEFFRIES:

H.R. 4698. A bill to protect the safety of judges by extending the authority of the Judicial Conference to redact sensitive information contained in their financial disclosure reports, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON of Georgia (for himself, Mr. BROWN of Maryland, Mr. CARSON of Indiana, Mr. CRIST, Mr. DESAULNIER, Mr. ELLISON, Mr. GOMEZ, Mr. GRIJALVA, Ms. LEE, Mr. LOWENTHAL, Mr. SEAN PATRICK MALONEY of New York, Mr. PALLONE, Mr. POCAN, Mr. SERRANO, Mr. SWALWELL of California, Ms. TITUS, Mrs. WATSON COLEMAN, and Ms. NORTON):

H.R. 4699. A bill to amend the Higher Education Act of 1965 to authorize the use of title III funds for the establishment LGBTQ resource centers; to the Committee on Education and the Workforce.

By Mr. BEN RAY LUJÁN of New Mexico (for himself, Mr. WILSON of South Carolina, Mr. LIPINSKI, Mr. REED, Mr. SWALWELL of California, and Mr. HULTGREN):

H.R. 4700. A bill to establish the IMPACT for Energy Foundation; to the Committee on Science, Space, and Technology, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RENACCI (for himself, Mr. DELANEY, Mr. KELLY of Pennsylvania, Mrs. DINGELL, and Mr. PALAZZO):

H.R. 4701. A bill to amend title XVIII of the Social Security Act to eliminate the 3-day prior hospitalization requirement for Medicare coverage of skilled nursing facility services in qualified skilled nursing facilities, and for other purposes; to the Committee on Ways and Means.

By Mr. FRANCIS ROONEY of Florida (for himself and Mr. SMUCKER):

H.R. 4702. A bill to provide accountability and protect whistleblowers in the Department of Education; to the Committee on Education and the Workforce, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMUCKER (for himself and Mr. FRANCIS ROONEY of Florida):

H.R. 4703. A bill to improve accountability of senior officials and other supervisory employees of the Department of Labor; to the Committee on Education and the Workforce, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WASSERMAN SCHULTZ (for herself and Mr. WALBERG):

H.R. 4704. A bill to amend titles XVIII and XIX of the Social Security Act to codify the emergency preparedness final rule for skilled nursing facilities and nursing facilities as conditions of participation under the Medicare and Medicaid programs, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WASSERMAN SCHULTZ (for herself and Ms. FRANKEL of Florida):

H.R. 4705. A bill to amend the Congressional Accountability Act of 1995 to require the automatic referral to the congressional ethics committees of the disposition of any allegation that an employing office of the House of Representatives or Senate violated part A of title II of such Act; to the Committee on House Administration, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CROWLEY:

H. Res. 669. A resolution electing a Member to a certain standing committee of the House of Representatives; which was considered and agreed to.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

By Mr. OLSON:

H.R. 4690.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8 of the United States Constitution

By Mr. FITZPATRICK:

H.R. 4691.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8, Clause 1

By Mr. JONES:

H.R. 4692.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8 of the United States Constitution.

By Mr. FITZPATRICK:

H.R. 4693.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8, Clause 1

By Mr. BEYER:

H.R. 4694.

Congress has the power to enact this legislation pursuant to the following:

Clause 7 of section 9 of Article I of the Constitution of the United States.

By Mr. SCHRADER:

H.R. 4695.

Congress has the power to enact this legislation pursuant to the following:

This bill is enacted pursuant to the power granted to Congress under Article I, Section 8, Clauses 1 and 3 of the United States Constitution.

By Mr. BUCSHON:

H.R. 4696.

Congress has the power to enact this legislation pursuant to the following:

Article 1. Section 8, Clause 3

By Ms. CHENEY:

H.R. 4697.

Congress has the power to enact this legislation pursuant to the following:

Article IV, Section 3, Clause 2 of the U.S. Constitution.

By Mr. JEFFRIES:

H.R. 4698.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 18:

To make all laws which shall be necessary and proper. . .

By Mr. JOHNSON of Georgia:

H.R. 4699.

Congress has the power to enact this legislation pursuant to the following:

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;—And

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

By Mr. BEN RAY LUJÁN of New Mexico:

H.R. 4700.

Congress has the power to enact this legislation pursuant to the following:

Clause 1 of Section 8 of Article I of the United States Constitution and Amendment XVI of the United States Constitution.

By Mr. RENACCI:

H.R. 4701.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8, Clause 1. The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States

By Mr. FRANCIS ROONEY of Florida:

H.R. 4702.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8, Clause 3

By Mr. SMUCKER:

H.R. 4703.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

By Ms. WASSERMAN SCHULTZ:

H.R. 4704.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

By Ms. WASSERMAN SCHULTZ:

H.R. 4705.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 5 of the United States Constitution

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions, as follows:

H.R. 60: Mr. FARENTHOLD, Mrs. DINGELL, Mr. NOLAN, Ms. BLUNT ROCHESTER, Mr. TONKO, Mr. YARMUTH, Mr. CONNOLLY, Ms. SHEA-PORTER, and Mr. KNIGHT.

H.R. 82: Mr. STEWART.

H.R. 109: Ms. MENG.

H.R. 110: Ms. MENG.

H.R. 173: Mr. LEVIN and Mr. FASO.

H.R. 252: Mr. HASTINGS.

H.R. 312: Mr. MESSER.

H.R. 342: Mr. MESSER.

H.R. 502: Mr. AL GREEN of Texas.

H.R. 592: Mr. ZELDIN.

H.R. 681: Mr. NEWHOUSE and Mr. BURGESS.

H.R. 719: Mr. MARCHANT, Mrs. BLACK, Mrs. WAGNER, Mr. ESTES of Kansas, Mr. LONG, Mr. COMER, and Mr. FRANCIS ROONEY of Florida.

H.R. 754: Mrs. DEMINGS.

H.R. 816: Mr. MCEACHIN.

H.R. 820: Mr. ABRAHAM, Mr. SMITH of Missouri, Mr. YODER, and Mr. BUDD.

H.R. 850: Mr. ESTES of Kansas, Mrs. BLACK, Mr. HOLLINGSWORTH, Mr. BARR, Mr. LABRADOR, and Mr. ROTHFUS.

H.R. 874: Mr. FASO.

H.R. 913: Ms. JAYAPAL.

H.R. 930: Mr. WILSON of South Carolina.

H.R. 1042: Mr. FRANCIS ROONEY of Florida.

H.R. 1205: Ms. MATSUI.

H.R. 1241: Mr. LARSEN of Washington.

H.R. 1299: Mr. MOULTON.

H.R. 1457: Mr. DELANEY.

H.R. 1494: Mr. FASO and Mr. DIAZ-BALART.

H.R. 1569: Mr. POCAN.

H.R. 1606: Mr. SCHNEIDER.

H.R. 1783: Mr. COHEN and Mr. GRIJALVA.

H.R. 1847: Mr. WEBER of Texas, Mr. MEADOWS, and Mr. DIAZ-BALART.

H.R. 1928: Mr. FASO and Mr. MESSER.

H.R. 1959: Mr. MESSER.

H.R. 2234: Mr. MEEHAN.

H.R. 2345: Mrs. LOVE and Mr. FRELINGHUYSEN.

H.R. 2472: Mr. DELANEY, Mr. JOHNSON of Georgia, and Mr. SWALWELL of California.

H.R. 2475: Mr. CAPUANO.

H.R. 2687: Mr. RUSH, Mr. WALZ, and Mr. LEWIS of Georgia.

H.R. 2711: Mr. GENE GREEN of Texas.

H.R. 2723: Mrs. BROOKS of Indiana, Mr. BISHOP of Utah, Mr. SANFORD, and Mr. ROTHFUS.

H.R. 2790: Mr. MCEACHIN.

H.R. 2832: Mr. BROOKS of Alabama, Mr. SCHWEIKERT, Mr. MARCHANT, Mr. ESTES of Kansas, Mr. PERRY, and Mrs. BLACK.

H.R. 2851: Mr. OLSON.

H.R. 2902: Mr. THOMPSON of Pennsylvania and Mr. BOST.

H.R. 2925: Ms. SPEIER.

H.R. 2996: Mr. MESSER.

H.R. 3032: Mr. SERRANO.

H.R. 3034: Mr. HARPER, Mr. HASTINGS, Mr. CLAY, Mr. HURD, Mr. DENHAM, Ms. KAPTUR, Mr. GIBBS, Mr. DESJARLAIS, Mr. VELA, and Ms. NORTON.

H.R. 3148: Ms. JAYAPAL.

H.R. 3205: Mr. MESSER.

H.R. 3378: Mr. TIPTON.

H.R. 3409: Mr. STIVERS and Mr. HUDSON.

H.R. 3495: Mr. MCNERNEY.

H.R. 3513: Ms. WASSERMAN SCHULTZ.

H.R. 3542: Ms. TENNEY.

H.R. 3773: Mr. HIGGINS of New York.

H.R. 3798: Mr. STEWART.

H.R. 3920: Mr. KELLY of Pennsylvania.

H.R. 3931: Mr. PASCRELL.

H.R. 3942: Mrs. BROOKS of Indiana.

H.R. 3981: Mr. BLUMENAUER, Ms. BARRAGÁN, and Mr. ELLISON.

H.R. 4012: Mr. MESSER.

H.R. 4022: Mr. STEWART and Ms. DELAURO.

H.R. 4049: Mr. COHEN.

H.R. 4058: Mr. HARPER, Mr. CRAMER, and Mr. FORTENBERRY.

H.R. 4083: Mr. O'ROURKE.

H.R. 4099: Mr. POLIQUIN.

H.R. 4124: Mr. GARRETT, Mr. JEFFRIES, and Mr. MEADOWS.

H.R. 4131: Mr. PALMER.

H.R. 4143: Mr. YOUNG of Iowa, Mr. BYRNE, Mr. SUOZZI, Ms. BONAMICI, Mr. RUPPERSBERGER, and Mr. WILSON of South Carolina.

H.R. 4146: Mr. DEFAZIO.

H.R. 4152: Mr. DESAULNIER.

H.R. 4202: Mr. FITZPATRICK and Mr. COSTELLO of Pennsylvania.

H.R. 4222: Mr. COHEN.

H.R. 4242: Mr. STEWART and Mr. MESSER.

H.R. 4256: Mr. PAULSEN and Mr. LARSEN of Washington.

H.R. 4274: Mr. GOSAR, Mr. GRAVES of Georgia, Mr. PITTENGER, Mr. MCCLINTOCK, Mr. MARCHANT, Mrs. WAGNER, Mr. LAMBORN, Mr. RENACCI, Mr. COMER, Mr. GROTHMAN, Mr. LONG, and Mr. RATCLIFFE.

H.R. 4345: Ms. WASSERMAN SCHULTZ, Ms. MOORE, Mrs. DEMINGS, Mr. CARSON of Indiana, Ms. FRANKEL of Florida, Mr. GONZALEZ of Texas, Ms. PINGREE, and Ms. BORDALLO.

H.R. 4369: Mr. DEFAZIO.

H.R. 4392: Mr. TIPTON, Ms. MICHELLE LUJAN GRISHAM of New Mexico, and Mr. STEWART.

H.R. 4413: Mrs. BUSTOS.

H.R. 4437: Mrs. BROOKS of Indiana.

H.R. 4444: Ms. MATSUI, Mr. PETERSON, Mr. AL GREEN of Texas, Mr. DEFAZIO, Mr. LOEBSACK, Mr. FOSTER, and Mr. GUTIÉRREZ.

H.R. 4446: Mr. GROTHMAN, Mr. WELCH, Mr. RASKIN, Mr. MACARTHUR, and Mrs. CAROLYN B. MALONEY of New York.

H.R. 4453: Mrs. HARTZLER and Mr. POSEY.

H.R. 4485: Mr. POCAN and Mr. BEN RAY LUJÁN of New Mexico.

H.R. 4494: Mr. ROSS, Mr. GIANFORTE, Ms. STEFANIK, and Mrs. COMSTOCK.

H.R. 4513: Ms. TENNEY.

H.R. 4541: Ms. KUSTER of New Hampshire, Mr. LARSEN of Washington, Mr. CARBAJAL, and Mrs. TORRES.

H.R. 4545: Mr. MESSER.

H.R. 4546: Mr. MESSER.

H.R. 4547: Mr. PAULSEN, Mr. BLUMENAUER, and Mr. GONZALEZ of Texas.

H.R. 4565: Mr. JONES and Mr. POLIQUIN.

H.R. 4578: Mr. FASO.

H.R. 4610: Mr. MESSER and Mr. TONKO.

H.R. 4617: Mr. BISHOP of Utah.

H.R. 4633: Mr. CRAWFORD.

H.R. 4656: Mr. THOMPSON of California, Mr. HUFFMAN, and Mr. MOULTON.

H.R. 4663: Mr. FASO.

H.R. 4683: Mr. LANCE.

H.J. Res. 6: Mr. JENKINS of West Virginia.

H. Con. Res. 60: Mr. CARTWRIGHT.

H. Res. 188: Mr. BARR.

H. Res. 211: Ms. JACKSON LEE.

H. Res. 269: Mr. DELANEY.

H. Res. 279: Mrs. WALORSKI and Mrs. BROOKS of Indiana.

H. Res. 428: Mr. DELANEY.

H. Res. 637: Mr. MESSER.

H. Res. 648: Mr. BUCSHON.

H. Res. 661: Mrs. WAGNER.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, OR LIMITED TARRIFF BENEFITS

Under clause 9 of rule XXI, lists or statements on congressinoal earmarks, limited tax benefits, or limited tariff benefits were submitted as follows:

OFFERED BY MRS. BLACK

The provisions that warranted a referral to the Committee on the Budget in H.R. 4667, Further Additional Supplemental Appropriations for Diaster Relief Requirements, 2017, do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

OFFERED BY MR. FRELINGHUYSEN

H.R. 4667, making further supplemental appropriations for fiscal year 2018, and for other purposes, does not contain any congressional earmark, limited tax benefits, or limited tariff benefits as defined in clause 9 of XXI.

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of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 115th CONGRESS, FIRST SESSION

Vol. 163 WASHINGTON, WEDNESDAY, DECEMBER 20, 2017 *No. 208*

Senate

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. HATCH).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, in this season of gladness and cheer when many celebrate Your breakthrough at Bethlehem, we pause to thank You for Your mercy and grace. While we were sinners, You initiated the process of our redemption and restoration. Great is Your faithfulness.

Lord, make our lawmakers ambassadors of reconciliation for Your Kingdom, using them to demonstrate Your precepts and represent Your purposes. As they strive to bring the illumination of Your wisdom to a dark world, may people see their labors and glorify Your Holy Name. Because of our Senators' faithful service, may our Nation experience the unity of Your healing presence.

Lord, let there be peace on Earth, and let it begin with us.

We pray in Your merciful Name. Amen.

PLEDGE OF ALLEGIANCE

The President pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. SULLIVAN). The majority leader is recognized.

TAX REFORM BILL

Mr. MCCONNELL. Mr. President, last night, the United States accomplished something really remarkable. After years of work, dozens of hearings, and an open process, we passed a historic overhaul of the Nation's Tax Code. It will deliver real relief to families and small businesses all across our country. We passed tax reform to spur the American economy, to encourage job creation and grow economic opportunity, to bring jobs and investment home, and to put more money into the pockets of hard-working men and women whom we represent. We voted to repeal ObamaCare's individual mandate tax so that low- and middle-income families are not forced to purchase something they either don't want or can't afford. We voted to responsibly develop more of Alaska's oil and gas potential, strengthening our economy and our national security in the process.

I would like to commend my colleagues in the Senate for their work to pass these historic reforms and bring our Tax Code into the 21st century.

I want to extend special thanks to Senate Finance Committee Chairman ORRIN HATCH, a skilled legislator whose expertise was essential to shepherding this legislation through a challenging process while faced with complete and total obstruction.

I thank Chairman MIKE ENZI for his assistance and Chairman LISA MURKOWSKI and Senator DAN SULLIVAN, who worked tirelessly to bring the people of Alaska a victory on energy exploration for which they have been waiting for almost 40 years.

I am grateful to the other Senate conferees—Senators CORNYN, THUNE, PORTMAN, SCOTT, and TOOMEY—who worked day and night to get this legislation across the finish line.

And of course, in addition to Senator HATCH, his colleagues on the Senate Finance Committee deserve our gratitude as well: Senators BURR, CASSIDY, CRAPO, GRASSLEY, HELLER, ISAKSON, and ROBERTS. This could not have happened without all of them.

Of course, a great deal of credit goes to President Trump, Vice President PENCE, and their dedicated White House team. Their efforts were absolutely essential to this process, and we are proud to have worked together to deliver on a key part of the President's agenda.

It goes without saying that tax reform would have been impossible without Speaker RYAN, Chairman BRADY, and the Members of the House who share our commitment to make taxes lower, simpler, and fairer. I am proud to call them my colleagues.

When the final version of this historic law passes the House later today, it will await the President's signature. Then, families and small businesses—like so many in my home State of Kentucky—can begin to enjoy the benefits. Our constituents called out for relief from the Obama economy, and Congress delivered.

FUNDING THE GOVERNMENT

Mr. MCCONNELL. Mr. President, on a different matter, the Senate's work this week is not finished. Before Friday, Congress must agree on funding to sustain the necessary operations of the Federal Government. I know that all our colleagues on both sides of the aisle want to keep the government funded and attend to a number of other urgent priorities. I am confident we can work together to do just that. Americans are counting on us, after all.

To begin with, our men and women in uniform are counting on us to provide the resources they require to fulfill their missions and keep the country safe. The burden of the Budget Control Act has fallen disproportionately on our All-Volunteer military. Under that law, defense cuts have outpaced nondefense cuts by $85 billion since fiscal 2013. At the same time, the previous administration insisted that new defense spending be matched equally by

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

new nondefense spending, notwithstanding the actual needs of our military.

This week, let's dispense with the arbitrary standard—as we did earlier this year—and provide our warfighters with the funding they need to accomplish the tasks put before them.

Americans whose premiums are soaring or whose coverage is in jeopardy because of the failures of ObamaCare are counting on us to take bipartisan steps toward stabilizing health insurance markets.

The parents of 9 million children enrolled in the Children's Health Insurance Program are counting on us to renew the program's funding.

Our country's law enforcement professionals are counting on us to renew an important foreign intelligence program that helps them defend the homeland from those who wish us harm.

Veterans are counting on us to renew the popular Veterans Choice Program and preserve their flexibility to access care outside of the VA system.

Just as we have done in the past, we need to pass a routine pay-go waiver to avoid a draconian sequester that none of my colleagues want to see take effect. Americans are counting on us not to inflict harmful cuts on Medicare and other essential operations.

I look forward to working together in the coming days to fund our government in a manner that does right by the American people.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The majority leader.

RECOGNIZING THREATS TO FREEDOM OF THE PRESS AND EXPRESSION AROUND THE WORLD

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 277, S. Res. 150.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 150) recognizing threats to freedom of the press and expression around the world and reaffirming freedom of the press as a priority in efforts of the United States Government to promote democracy and good governance.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCONNELL. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

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

The resolution (S. Res. 150) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in the RECORD of May 3, 2017, under ''Submitted Resolutions.'')

RECOGNIZING THE CREW OF THE ''SAN ANTONIO ROSE'', B–17F, WHO SACRIFICED THEIR LIVES DURING WORLD WAR II

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. Res. 326 and the Senate proceed to its immediate consideration.

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

The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 326) recognizing the crew of the San Antonio Rose, B–17F, who sacrificed their lives during World War II, and honoring their memory during the week of the 75th anniversary of that tragic event.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCONNELL. I further ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

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

The resolution (S. Res. 326) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in the RECORD of November 9, 2017, under ''Submitted Resolutions.'')

NATIONAL ERNIE PYLE DAY

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of and the Senate now proceed to the consideration of S. Res. 345.

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

The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 345) designating August 3, 2018, as ''National Ernie Pyle Day.''

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCONNELL. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table.

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

The resolution (S. Res. 345) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in the RECORD of November 30, 2017, under ''Submitted Resolutions.'')

RECOGNIZING THE SERVICE OF THE ''LOS ANGELES''-CLASS ATTACK SUBMARINE THE USS ''JACKSONVILLE'' AND THE CREW OF THE USS ''JACKSONVILLE''

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 362, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 362) recognizing the service of the Los Angeles-class attack submarine the USS Jacksonville and the crew of the USS Jacksonville, who served the United States with valor and bravery.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCONNELL. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

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

The resolution (S. Res. 362) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today's RECORD under ''Submitted Resolutions.'')

Mr. MCCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized.

REPUBLICAN TAX BILL

Mr. SCHUMER. Mr. President, last night the Senate passed an awful, partisan rewrite of the Tax Code. I said a good deal about the bill over the course of the debate and added my concluding thoughts into the RECORD before the final vote, but let me just reiterate one point. The Republican tax bill will cement the Republican Party as the party of the wealthy and the party of the big corporations against the middle class and the working people of this country.

Corporations get permanent tax breaks. The individual tax breaks expire. By 2027, according to the Joint Committee on Taxation, 83 percent of the middle class—that is almost 145

million American families—will either get a tax increase or a tax cut of less than $100.

Meanwhile, according to the Tax Policy Center, the top 1 percent of earners in our country will reap 83 percent of the benefits of the tax plan.

Let's go over that again. The middle class, 83 percent, either get a tax increase or a tax break of less than $100. The top 1 percent, the wealthiest, get 83 percent of the benefits. Middle-class America is asking something: Why does the top get far more than I do? Why do I get a tax increase when so many of them get a huge decrease? To boot, millions of middle-class Americans will now go without health insurance and millions more will see their premiums rise. At the same time, multinational corporations and wealthy hedge fund managers enjoy a massive tax break. To repeat, the legacy of this bill will be to cement the Republican Party as the party of the rich and powerful against the middle class.

We Democrats have been saying this for years, but our Republican colleagues with this tax bill have done us a major favor. Even their Republican supporters are realizing where the Senate Republicans and House Republicans are—on the side of the most wealthy, on the side of the big powerful corporations, not on the side of the middle class.

Whenever we have had a Republican President and Republican Congress, we get the same thing—a program of tax cuts for the rich, higher deficit and debt, and then threats to Social Security and Medicare. That is what happened under President Bush, and we are seeing the exact same playbook today. There is nothing about this bill that is suited to the needs of the American worker or the American economy. My Republican friends would propose it in a booming economy or recession, whether we have surpluses or deficits. No matter what, it seems to our Republican friends that tax cuts for the rich and big corporations are the answer to our problems. The benefits will trickle down like magic to the rest of us.

Trickle down is the entire philosophy of this tax bill—trickle down. When they say they are helping the middle class, when they say they are creating jobs, it is because the wealthy get money and, in their belief, will create jobs. It hasn't happened. It hasn't happened. Corporate America has more money than ever before. The stock market is higher than ever before, and job creation isn't.

That is where this bill is at. There is nothing about this bill that suits the needs of the American worker, as I said. Trickle down has been widely discredited as an economic theory. It has been discredited by recent history, and it will be discredited again.

Our Republican colleagues are clinging. They are saying: This bill is so unpopular, but don't worry, once the economy takes off, once people see hundreds of dollars in their pockets, they will change their mind.

The economy is not going to take off. The wealthy will do better. There will be a lot of dividends. There will be a lot of stock buybacks, not too much job creation. AT&T is a big American company and a fine American company. Their tax rate over the last 10 years was a mere 8 percent, and they cut 80,000 jobs. That one statistic belies all this trickle-down bunk that our Republican colleagues still cling to even though it is outdated and disproved, and the American people will have their chance in 2018 to reject this philosophy and move our country in a dramatically different direction—back toward government that works to lift up the middle class rather than one that gives more to those who already have so much. From now until then, we Democrats will focus like a laser on making things better for working Americans and the middle class. The contrast, particularly this tax bill, which so benefits the wealthy and powerful, could not be more clear.

FUNDING THE GOVERNMENT

Mr. SCHUMER. Now to the end of the year, Mr. President, as a result of the Republican efforts to jam the tax bill through before the end of the year, we now have precious little time left to keep the government open and to solve a legion of problems.

We still haven't reached a budget deal to lift the spending caps equally for both defense and urgent domestic priorities such as combatting the opioid crisis, improving veterans' healthcare, and building infrastructure.

We have not reached a deal to reauthorize the Children's Health Insurance Program, community health centers, or to extend the 702 FISA Court program.

Two major sticking points remain in the form of the disaster supplemental, which still does not treat Puerto Rico, California, and the U.S. Virgin Islands as well as Florida, Texas, and Louisiana.

Of course we have the Dreamers and a moral imperative to protect them. These are kids who were brought here very young through no fault of their own. Many of them know no other country but ours. They learn in our schools, work in our companies, serve in our military, and want to be Americans more than anything in the world. They are Americans in every single important way but one; they lack the paperwork. We have to solve that problem.

We have been negotiating with our Republican counterparts for weeks in search of a deal to pair DACA protections with reasonable border security. Democrats have always believed in border security, as the comprehensive immigration bill in the Senate showed. I hope now that the tax bill is behind them, my Republican colleagues are finally willing to reach an agreement, but because of the particular importance of all of these issues, especially Dreamers, we cannot do a short-term funding bill that picks and chooses what problems to solve and what not to solve. That will not be fair and will not pass. We have to do them all together instead of in a piecemeal fashion.

Whether that global deal comes before the week is out or a later date in January, it has to be a truly global deal. We can't leave any of the issues behind. Our Republican colleagues on tax and healthcare decided not to work with us. In this case they have to work with us, and working with us means that we sit down around the table and decide there are some things you want, some things we want, and let's compromise and get it done—not just picking and choosing what you want to get done and telling us to deal with it. That will not work this time.

I can assure my friend the majority leader that my caucus will be working in good faith with his caucus as long as they choose to work with us, and we will work with our colleagues in the House as well to reach a deal as soon as possible.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

REPUBLICAN TAX BILL

Ms. KLOBUCHAR. Mr. President, early this morning, the Senate voted on the tax bill. I voted against the measure, and as I have said many times, I don't think this is a bill that is going to work for my State or for America. The House now has one more opportunity. I don't think many people think they are going to change their vote, but I just hope, instead of celebrating what happens today, they are going to step back and look at what this really means.

I am in a group of people who have long called for tax reform. In fact, 2 weeks before this bill passed, we stood before the public and said we would like to work with the Republicans on a bill to bring the business rate down and to bring the money in from overseas but a bill that didn't add this kind of weight to the debt and a bill that actually was good for all Americans, not just some Americans.

We also could have done so much more. We are adding $1.5 trillion to the debt. Yet we are doing nothing for infrastructure. We didn't change the carried interest loophole. We did nothing to fix so many things that even the President had identified as things that needed to be fixed in the Tax Code.

I have been concerned by this latest effort, which has not been bipartisan at

all. It has resulted in a bill that will, as I said, add to the debt, create huge, new loopholes, and will encourage companies to move money around and move jobs overseas to avoid taxes. It will have huge, unintended consequences on the economy. Why? We didn't even have a hearing over this bill, a bill that will affect every single American.

Over the next 10 years—and this is not disputed—this bill will add $1.5 trillion to our national debt, and even the most generous estimate says it may add $500 billion in economic gain. If that is true, this bill would still be adding $1 trillion to the debt. By the way, it is not the wealthiest Americans who are going to have to worry about that debt; it is the kids of middle-class Americans, of people who go to work every single day. What do they go to work to do now? To have a big chunk of their money that is going to pay for the interest on this debt. Almost all economists agree that a deficit-financed tax cut at this point in the business cycle makes no sense at all. If anything, at this time of low unemployment and strong market performance, it gives us a rare opportunity to try to, one, do something about our debt and, two, while we are doing something about our debt, figure out what our priorities are for investment. I would say one of those top priorities is infrastructure, including broadband, including rural broadband. That wasn't in this bill. We accumulated $1.5 trillion in debt.

Adding to the debt will, of course, put pressure on programs that everyday Americans rely on. This means Social Security, Medicare, and Medicaid. One of the most troubling developments in this bill was the inclusion of a provision to repeal a key part of the Affordable Care Act that would kick 13 million people off their insurance by 2027 and increase premiums by 10 percent in the individual market, and that means less money in the pockets of American middle-class families. The American people want us to move forward together to make fixes to the Affordable Care Act like the Murray-Alexander bill, but instead this bill moves us backward with a partisan approach that kicks people off their healthcare.

This bill, in the end, is really a bait and switch. Millions of middle-class Americans will end up paying more in taxes in the long run since many of the tax cuts they receive, if they receive a tax cut at all, would only be temporary. In 10 years, most Americans earning $75,000 or less will pay more in taxes while people earning more than $100,000 a year will continue to pay less. According to the analysis by the Institute on Taxation and Economic Policy, 644,000 people in my State with incomes below $153,800 would see a tax hike in 2027. Meanwhile, a huge majority of the tax cuts in 2027 and after will benefit only the top 1 percent of Americans.

The bill creates a new and complicated system of taxing the income of companies, especially with regard to their international income. The practical effect of this systemic change is entirely untested. While the bill seeks to impose a minimum tax on overseas earnings, it allows companies to blend the tax rate for income overseas. This seemingly minor detail opens a big loophole that can give companies incentives to move jobs to foreign countries and may create a whole new tax avoidance scheme. While I heard celebration in this Chamber last night, I can tell you who are really celebrating—the tax accountants, the lawyers, as people are going to pay them millions and millions of dollars to look for new loopholes in a scheme that, again, didn't even get a hearing. I support bringing down the rate on foreign earnings held overseas and to make sure the money, though, is invested here and invested in infrastructure.

Bob Pozen, the former chairman of the oldest mutual fund company in the United States, has said the new system in this bill, which includes a new minimum U.S. ''tax is like Swiss cheese. It has so many holes that it would rarely be paid by U.S. firms.'' He goes on to say that, in fact, this proposal would encourage U.S. companies to ''relocate to foreign countries more of their U.S. factories and U.S. intellectual property such as patents and trademarks. A minimum tax would be effective only if it applied to the foreign taxes paid by U.S. multinationals on a country by country basis, rather than on an aggregate basis across all foreign countries.''

Again, we haven't had one hearing to understand the impact of this bill.

This bill would allow a one-time opportunity to bring back some of the trillions of dollars of earnings overseas. Again, I have long supported this, but I would also like to see at least part of this money be used on infrastructure. That was our original plan. Our original plan was that we were going to create incentives to bring the money in from overseas—a bipartisan plan—and then put a chunk of it, if the money was voluntarily brought back, into infrastructure.

Why? Well, the American Society of Civil Engineers' 2017 report card gave our Nation's infrastructure an overall D-plus grade. There is an economic imperative to fixing our infrastructure. The future of our markets is exporting to the 90 percent of those who live outside of our shores. Yet this bill, with the accumulation of $1.5 trillion in debt, doesn't put the money into the infrastructure that will allow us to have that kind of an export economy.

True comprehensive tax reform requires closing loopholes, yet this bill does almost nothing to close the worst loopholes in our current Tax Code. The carried interest loophole, which President Trump promised over and over again that he would close, is still there. The loopholes that benefit big oil are still there. The Buffet rule that would make sure the wealthiest Americans pay the same tax as their employees is nowhere to be found. I have already mentioned the new opportunities for tax avoidance created by the new system of international taxation. That is just one of them.

This bill contains vast new loopholes for hedge fund managers, real estate investment companies, and anyone who can take a few minutes to reorganize as a passthrough business to take advantage of a lower rate, if they have the money to pay for a lawyer or pay for an accountant to do it. By taxing wage and salary income at a higher rate than so-called passthrough income, this bill creates opportunities for tax avoidance that are virtually unprecedented.

Given the speed with which this bill was rushed through, enterprising attorneys and accountants are going to find dozens of new loopholes in the coming years. If done right, we could have closed loopholes. We could have brought back money U.S. companies are holding overseas to fund infrastructure projects here at home.

We could have given local businesses the ability to compete against out-of-State internet retailers, support our rural communities, and provide incentives to keep jobs in America.

I have always wanted to bring the corporate tax rate down—I have so many successful businesses in my State—but not like this, not with adding $1.5 trillion in debt that is going to be put on the people whom I represent in my State, who just go to work every day. They don't have holdings overseas. They don't have a hedge fund manager. They don't have people who are investing money in all kinds of ventures all over the world. They just go to work and get an hourly wage or maybe they get a salary, and they just get enough money so that they hope they can have a house and send their kids to college. This bill doesn't make it easier on them.

It does not simplify the Tax Code. If anything, it makes it more complicated. It does not close loopholes. It is a huge missed opportunity.

A few weeks ago, I joined 17 of my Democratic colleagues in calling on our Republican colleagues to join us in a bipartisan approach to tax reform. Unfortunately, the bill that we voted on early this morning—and the bill that the House still has an opportunity to look at once more—involved negotiations only on one side of the aisle. When that happens, bad things happen.

We can do better. I will continue to work across the aisle on bipartisan solutions. We have to make changes to this bill going forward. We know that, and the American people will depend on it.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. ERNST). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CASEY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CHILDREN'S HEALTH INSURANCE PROGRAM

Mr. CASEY. Madam President, I rise this afternoon to talk about the Children's Health Insurance Program and, particularly, the reauthorization of that program. By reauthorization I mean taking action to continue a program that is not just worthy but battle-tested now for almost a quarter of a century nationally, at least 20 years. In States like Pennsylvania, it is more than 20 years, more like 25.

The unfortunate reality, though, is this isn't done. This program should have been reauthorized at the end of September, and it is not done yet. It has gone from unacceptable to inexcusable. We should not leave this week without either having it reauthorized or having a game plan that would guarantee it will be reauthorized in the very early days of 2018, literally, the early days of January.

In just the last 2 weeks, I met with families across Pennsylvania and even families that came from beyond Pennsylvania here to Washington to talk about what the Children's Health Insurance Program means to them.

CHIP provides health insurance to some 9 million American children each year, including over 342,000 children in Pennsylvania, if you look at it over the course of the year. As you might recall, when the CHIP program expired on September 30, there were a lot of indications or promises made that it would be reauthorized rather soon, but that was 81 days ago. Whether you want to express it in days or months—81 days or 2½ months or more now—that is inexcusable. We have to get this done for these families.

I just saw a report this morning on ''NBC News'' that profiled a family. They were talking in this case to the mom and talking to her children, and it was a very moving story about the importance of the Children's Health Insurance Program and what would happen to that family if the program were not reauthorized.

This is a bipartisan program. It was bipartisan in its inception in the mid-1990s, and it has remained bipartisan. Now there is only one party that runs the House, the Senate, and the administration, and I hope that this one party—in this case, the Republican Party—can get the votes. You don't even have to talk about votes. It is really talking about floor time and really making sure there is an agreement on a pay-for.

The most recent action by the Finance Committee on CHIP was in the Keep Kids' Insurance Dependable and Secure Act, known by the acronym KIDS. The KIDS Act came through the Finance Committee by a voice vote. That almost never happens, even on reauthorization. There was a voice vote on October 4. It seems like a long time ago now. It is ready to go. If it came onto the Senate floor, we can pass it here. I have to ask: Why isn't that happening?

Maybe the better person to ask that question would be a family who is benefiting and who could be harmed if it is not reauthorized. I am thinking about Connie, a woman I met here in Washington just last week. Then, I saw her again on Monday in Pittsburgh at Children's Hospital of Pittsburgh. That is one of those great institutions for children across our country. She was there with two of her children. Carmen and Diego are both on the CHIP program. CHIP provides good health insurance so that they can get the healthcare they need.

I had a picture with Connie's daughter Carmen here in Washington. She dutifully handed me a copy of the picture when I saw her just a few days later in Pittsburgh at Children's Hospital.

Both Carmen and Diego might lose their health insurance because there is a lot of activity here and focus and a result when it comes to a big tax bill. In this case, it is a tax bill that gives permanent corporate tax cuts to multinational, profitable corporations. At the same time, there is almost no action or any sense of momentum right now to get the Children's Health Insurance Program in place again, or reauthorized, as we call it.

We had an event here in Washington yesterday where not only were there child advocates but so many others coming together to talk about this program. Maybe the most important thing we did yesterday, in addition to the mechanics, was to talk about the children in the room. Here are the children and the States they came from. I will just read through them quickly: Jason and Kelsey from Utah; Deanna came from New York; Malachi came from Colorado; Addie and Cailin from Kentucky; Patience, Serenity, Tyler, and Harmonie, all from the State of Texas; Jeridan, Kendra, and Makayla from the State of Wisconsin; and, finally, another Michaela—spelled a different way—and Grace came from the State of West Virginia. They and their parents—these children and their parents—spoke about what CHIP means to their families. Several of the parents said CHIP means their children can get the prescription eyeglasses they need.

I have to ask: How is a child supposed to learn and succeed in school without eyeglasses? CHIP provides that.

So while these kids don't know if they are going to be able to get the glasses they need to be able to read and to learn, the Senate is busy passing a tax bill. It is OK to pass a tax bill, even if I didn't agree with it, but we should find the time in the remaining hours of this year to get CHIP done.

I saw a tweet just 2 days ago that said the following: ''Congress must renew funding for the Children's Health Insurance Program so the parents of the nine million children who are covered by CHIP can know their children's healthcare is secure.''

The good news about that tweet is, it was a Member of Congress. The even better news is, it was a Senator. Better news even than that, the Senator happened to be the Senate majority leader, Senator MCCONNELL.

I ask Senator MCCONNELL, please allow floor time and please obtain the consensus you need in your own party to get this on to the floor and get it passed.

As I said, the KIDS Act, the Finance Committee bill, is ready to go. I ask for the majority leader's help because I know he cares about this program as well. We have to get this done.

Just a final note before I yield the floor. I wanted to note several other healthcare priorities that Congress must address.

Community health centers are facing a funding cliff that will hurt millions of people around the country, and over 800,000 in Pennsylvania whom they serve, and other priority community health centers. Medicare extenders—meaning tax provisions that are extended from one year to the next or from one year into the future—including support for rural hospitals and lifting the so-called therapy cap to ensure seniors and people with disabilities have access to physical and occupational therapy services have also expired, just like the CHIP program, or will expire at the end of this calendar year. Failing to address these extensions is also unacceptable and will harm our children, our seniors, and our communities.

So we have a lot of work to do in a short amount of time on all of these healthcare issues. I think we should start with voting on and reauthorizing the Children's Health Insurance Program for 9 million American children.

Thank you.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. MURKOWSKI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TAX REFORM BILL

Ms. MURKOWSKI. Madam President, last night—I guess, actually, early this morning—was a pretty historic time for us. Our final vote to approve the Tax Cuts and Jobs Act was a historic moment for America, and it was clearly a historic moment for my State of Alaska.

For the first time in 31 years, since President Reagan was in office, we passed tax reform that will make our Tax Code work better for American families and businesses.

After 37 long years—yesterday, I said it was 38. I stand corrected. It was 37 years. That is a long time that we have been working to advance the opportunity to open a small portion of the non-wilderness 1002 area in northeast Alaska, up in our North Slope, to responsible energy development.

Many in our State believed this would happen in the early 1980s after Congress specifically set aside the 1002 area for exploration—and it is something we have been fighting for ever since. It is a long time to be working on an issue. It has been decades and, in many instances, generations.

Through this bill, we voted to let Americans keep more of their hard-earned dollars. We voted to make our businesses more competitive on a global scale. We voted to strengthen our Nation's energy security. And we voted to create new jobs, new wealth, and new prosperity for a generation to come.

One thing we know for sure is that legislation like this doesn't happen by accident. It doesn't happen quickly or with the sleight of hand. It happens with a considerable amount of work. So I wish to take a few moments this afternoon to simply say thank you—thank you to those who have worked so hard and for so long to help us reach this point.

I want to start by personally acknowledging our majority leader, Senator MCCONNELL. He was the first one I went to back in early January to ask about how we might be able to proceed to include the opening of the 1002 area. We discussed avenues and opportunities. He told me he thought we could make it work, and he committed to me that we would work to do just that. He did, and I thank him for his considered effort and his belief in the cause.

I also need to thank and recognize our Budget Committee chairman, Senator ENZI. He was the second person I went to early this year. He agreed to provide an instruction in the reconciliation bill and allow us to run with this opportunity. He, too, recognized the significance of this as a policy initiative and how it dovetailed with what he was seeking to achieve through the Budget Committee.

The work of many within the Energy and Natural Resources Committee is significant, and I thank them for their efforts. An excellent group of Senators in that committee worked with me to craft our energy title and to report it out of the committee. We reported it on a bipartisan basis—not as strong as I would have liked, but we did receive support from our colleague Senator MANCHIN, from West Virginia. Again, it was a solid effort by the committee, and it was a good and important part of the process.

Along similar lines, I would like to thank all of the Members of this Chamber who supported our work here on the Senate floor—first, to protect the instruction and then to protect our good work to meet it.

For some, ANWR has been an issue which they have had an opportunity to weigh in and vote on for many years and thus was not a new matter in which education was needed. For others, it was important to be able to update them, to let them know that many of the issues they may have heard over the years were outdated, that the arguments were stale and needed to be refreshed, thus allowing them to understand what we are doing with new technology. Today, technology is helping us to facilitate development in a way that allows us to access more resources with less of a footprint, with less land, and with less intrusion on the surface, working to ensure that we are not only protecting the wildlife that is there, whether it be caribou or polar bears, but also ensuring that the people who live there in the 1002 region—the people of Kaktovik, the children who are going to school there, those who have called this place home for decades, if not centuries—will have an opportunity there not only for the potential for jobs, but for what the resources will bring to them.

I thank my colleagues for being open to the new reality of what we have been developing in Alaska's North Slope, as we have been seeking to provide resources the country needs, jobs my State and the country need, and truly to help us from an energy security and a national security perspective. So I thank the Members of the Senate.

I thank the members of the Finance Committee, led by Chairman HATCH, for their excellent work and for letting us ride shotgun when it came to tax reform. We knew we had to make it to the finish line together, and that is exactly where we are right now.

I thank the President and Secretary Zinke, among others in this administration, who have been working with us, fighting for Alaska, as we have moved forward.

Of course, this wasn't just a Members-led effort. We could not have done it without the men and the women who work for us and whom we work for in many ways but who were at the very core of the effort.

As usual, within the Energy Committee, certainly it is always a team effort. Everyone contributed in a rock-solid way. My team was very ably led by Brian Hughes, supported by Kellie Donnelly, Lucy Murfitt, Chuck Kleeschulte, Patrick McCormick, Annie Hoefler, Brianne Miller, Nicole Daigle, Michelle Lane, Lane Dickson, Isaac Edwards, Chester Carson, Ben Reinke, Suzanne Cunningham, Melissa Enriquez, Sean Solie, John Starkey, Tonya Parish, Robert Ivanauskas, Barbara Repeta, and Diana Nielsen. There were so many on the committee who came together in a host of different ways, some of them working the issue new; others, like Chuck Kleeschulte—27 years working here in the U.S. Senate and, prior to that, working for the State of Alaska. If there is anyone who has a collective history and wisdom about the background of ANWR and the battles we have endured, it is Chuck Kleeschulte. I know that, as he is approaching retirement, he is looking forward to knowing that we have successfully moved this opportunity forward for Alaskans and for the Nation.

I also thank those in my personal office who helped not only with ANWR but with the tax provisions as well. My chief of staff, Mike Pawlowski, has done an extraordinary job for me. My assistant, Kristen Daimler-Nothdurft, has done amazing things. Karina Petersen, Garrett Boyle, Madeline Lefton, and Parker Haymans, among many others—you really recognize a team when you reflect on how so many have given in so many different ways.

It is not just within my own office or the Energy Committee; it is those who run the operations here. Specifically, I want to thank Leader MCCONNELL's staff—Sharon Soderstrom, Hazen Marshall, and Terry Van Doren—and especially the outstanding floor staff here, led by Laura Dove. I know many of them—certainly Laura and Sharon—have been around for their fair share of the ANWR debates and fights, and this is no new issue for them. I appreciate their help and their support a great deal.

From Budget, I thank Betsy McDonnell, Eric Ueland, Paul Vinovich, and Alison McGuire.

From Finance, I thank and congratulate Jay Khosla, who has done a terrific job, and Mark Prater. I had the added benefit of going to law school with Mark Prater, a brilliant guy then and even more brilliant now. I greatly appreciate all they did on the tax reform bill.

I also want to give a shout-out to Tara Shaw, who is now with Senator ENZI and who has been a good friend and a help to me.

Lastly and certainly not least, I thank all of the Alaskans who have contributed to this effort over the years. We had a group of about two dozen Alaskans who traveled all the way from Alaska's North Slope—some 5,000 miles—to be here last night for this vote. These are men and women who, for decades now, have fought to open up the 1002 area for the opportunities it presents to them and to their families. For them, to see this advance is as significant and as historic as most anything they have seen in a considerable period of time.

Oliver Leavitt is an elder. He is certainly a legend in my time. To have Oliver here last night was extraordinarily significant. Matthew Rexford and Fenton Rexford, who live in Kaktovik—there were four or five different individuals from the village of Kaktovik—again, those who actually reside in the 1002 area. Crawford Patkotak and his wife, Laura, were also with us and also Richard Glenn of Utqiagvik. They were here not only to

be a part of the culmination of this effort, but they are men and women who have been part of this battle for decades, truly decades. The number of trips they have made to Washington, DC, over the years, the doors they have knocked on, and the efforts they have contributed to are considerable.

When I start to name names, I think of Tara Sweeney and the folks who have been there year in and year out, those who have been supportive by traveling here and those who call and those who write.

It is gratifying, it is heartwarming, and it is a reality that one can never say thank you enough for the efforts that you have made over the years. To know that you spoke as Alaskans, your voices have been heard, and that Congress has finally listened is, indeed, gratifying.

Of course, we would not have reached this point without two particular Alaskans—the ones I am proud to serve with here in our delegation. DON YOUNG, the dean of the House and Congressman for all Alaska, has singlehandedly kept this issue alive in the House for a generation. He reminds me that it has been 13 times now that he has passed it out of the House. To be able to recognize his extraordinary work is, indeed, a pleasure and an honor. And, of course, my friend, my very able partner in the Senate, Senator DAN SULLIVAN, was an incredible partner in this effort, and I thank him greatly for his work.

I also recognize that it is not just the delegation present who needs to be thanked. As I have said, this has been a decades-long battle. This has been a generational battle. We are standing in the footsteps of those who have preceded us, including my father, Frank Murkowski, who was chairman of the Energy Committee and at a point in time had advanced this, only to see it fail at the very end. And, of course, my dear friend, my mentor, one who helped give me such great guidance over the years was our former Senator, Ted Stevens.

Yesterday, you may have noticed I was wearing some unusual earrings. When my friend Ted, the former Senator Stevens, had a serious matter in front of him, he wanted the rest of his colleagues to know that, by gosh, he was serious that day, and this was an issue to be taken seriously, and he would don a Hulk tie. It was somewhat legendary around here. I am not one to wear ties, but after finding a nice pair of Hulk earrings, it seemed to me only appropriate to wear them on a day that would acknowledge the work of extraordinary Alaskans who went before me. I think, today, Uncle Ted is smiling and happy, and he is probably wearing his Hulk tie.

This is a big moment for Alaska. There is a spirit and an optimism that I am taking home right now that I think we haven't seen in years. I think it is worth noting that today is winter solstice. This is the shortest day of the year—today and tomorrow. In Alaska, it is the darkest day of the year. I mentioned yesterday the effort we have seen from the Senate, which, hopefully, we will finalize shortly, is one that will bring a brightness and an energy to the people of Alaska. For that, I thank my colleagues. I thank the many Alaskans who have supported us in this epic battle, and I thank all those who have helped to make it possible.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STRANGE). The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. FRANKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

EDUCATION

Mr. FRANKEN. Mr. President, unlike most of my colleagues, the time I spent here in the Senate represents the sum total of my experience in elected office. For most of my life I approached politics and public policy from a very different perspective. I tried to be an educated citizen who understood how the issues being debated here in Washington affected me, my family, my neighbors, and those in my State and my country. I tried to be an advocate for the values I believed in—honesty in public discourse, for sure, but also fairness, justice, and the idea that in America we are all in this together. I tried to be an activist, putting my voice and my energy behind candidates and causes that I cared for and about.

When I leave the Senate in a few weeks, I will continue trying to be an educated citizen, an advocate, and an activist. Over the last 8½ years, as I have had the privilege of serving the people of Minnesota, I also gained a new perspective on the issues we face and the way we here in Washington make decisions.

Before I go, I want to spend some time sharing some of what I have learned in a series of speeches focusing on the challenges I came to Washington to address—challenges that my colleagues will continue to wrestle with, challenges that will determine not just the political landscape we leave for the next generation of Senators but what kind of country we leave for the next generation of Americans.

Today I want to start by talking about education. Even at a time when our politics is more polarized and more poisonous than it has ever been, you would think that education is one place where Democrats and Republicans could come together to make progress. After all, while we do have significant differences on the details of education policy, nobody disagrees about the importance of getting it right. We all agree that education from pre-K through college and beyond is essential to providing our economy with a skilled workforce that is ready to innovate and lead us into the future.

Ever since I have been here, employers in Minnesota have stressed to me that they need employees with critical thinking and problem solving skills, with team work and creativity—tools that we need our children to be developing long before they enter the workforce. I am pretty sure that my colleagues hear this from employers in their States too.

Of course, education isn't just about our economy. It is about the most basic responsibility we have as human beings. Many of us who have served in the Senate have children and grandchildren, and we would do anything to be able to promise to them that when they grow up, they will be able to follow their dreams and take a risk on themselves to achieve more than we ever could. Many of us remember just how hard our own parents worked to keep that promise to us. All of us, Democrat and Republican alike, want to be able to make that promise not just to our own children but to every child in America, no matter where they grow up or what their family life is like or what obstacles they may encounter along the way.

We all want a country where every child has the opportunity to fulfill his or her God-given potential. We all understand that whether we can provide every child with a great education is the most basic measure of whether we are keeping that promise. Fortunately, the HELP Committee, which I had the honor of serving on since I first arrived in the Senate, has been led by public servants who share those values and a common commitment to delivering on that promise. Under Chairman Harkin and now under Chairman ALEXANDER and Ranking Member MURRAY, the HELP Committee has often been able to be an example of how Democrats and Republicans can work together to make progress.

When I first got here, the debate was focused on No Child Left Behind, which Congress had passed and President Bush had signed into law in 2002. Democrats and Republicans worked together on that bill back then because they all believed that it was important that our schools be held accountable for the results they achieved on behalf of all students. But by 2009, it had become clear that No Child Left Behind simply wasn't getting the job done.

A couple of weeks after I got to the Senate, I held a roundtable with principals at a school that had been turned around in a poor neighborhood by a great principal in St. Paul. One of the other principals told me that he referred to the NCLB tests as autopsies. I knew exactly what he meant. The kids were taking the tests in late April. The results didn't come back until late June or later—too late to let the results inform teachers' instruction of each child.

In Minnesota, therefore, most school districts added computer adaptive tests

in addition to the required NCLB tests—computers so the teachers could get the results right away and adaptive so that if a kid was getting all the questions right, the questions would get harder and if the kid was getting all of the questions wrong, the questions would get easier. That way, instead of measuring whether or not a student was appropriately proficient at grade level in reading and math, educators could find out exactly what grade level each student was at in those subjects—adaptive. NCLB, on the other hand, didn't allow a State to test outside of grade level. Schools and teachers were judged on whether a sufficient percentage of kids met this arbitrary standard. This became known as measuring for proficiency, and it created what teachers in Minnesota described to me as ''a race to the middle.'' It made them focus on kids just below or just above proficiency. So the ones just below would get above and the ones just above would stay above proficiency, and they would ignore the kid at the top because those kids at the top, no matter what you did, wouldn't go below proficiency. They would ignore the kids at the bottom because no matter what you did that year you couldn't get those kids to proficiency. So there was this race to the middle. Think about how perverse that is.

Think about a fifth grade teacher who takes a kid from a second grade level of reading to a fourth grade level of reading. Well, that kid didn't get to proficiency. So under No Child Left Behind, that teacher was a goat. But a teacher who helps a child grow by two grade levels in a single year is a hero. Teachers, principals, superintendents, school board members and parents all argued that it was time to stop measuring just for proficiency and to measure for growth or measure just growth, instead. This became quickly a central focus of the debate over how to reform No Child Left Behind, and it remains a pivotal debate when it comes to the future of our education system, which is why it was so shocking when President Trump picked a Secretary of Education, Betsy DeVos, who turned out to have no idea what the growth versus proficiency debate was even about.

It would be as if our children's future relied on the outcome of a football game and the President nominated a head coach who didn't know how many yards it took to get a first down. It was a deeply upsetting moment, not just because of what it revealed about Mrs. DeVos or the President who had picked her to be in charge of our Nation's education system but because these are the kinds of problems that we should be able to solve. There is nothing ideological about the debate. It is simply a matter of coming together and working in good faith to make things work better. A functioning democracy should be able to get stuff like this right, and sometimes we have.

For example, in the bipartisan Every Student Succeeds Act we were able to address some of the excessive testing that was burdening educators and students alike. Under the new law, schools would still have to test every year between third and eighth grade and once in high school, but each State would control the consequences of the test results and that would almost certainly mean fewer high stakes tests, less drilling, more time to teach and learn.

Meanwhile, the law included important priorities like strengthening STEM education, expanding student mental health services, increasing access to courses that help high school students earn college credit, and preparing and recruiting more and better principals to lead better schools. These are all things that I fought to include in that final law.

It also included a long overdue investment in early childhood education, but not enough—not enough. We know from study after study that a quality early childhood education returns between $7 and $16 for every dollar invested. That is because children who get a quality early childhood education are less likely to be referred to special ed and less likely to be held back a grade. They have better health outcomes. Girls are less likely to get pregnant in adolescence. They are more likely to graduate high school, go to college, and get a good job and pay taxes. And they are less likely to go to prison.

If we really want to address future deficits, we would be pouring money into training early childhood educators. Instead, in his budget in the Congress, the Trump administration proposed major cuts to early childhood education. We could easily put more money into these programs if we weren't giving enormous tax cuts to the wealthy and to powerful corporations.

We also need to make sure that as our kids get older, they can rely on quality afterschool programs. Last spring, I visited Roosevelt High School in Minneapolis. During my tour of the school's afterschool program, I saw students rehearsing for a production of the ''Addams Family.'' I saw students getting critical academic support like tutoring and college prep. In fact, Roosevelt's successful afterschool programs contributed to their graduation rate going from less than 50 percent to over 70 percent in just 3 years. That is pretty incredible. That is why I fought to renew the 21st Century Community Learning Centers Program in the reform of No Child Left Behind. It is a program that keeps schools open after school.

If we all agree that education should be a priority, we should be willing to put our money where our mouths are and fund these programs. I am proud that during the course of my time here, we have had a bipartisan commitment in doing just that. We made progress—not enough, but we made progress. Again, however, that progress was put at risk under this administration. That afterschool program was zeroed out in its proposed budget. What is more, this administration seems to be outright hostile to the idea that we have responsibilities to provide children with a quality public education.

I am proud of the work we have done to support and improve our public schools, but the Department of Education is now led by a Secretary with a long history of actively undermining public education. Secretary DeVos and her family have spent millions and millions of dollars advocating for an ideology that would steal funds from public schools in order to fund private and religious education.

Now, let's take a moment to talk about what that means. Secretary DeVos ran a political action committee called All Children Matter, which spent millions in campaign contributions to promote the use of taxpayer dollars for school vouchers. The argument was that these vouchers would allow low-income students to leave the public school system and attend private schools of their family's choice. Secretary DeVos has been pushing to expand vouchers for years, even though research clearly shows that voucher programs don't work. In fact, the academic outcomes for students who use vouchers to attend private schools is abysmal.

A New York Times article from February of this year reported on three different studies of large State voucher programs in Indiana, Louisiana, and Ohio. Each study found that vouchers negatively impact results in both reading and math. In fact, in Louisiana's voucher program, public elementary school students who started at the 50th percentile in math and then used a voucher to transfer to a private school dropped to the 26th percentile in a single year. Harvard education professor Martin West said this negative effect was ''as large as any I've seen in the literature,'' and he was talking about all literature, the entire history of American education research.

Secretary DeVos is a serious threat to our public school system and a threat to the quality of education in this country overall. I have pushed as hard as I can to protect our students from what this administration has been trying to do. I have sent the Secretary over a dozen letters this year on protecting students from harassment, helping defrauded students, and holding for-profit schools accountable. It is my hope that my colleagues will continue to be vigilant in overseeing the Department of Education and making sure our public education system is not dismantled.

Our public education system was designed to give all kids a real chance in life, but teachers and administrators often lack the resources they need to give the kids the opportunities they deserve. Every year, I push appropriators to increase funding for a number of critical education programs like early childhood, STEM, and professional development for teachers, and I hope my

colleagues will continue that fight to increase resources for these programs.

Improving our education system isn't just about funding and accountability. If we want to keep the promise of opportunity to every child, we have to recognize that some kids face obstacles others do not, and we have to do more to make sure they are not left behind. For example, particularly kids who grow up poor are far more likely to suffer what are called adverse childhood experiences, not just the stress of living in poverty itself but exposure to domestic violence, abuse or neglect, drug and alcohol abuse, the incarceration of a parent, the death of a sibling. All of those adverse childhood experiences affect brain chemistry and the ability to learn. If we want to improve education, we need to do a better job of helping these children overcome these traumas and a better job of addressing economic inequality so fewer have to deal with the trauma in the first place. This is another reason we need more high-quality, early childhood programs and more training for childcare providers so they can better support kids who have experienced trauma.

Here is another example, foster kids. It is not uncommon for foster children to have 10, 11, 12 sets of foster parents during their childhood. This wreaks havoc on their education. Sometimes foster kids fall through the cracks of our education system. If a child's new foster parents live in a different school district, the foster child is yanked out of school and sent to one in the new school district. Kayla VanDyke, who at the time was an incredibly impressive high school senior from Minnesota, testified before the HELP Committee that she had been in seven foster homes, and she did fall through the cracks. She missed fourth grade entirely. For foster kids, school is often the one constant in their life—maybe they have a teacher they really like or an extracurricular activity that means everything to them or maybe they have these things called friends. That is why I wrote a provision in the Every Student Succeeds Act to require school districts to work with child welfare agencies to make sure foster children who are changing homes are not forced to change schools. I would like to think that somewhere there is a foster child running cross-country or developing a passion for history because of a great teacher or doing homework with a good friend because of legislation I worked on, legislation that passed with a strong bipartisan majority.

Here is yet another example—kids in Indian Country. When I first came to the Senate, I asked for a seat on the Indian Affairs Committee. Serving on that committee, you are confronted with the tragic disparities from which Native people in our country suffer. One of them is the huge disparity in educational resources for Native kids compared to their peers. That inequity in education plays out in many ways, but you can literally see it in the school buildings some Native kids are forced to learn in. Indian school buildings are often unsafe, harmful to the health of children and teachers, and ultimately a barrier to the education of the students.

So going back to early 2009, I had been fighting for funding to fix the Bug-O-Nay-Ge-Shig High School on Leech Lake Reservation in northern Minnesota. When I first visited the school, I saw exposed wiring, mold, roof leaks, rodents, uneven floors, poor lighting, and sewer problems. I learned the students had faced these horrendous conditions in their classrooms for years. It was deplorable and was a terrible place to learn, so I worked for the better part of a decade to rebuild that school. I sent my colleagues a series of powerful editorials about conditions at the school as written by the Minneapolis StarTribune. I raised this issue at what seems like countless Indian Affairs hearings. After a lot of work from the community, the Tribe, and the Obama administration, we were able to secure the funding to rebuild the Bug-O-Nay-Ge-Shig school.

I am thrilled so many bright, young students in Leech Lake will be able to feel safe and comfortable in a brandnew school, which will be opening this coming March, but this is one school, one reservation, and there are hundreds of schools like the Bug-O-Nay-Ge-Shig High School that are not suitable for learning, and we need to do so much more for our Native kids.

In Indian Country, we know that historical trauma has a huge impact on our children. We have seen the ripple effects of intergenerational trauma, and we know it can lead to other types of trauma experienced in childhood.

That is why, when we look at these adverse childhood experiences, particularly within the Native community, we can't dismiss their effects on kids' ability to learn. Kids in Indian Country are woefully underserved when it comes to housing and economic opportunity. A report by Wilder Research states that this can ''threaten their educational success, health and mental health, and personal development.'' I am pleased Senator HEITKAMP of North Dakota has been focused on addressing this issue.

One more example: LGBT students deserve to learn in an environment free from discrimination, and they deserve to be treated with dignity and respect. Far too often, LGBT kids endure harassment and discrimination. More than 30 percent of LGBT kids report missing a day of school in the previous month because they felt unsafe. You can't learn when you dread going to school, and when that happens, those students are deprived of an equal education.

In America, we have passed laws that guard against harassment in our schools on the basis of race, national origin, sex, and disability, but LGBT students continue to face bullying and intimidation without recourse. I have a bill called the Student Non-Discrimination Act that would merely provide LGBT students the same legal remedies available to other kids under our Federal civil rights laws. It says, schools would have to listen when a parent says ''my child isn't safe,'' and the school has to do something about it. It would ensure that LGBT kids have the same protections as every other child. I worked very hard to get this provision into the final law, and I was greatly disappointed it wasn't included, even though it got 52 votes on the Senate floor.

It is our responsibility, not just as Senators but as adults, to protect children and help them flourish, and I sincerely hope every one of my colleagues will take up this fight and work to get this across the finish line.

The last thing I want to mention on the subject of education is this. For a long time, we thought about learning as something that started when you went to kindergarten and continued until you got your high school diploma and either went off to college or went off to work. We now know education is a lifelong pursuit, but we also know we need to do more to make it possible for it to continue long after 12th grade.

College used to be an affordable and accessible step into the middle class for so many Americans. I always think of my wife Franni and her family. You see, when Franni was 17 months old, her dad, a decorated World War II veteran, died in a car accident, leaving her mom widowed with five kids. Neil, her brother, went into the Coast Guard and became an electrical engineer, but all four girls went to college, and they went on combinations of Pell grants and scholarships. You see, back then, a Pell grant covered about 80 percent of the cost of a public college education. Today, it is less than 35 percent.

So today kids have to work while they go to college. That is not new, but when I have done roundtables at colleges across Minnesota, many of them tell me they are working full time, in addition to going to school full time, which seems like it might make it harder to focus on your studies or to stay awake. That is why I have been working to bring down the cost of college, increase financial aid to students, and make textbooks cheaper. We need to help millions of Americans refinance their student loan debt at lower interest rates, and we need to help low- and middle-income students go to college debt-free. This is something we could easily be doing if we weren't giving giant tax cuts to the superwealthy and to powerful corporations.

It is important to remember, too, that young people don't necessarily need to start at a 4-year college to become successful in life or to build a secure middle-class lifestyle. In many career and technical programs, students complete their education after they have been employed in good jobs because they had the credentials to get those jobs—good jobs with benefits that promise a secure career. Some of

those benefits are often that company paying for the rest of your education—finishing, maybe, your associate's degree or your bachelor's degree or graduate school.

We need to overcome the assumption that career and technical schools are a ceiling to future success. They are a ladder to careers with good wages and benefits that can support a comfortable lifestyle.

There is a high demand for these workers now. That is because we have what is called a skills gap in this country. Every Senator has it in their State. It is one of the things I hear about frequently when I travel around Minnesota, especially when I talk to businesses. I hear about job positions employers can't fill because they can't find qualified workers or workers with the right skills. At the same time, I hear from students who are anxious to start a career but lack specific technical skills.

To remain competitive in today's global economy, we need a better trained workforce. That is why I introduced the Community College to Career Fund Act. The grants would help create public-private partnerships that support Learn and Earn on-the-job training programs. Employers would develop a workforce with the specific skills they need to grow their businesses, and everybody wins.

Here is how it works. You go to get a credential. That credential gets you a job. Then the employer will pay for you to continue your education as you continue to work and make a living. I have seen this time and again, and it works.

We also need to reauthorize the Perkins Career and Technical Education law, which includes support for public-private partnership training programs in K–12.

I think some of the things we need to do to make college more affordable and accessible and valuable for students are pretty clear. But let's be honest. The Trump administration—after nearly a year in office—has been going in a very different direction and has been working against the best interests of college students. One of the most unfortunate aspects of this is that predatory for-profit colleges have been able to get even more of a foothold in our higher education system since Secretary DeVos took over.

The good news when it comes to education is that America still has teachers and principals and school board members and superintendents who work hard every day to take responsibility for every student under their care and deliver on the promise of a great education. We still have parents and neighbors and coaches who look out for our children's well-being and who work to equip them with the skills they need to succeed in school and beyond.

As anyone who has spent any time in a school lately can tell you, our kids themselves still have some pretty impressive potential. What is more, we still have people on both sides of the aisle in the Senate who care passionately about education and are willing to do the hard work of bipartisan legislating in order to improve our schools and keep that promise of opportunity for the next generation.

If the last 8½ years have taught me that progress on education is possible, even in a divided Washington, this past year has taught me that further progress isn't inevitable and that the progress we have already made may not be safe.

It will be up to my colleagues not to address just the policy challenges posed by an education system that faces a big transition and a budget that forces hard choices but also the political challenges of the moment. It is my hope and prayer that they will be up to the task. Our children's future depends on it.

Thank you.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SASSE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. DUCKWORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LIBYAN SLAVE TRADE

Ms. DUCKWORTH. Mr. President, I rise today to bring to this body's attention and to the attention of all Americans what can best be characterized as a modern-day slave trade. It is an outrage that is hard to fathom but that still exists today.

I was recently speaking to a group of pastors from my home State of Illinois who do wonderful work advocating on behalf of human rights and human dignity. One of them, Rev. Walter Johnson of the Greater Institutional Church in Chicago, shared his frustration that abuses and atrocities being inflicted upon migrants and refugees in Libya have received not nearly enough attention or outrage in the American public, government, or in the press. I couldn't agree more. That is why I have come to the Senate floor today to speak on this alarming human rights crisis.

Every American should be appalled by chilling images of modern-day slave auctions. Earlier this month in an investigative piece, CNN released video of an auction taking place. It was not an auction for a piece of art or another item one might bid on but an auction for human beings—human beings sold for the equivalent of $400.

The reports were a wake-up call for the world about the gravity of this situation in North Africa as migrants fleeing danger and economic hardship face new horrors on their journey to seek a better future. The wars in the Middle East and instability in North Africa have upended huge swaths of the region, displacing thousands of vulnerable men, women, and children. Thousands of people fleeing Africa and the Middle East make their way through Libya, hoping to cross the Mediterranean. Unfortunately, many of them face horrifying human rights abuses and danger along the way.

Because of Libya's limited capacity to govern, its restrictive policies against migrants, and its inability or refusal to accommodate the migrants, conditions are ripe for exploitation and abuse in their detention centers. Particularly horrifying have been reports from survivors about the exploitation at the hands of smugglers who are openly engaging in human slavery, preying on the most vulnerable, who have surrendered everything for a shot at the future. Migrants have been subjected to horrible human rights abuses in Libya over the past few years, including forced labor, torture, and sexual violence.

The administration must put this issue front and center when we engage with Libyan officials and demand accountability and progress. Sadly, it appears the administration missed such an opportunity to address this issue during Prime Minister Fayiz al-Saraj's visit to Washington earlier this month.

The United Nations-backed Government of National Accord in Tripoli, however, has taken an important step in acknowledging these abuses and is requesting international support. The European Union and African Union evacuation plan to repatriate the detained migrants that was agreed upon in the Ivory Coast is a move in the right direction.

In 2016, the United States provided emergency funding for the International Organization for Migration—the IOM—to help shut down migrant detentions centers in Libya. While the EU rightly picked up the majority of funding to repatriate migrants, the United States should once again consider another emergency infusion to the IOM to help accelerate the closure of these facilities in addition to the $31 million in foreign operations funding for Libya that the administration requested this year.

Additionally, we have a former American Ambassador, William Lacy Swing, who is the Director General of the International Organization for Migration. He is on the frontlines of this fight and stands ready to work with Libyan authorities, the European Union, and African Union countries so that he can help address this crisis. The United States can play an important role in supporting Director General Swing and other international efforts to protect these migrants from exploitation and abuse.

Human rights are essential to the functioning and well-being of our global community, and that community is threatened when migrants fleeing persecution are forced into inhumane, exploitative conditions and slavery. Given this country's own dark history with slavery, we cannot afford to remain silent in the face of such suffering. We must stand together with

the help of the United Nations and other international partners to eradicate slavery and the conditions that precipitate it.

Thank you.

I yield back.

DACA

Mr. DURBIN. Mr. President, I rise today to speak to an issue that I have spoken to many times on the floor of the Senate. It is the issue of the DREAM Act, a measure which I introduced in the Senate 16 years ago.

Sixteen years ago I tried to find a way to give young people brought into the United States, who grew up here in this country but did not have legal status, a chance—just a chance—to earn their way to legal status, to earn their way to citizenship. We set a number of hurdles in their path. We made it clear that they had to complete their education. We made it clear that they had to pass a serious criminal background check. We gave a timetable when they would be able to reach legal status and not fear deportation.

That was 16 years ago, and it still is not the law of the land. Unfortunately, there are hundreds of thousands of young people who fit the description that I have just given.

When President Obama was in the White House, I wrote him a letter and said: Mr. President, can you do something to help them? And he did. He created something called DACA, or Deferred Action for Childhood Arrivals. It was an Executive order that said to these young people: If you fit that definition of the DREAM Act and if you will come forward and pay a filing fee of $500 or more, if you will submit yourself to a criminal background check and give us all of your background information about you and your family, then, we will give you temporary, renewable status to stay in America, not be deported, and be allowed to work.

It was a big leap for many of these young people to do it because they had grown up in families where, in whispered conversations in the evening, their parents told them: Be careful. If you get arrested and they come to see this family, many of us will be forced to leave this country. Be careful.

These young people decided to trust the President of the United States, to trust the Government of the United States, and to run the risk of disclosing everything—giving the most sensitive, personal information about themselves and about their families. They trusted us, and they trusted this country to treat them fairly and justly.

So 780,000 have come forward. They submitted their filing fees. They paid for the expenses of the government. They did it knowing that even with this new status—this DACA status under President Obama's Executive order—they didn't qualify for one penny of Federal Government benefits, and by working, they would be forced to pay taxes, which they were glad to do. Again, 780,000 came forward.

Then came the last election—the election of a President of the United States who had made immigration the centerpiece of his election message and who had really sewn doubt, and even fear, about allowing immigrants into our Nation of immigrants. It is not a new message in America. It is hardly a new message around the world. Being suspicious and fearful, even hateful, of immigrants has been a part of human experience from the beginning of time.

So what would happen to these DACA-protected 780,000 young people? President Trump announced, through his Attorney General, Jeff Sessions, on September 5 of this year, that DACA protection was ending. As of March 5 of next year, 2018, no one could sign up for DACA protection, and as the protection expired for each of them, there was no renewal for 780,000 young people.

The President then challenged Congress and said: Do something. If I believe, he said, that DACA is wrong, pass a law; take care of the problem. He said that on September 5. Here we are in December, just days away from the end of the year, and we have done nothing—nothing. And what has happened?

Across America, these young people, their families, and the people who believe in them have begged us to step up and do something. They have said: In the name of justice, in the name of fairness, in the name of morality, do something. And we have done nothing—nothing.

Many of them have decided in desperation to bring their message here to the Capitol. Right now, as I stand and speak on the floor of the Senate, there are thousands outside on the Mall, roaming through the corridors, trying to stop people who they believe might be Congressmen or Senators, to beg for the passage of the Dream Act, to beg for the reinstatement of the DACA protection. Some of them have made great sacrifices. I have gone out to talk to a lot of them. They have never been to Washington before. They have never been inside this Capitol Building. They don't know what it means to lobby. They can't afford a lawyer or a lobbyist. They are coming here to beg for their lives and to beg for their families. Some people are shunning them, refusing to talk to them. Others are gracious and warm and welcoming. They get on people's nerves because there are a lot of them and they want to talk to people about solving the problem. Some of them have sat in our offices—even my office—and I understand it. As awkward as it may be, as uncomfortable as it may be, I welcome them. I want them to know what America is about—a place where people in this country have the right to speak, to assemble, to petition their government. They believe this is their government. They look at that flag and they say: That is my flag too.

Legally, they are wrong. They are undocumented. Many have no country at all to which they can turn.

Who are they? Who are these 780,000 young people? I can tell you who 900 of them are. Nine hundred of these undocumented young people stood up and took an oath to a country that will not legally recognize them to serve in our military and risk their lives for each and every one of us. What greater proof can we ask about their commitment to this country? Nine hundred of them did this. If we fail to provide DACA or Dream Act protection to them, these 900 will be forced to leave the military of the United States of America. They will be turned away, despite the fact that they have volunteered their lives for this country.

Twenty thousand of them teach in our classrooms around America. I have met many of them. They are teaching in inner city schools through a program called Teach For America, which sends them to some of the poorest school districts in America. They are spending their lives, as undocumented in America, trying to help the least of those of the population, those in desperate need of their assistance.

Among them are thousands who are going to school now and college. Let me tell you that their challenge in college is a heck of a lot harder than the challenge for most young people. They don't qualify for any Federal assistance to go to college—no Pell grants, no Federal loans. They have to go to work. They have to work and earn the money to pay for tuition. That is what their lives are all about.

So for those who would dismiss these as lazy people who really can't offer much to the future of America, take a minute to get to know them.

Yesterday, one of my Republican colleagues looked me in the eye and said: We are talking about amnesty; these are people who violated the law. You are talking about forgiving them for violating the law.

Some of them, by his definition, violated the law when they were carried in their mothers' arms to the United States at the age of 2. Does that sound right? Does that sound just? Does it sound fair to say that these are people who have broken the law in America? I don't think so.

Let me say a word about their parents. There are some people who say: OK, I don't hate the Dreamers, but I get to hate their parents, right? They did break the law.

Technically, they probably did. I will not argue the point, but I will tell you something. As a father, I would risk breaking the law for the life, future, and safety of my children. I would, and most people would, and they did. It wasn't for any selfish motive. It was so that their kids had a chance. That is what it was all about, and that is why they came to this country. They knew that at any minute it could fall apart and they would be asked to leave, or worse. They risked it for their children. So I am not going to stand in

moral judgment of these parents of Dreamers. As to legal judgment, the case is clear. But as to a moral judgment, no, I just will not do it.

What I have done 101 or 102 times is to come to this floor and just tell a story—a story about a Dreamer—so that people know who they are. Today I would like to tell you the story of this young lady whose name is Karen Reyes. Karen Reyes is the 104th Dreamer whom I have introduced on the floor of the Senate, brought to the United States from Mexico. She grew up in San Antonio. She had a childhood like other American kids—Girl Scouts, summer camps, church groups, volleyball. Karen didn't even know she was undocumented until she was in junior high school.

She was a good student. She graduated with honors from high school. She was a member of the marching band. Here is what she said about growing up in America:

I might be an undocumented American, but I am an American. I came to this country when I was 2 years old. The only recollection that I have of Mexico is when I visited as a young child. I have not gone back in 20 years. I grew up here. I formed a life here. I made friends here. I received my education here.

After high school, Karen went to San Antonio College and then transferred to the University of Texas San Antonio. She made the President's Honors List and the Dean's List.

She found time to volunteer at the University Health System and at the San Antonio Youth Literacy project. She tutored second grade students in reading, and she worked with communities and schools where she mentored and tutored elementary students.

In 2012, Karen graduated with a bachelor of arts in interdisciplinary studies. She went on to the Deaf Education and Hearing Science Program at the University of Texas Health Science Center in San Antonio.

In 2014, Karen graduated with a master's degree in deaf education and hearing science.

Today, she is working as a special education teacher in Austin, TX. Here is a picture of her with the kids. She teaches 3- and 4-year-old kids who are deaf or hard of hearing. She teaches kids with disabilities. Here is what she said about DACA, the program that was abolished by President Trump, which allows her to live in the United States and to work as a teacher:

DACA made me visible. DACA made it possible for me to teach children who are deaf and hard of hearing. I am helping these students and families on their journey to being able to communicate and achieve their dreams. Before I didn't think I had a voice, but now I do. . . . I get to change lives every single day.

Twenty thousand other DACA students and recipients like Karen are teachers in our schools. Because DACA was repealed, Texas stands to lose 2,000 teachers. I ask the State of Texas: Are you ready to lose Karen? Are you ready to lose 2,000 more just like her because the Senate and the House of Representatives refused to act, refused to legislate, refused to provide protection to her?

As for Karen, her DACA expires in August of next year. This will be her last school year. If Congress doesn't step up and meet its responsibility and pass the Dream Act, her time teaching these deaf and hard of hearing children will come to an end.

In a few days we are going to go home and celebrate Christmas with our families. It is a big, important time of year. My wife and I are looking forward to it. We get to see all of the grandkids in one place. It is going to be pure bedlam, but we are going to love every second of it. Christmas means that much to our families. Being together means so much to our families.

Think for a moment about those who are protected with DACA. This may be their last Christmas in the United States. They don't know where they will be next Christmas because the President abolished the protection program and because Congress refuses to act. They don't know where they will be and they don't know whether they will be with family or not. That is the reality.

What a reflection on our Nation that we have reached this point to punish someone like Karen, a giving, caring, educated professional person who is spending time helping little boys and girls who desperately need her help.

Some in this Chamber—and I have seen them face to face—are ready to tell her to leave: We don't need you anymore, Karen. Go back to wherever you came from. Just get out of here. That is their attitude. It is not mine nor the majority of Americans.

Over three out of four Americans believe Karen deserves a chance. Over three out of four Americans believe she should be allowed to stay and earn her way to legal status and citizenship. Incidentally, 60 percent of those who voted for Donald Trump happen to believe that same thing.

But there are voices of division and fear and hatred in this administration. I have seen them. I have heard them. I know what they have to say. The question is, will they prevail? Will they define this President in terms of his treatment of people who are just asking for a chance to be part of America's future? The answer to that question is really not in the President's hands. It is in our hands. We owe it to these young people to do the right thing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I first thank our distinguished leader from Illinois, not only for his eloquence and passion but his unfettered commitment to the young people who were brought here as children, who maybe had never set foot in the country their parents came from and may not know the language. They are here, and a promise was made to them in our country.

I spoke yesterday on the floor about two young people from Michigan. We have 10,000 young people in Michigan—some serving in the military, some in jobs, some in school—who don't know any other country. They love our country, and they just want our country to keep its promise to them. That is what I view it as, keeping our promises. So I thank the Senator.

VETERANS DESERVE BETTER ACT

Ms. STABENOW. Mr. President, I want to speak about keeping promises to a very important group of Americans as well; that is, our men and women who are serving us as veterans and serving us in the military.

Representing Michigan in the U.S. Senate is a great honor. I know it is for all of us. One of the best parts of the job is being able to work on behalf of Michigan's veterans.

From the Civil War to the World Wars, to the Korean war, to Vietnam, the Cold War, the Gulf war, and our fight against terrorism, Michigan's veterans have given us their all. Our veterans have always been the first in line to defend our democracy. That is why they should never be at the back of any line—for a job, healthcare, housing, or a world-class education.

Unfortunately, there are times when our veterans aren't getting the benefits they deserve, have earned, and have been promised. When that happens, it is our duty to fight for those who fought for us. That is why, in 2014, Congress passed something called the Veterans Access, Choice, and Accountability Act, called the Veterans Choice Program.

This legislation aimed to reduce wait times and provide medical services to veterans in their communities after we heard of very serious issues and horrible situations that had occurred for veterans in some parts of our country.

The Veterans Choice Act was created to meet a real need—getting our veterans prompt healthcare in locations that are convenient for them. This program is especially critical for veterans in rural communities throughout Michigan as well as throughout the country—people in rural areas who were previously required to travel long distances, hours and hours, for services.

However, since it was enacted, providers across my State and in many parts of the country have not been getting paid, rural hospitals have pulled out, and this program in Michigan has not been working.

Worst of all, too many Michigan veterans and veterans across the country are struggling to get the appointments and the healthcare they need. That is why, last week, I introduced a bill I am calling the Veterans Deserve Better Act.

This bill will help our veterans in three ways to be able to correct what is occurring right now in Michigan with a private contractor—a private provider

who has not been doing the job. I have talked to the Secretary of Veterans Affairs who understands the problem and agrees this has to be fixed.

My bill will improve the scheduling process for veterans seeking healthcare. They shouldn't have to wait weeks or months to be able to get an appointment with a doctor.

Our military operates under the simple creed, ''Leave no person behind,'' but far too many of our veterans in need of healthcare are languishing in a system that simply isn't accountable to them. Through this private contracting process, that certainly has been the case.

My bill would require the VA, and any outside contractors who are setting up healthcare appointments through the Veterans Choice Program, to provide veterans with more and better information, and if veterans are still struggling to get appointments, they will be told exactly how to file a complaint so it can get fixed.

Second, my legislation will hold third-party contractors accountable. We have excellent service through our VA medical facilities, but this new system—which is supposed to make it better, quicker, and faster—has not been working, and third-party contractors, at least in Michigan, have not been held accountable.

The VA will track all appointments made through outside contractors who must schedule appointments within 5 days. Any appointments not scheduled within 5 days will be sent to the VA for followup.

Within 30 days of this legislation being signed, third-party contractors will be required to submit a list of the veterans who have been waiting for more than 15 days for their appointments. I know of many waiting much longer. We don't leave soldiers on the battlefield. We shouldn't leave veterans to fight alone to get their healthcare needs met.

Third, this legislation ensures that Veterans Choice Program providers receive prompt payment or denial of payment. If payment is denied, the healthcare provider will need to be told why and what information they need to submit in order to get the claim processed.

The VA will also be required to submit a report to Congress on the number of unpaid claims to Veterans Choice Program providers and to take action on those claims within 45 days.

What do I mean by providers? I am talking about our hospitals in northern Michigan, in the Upper Peninsula, in the northwest side of the State, and the northeast side of the State signed up under this program to be able to provide the care for someone who is more than 40 miles away from a VA medical center; then, they find they are not getting paid for their services to the tune of millions and millions of dollars.

Veterans who have served their country and the medical providers who treat them deserve nothing less than getting this system right. Appointments should be made quickly, payments should be made for service, and there has to be continual accountability. Unfortunately, we know they aren't always getting what they need.

One of those veterans is Jerry, a former National Guardsman who was stationed in Greenville, MI, on the west side of the State. He now lives in Sumner Township in Gratiot County.

Last January, Jerry received a scary diagnosis. He had a lesion on his brain. He needed to see a specialist right away. Veterans Choice was supposed to make an appointment for Jerry to see an endocrinologist, but when he showed up for the appointment, unbelievably, he discovered he was mistakenly sent to a urologist. After that, Veterans Choice sent Jerry to a family practitioner who had no record that he even had an appointment. It was 2 days off of work and travel to visit doctors that Jerry should have never been sent to in the first place.

By this time, Jerry was understandably very upset. He reached out to my office, and I am glad he did, so we could help. We were able to contact Veterans Choice on his behalf and get him the appointment he needed with the right specialist. Now, this is after his spending 5 months—5 months—trying to get to the right doctor. There is no excuse for this.

However, Jerry's issues weren't over. When he saw the same specialist a second time, Jerry learned the doctor had never been reimbursed for his previous visit. As Jerry said, ''It shouldn't take five months to see a specialist, especially with something this scary and serious. And I shouldn't have to worry about whether or not Veterans Choice will pay for my care that I have earned.''

Yes, Jerry, you have earned and been promised that care.

Jerry is exactly right. Unfortunately, he is not alone in Michigan—I know this from talking to colleagues in other areas—particularly with this same provider. I have heard from many other Michigan veterans who can't get appointments, are getting the wrong appointments, are having to travel long distances to appointments—which, this was supposed to stop veterans from having to drive long distances for appointments—or whose healthcare providers aren't being paid for their services and then deciding they don't want to participate in the Veterans Choice Program.

My colleagues on the Veterans' Affairs Committee are working on comprehensive reforms to the Veterans Choice Program, and we are staring down another funding deadline. It is important this gets done, and we need to do it right away. We need to fix the problems veterans are having to deal with on a daily basis. I am looking forward to working with colleagues to fix this as quickly as possible. Our veterans deserve better. It is time we pass this legislation and make sure they get it.

I would like to end with the words of a man who knew something about service and sacrifice on behalf of our country.

Before he was President, before he was a member of this very Chamber, John F. Kennedy was a veteran who served in the U.S. Navy during World War II. On August 2, 1943, the PT boat he commanded was struck by a Japanese destroyer in the South Pacific. The entire crew ended up in the water, and two of his men died. Although Lieutenant Kennedy badly injured his back in the collision, he helped his men find safety on an island several miles away, where they were rescued a week later. Kennedy later was awarded the Navy and Marine Corps Medal for his leadership. He once said: ''As we express our gratitude, we must never forget that the highest appreciation is not to utter words, but to live by them.''

I believe that is our responsibility. It is not enough to praise our veterans on special days, although they have certainly earned every word of praise. Instead, we must work together to uphold each and every promise we have made to them.

Veterans like Jerry and so many others have always been first in line to defend us. It is time to make sure they are not at the back of the line when it comes to getting the healthcare they need.

CHIP AND COMMUNITY HEALTH CENTERS

Ms. STABENOW. Mr. President, on a different subject, talking about keeping promises; that is, other people who are counting on us to be able to act in order to get their healthcare.

We have had 81 days since the funding ended for the Children's Health Insurance Program and community health centers. Each State is a little different because of the various combinations of funding and so on, which meant not everyone lost care immediately right after. There are three States this month, others in the first of the year, and so on.

I literally received just a few moments ago a notice from our State saying it is very likely that if we don't act, in January, families in Michigan are going to get a notice that what we call MIChild, which provides healthcare for 100,000 children in Michigan of working families who don't qualify for help through Medicaid or other assistance—they are working and maybe at work they are getting healthcare, but it doesn't cover their children, or maybe they are not getting healthcare, and they want to at least be able to cover their children, that is what MIChild is all about.

It has been 81 days since the deadline of September 30, which stopped the Federal funding from going forward. This affects 9 million children nationwide and 100,000 children in Michigan.

In addition to that, community health centers across the country serve 25 million patients every year; 300,000 of them are veterans, and 7.5 million of them are children.

I had the opportunity last Friday to visit two wonderful facilities—one in Flint, which is in Genesee County, and one in western Wayne County—and see the great work they do and talk to some of the people who were there to get care. People are counting on community health centers and they are counting on the Children's Health Insurance Program in order to make sure they have the care they need for themselves and their families.

It is important that we act. We could act right now. This is bipartisan. We passed a bipartisan bill out of the Finance Committee in September, before the deadline. I want to thank the chairman, Senator HATCH, and the ranking member, Senator WYDEN. I was pleased to join with them. We passed it out of committee with only one ''no'' vote. We have bipartisan support to get this done. Senator BLUNT and I offered a bill that is bipartisan and has had the support of 70 Members of this body in signing a letter saying to continue funding for community health centers.

Our plan all along was to pass the children's health insurance bill out of committee in September and add health centers and then pass it before the deadline so that it would take away the anxiety, worry, and fear that families now have about what is going to happen.

Every day that goes by, people are worried about what is going to happen. Are they going to be able to take their child to the doctor, be able to get their asthma treatments, handle their juvenile diabetes, cancer treatments, or the normal things that happen to kids every day?

I am not sure if there will be any votes today. We could, today, pass the Children's Health Insurance Program and community health centers and let families across America know they are going to be able to have the medical care they need for themselves and their children coming into the new year.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mrs. GILLIBRAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

DACA

Mrs. GILLIBRAND. Mr. President, I rise to speak about an urgent crisis that Congress must solve now for nearly 800,000 Dreamers in this country. I am proud to represent New York State in the U.S. Senate. One of the things I am most proud of is that my State is home to tens of thousands of Dreamers—tens of thousands of young people who have never known any other country as home but this one.

When President Trump announced that he wanted to end the DACA Program, it was one of the most inhumane actions of his entire Presidency. Let me be clear about what ending DACA will do. Ending DACA will force thousands of Dreamers to lose their jobs. It will force them to go into hiding. It will force them to have to make the unimaginable choice between staying here undocumented or being forced out of the United States.

I ask my colleagues, are you really OK with letting that happen when you personally have the power to prevent it from happening right now? Attacking Dreamers like this goes against our most basic values as Americans, our most basic sense of right versus wrong.

I know this Chamber is divided about how to fix our broken immigration system, but just for a second, forget about ideology and think about what it actually means for these young people who have spent their entire lives here. They are waiting and wondering if Congress actually has the guts to stand up to President Trump and do what is right.

If the President will not lead, then Congress must lead, and we need to lead now. We have to protect our Dreamers, and we need to pass the Dream Act.

Most of all, we should never allow our Dreamers to be used as political pawns. We should simply do what both parties have said is the right thing to do, which is to pass the Dream Act. This is a matter of basic human rights and human dignity. It is about people's lives, and I am not going to compromise on that.

Mr. President, are you willing to compromise on that?

We need to fix this problem, and we don't have a lot of time to do it. Every week that Congress refuses to take action, more Dreamers lose their DACA status. Very soon, we are going to have to pass a long-term spending bill just to keep the government running, but the Republican leadership has not yet committed to including a provision in the bill to protect our Dreamers.

I want to say this very clearly: If my Republican colleagues refuse to do the right thing and protect our Dreamers in the upcoming long-term spending bill, I will vote no. I will ask my colleagues to join me in this fight. I will ask all of them to see that this issue is not a political question. It is a basic question of whether or not we are a country that protects children.

I am never going to compromise when it comes to our Dreamers, not when their lives are literally hanging in the balance. Time is desperately running out. I urge my colleagues to do what is right. We must protect the Dreamers.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. ISAKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TAX REFORM BILL

Mr. ISAKSON. Mr. President, it is a historic day for our country, for the Senate, and for the Congress.

As we speak, the President of the United States is about to sign the bill that we passed on the floor of the Senate last night, which was the agreement on the conference report—the largest tax reform in the history of our country or, certainly, the largest since 1986. It is historic in many other ways because we are fighting wars overseas, we are dealing with terrorism, and we are looking at the economic climate for the future and trying to inspire our country to be better and be everything that it can be. We are talking about all of those types of things, and we are getting ready for Christmas.

TRIBUTE TO JIM MCCOOL

Mr. ISAKSON. Mr. President, we are busy about lots of things, but there is one thing that you should never be too busy to do, and that is to pause and stop and say thank you—thank you to someone or some entity or some institution that has made a difference in your life or in the life of your country.

I don't often come down here on points of personal privilege. I do it, but I don't often do it. When I do do it, it is special for me, and I hope it is special for the people I am talking about.

A good friend of mine is retiring from the Southern Company in the next few months. His name is Jim McCool.

Now, most of you probably don't know Jim McCool. Jim is one of those people who some people refer to as a lobbyist and others refer to as a professional advocate. I refer to him as my good friend. I met him in the 1980s. He had started his own formal wear business. He then sold that business and went to work for Mississippi Power. It was later one of the Southern Company's companies. He then worked as a liaison to Washington for the Southern Company, for Georgia Power, for Mississippi Power, and for Alabama Power.

I got to know Jim in lots of ways. First of all, it was when I was in the Georgia State Senate and the Georgia State House. On the industry committee, we worked on issues that dealt with electric utilities. I didn't know anything about those, as I was a real estate broker. My knowledge of electricity was that when I threw that switch, I wanted it to come on. Once it got beyond that, I didn't have knowledge of it.

Jim was one of those people who didn't just come and say: This is my company's position. We want you to do it. He asked: What is it about my company's position that I can help explain

for you to make a decision? He never, ever asked me to do anything for him or anyone. He always offered to give me the information that I needed to make the decision myself. That is not a rarity in that profession, but it is certainly something that the average person doesn't think of when you hear of a lobbyist or a professional advocate.

Jim McCool is, has been, and, for me, always will be very special. He takes his job seriously, his company seriously, and his country seriously. Jim and his wife, Kathy, raised three great sons. They are proud of their dad, and he is proud of them. I have seen him in enough situations with his family to know that his family comes first for Jim McCool. Golf, unlike what most people think, is not first. It is only second. The Southern Company is third. I have played a lot of golf with Jim McCool, and that is why I put that in there.

Over the years, I have worked with Jim on many, many projects. Right now, we are working on a nuclear production tax credit, in addition to the tax extenders bill, which, hopefully, will pass the Congress within the next 2 weeks, after January 1, to continue the construction and the completion of units 3 and 4 at Plant Vogtle in Georgia. For me, ironically, this was such a special moment because I had worked on Vogtle units 1 and 2 when they were built in the early 1980s and when Jim was an advocate, at that time, for Mississippi Power. He later joined the Southern Company team.

Jim and I have watched Plant Vogtle go from a dream and an aspiration for the Southern Company to a reality in terms of units 1 and 2. If we get our work done here soon, units 3 and 4 will be online. For a long time after Jim McCool is gone and I am gone and all of you are gone, Georgia will have reliable, safe energy from a renewable source called nuclear, and we will continue to be a pioneer and a leader in the southern United States.

When I heard that Jim was retiring, obviously, I knew it was a special moment for him and his family. I wish him all the best, and I know that he is going to do great. I started thinking back over all of those times that we had worked on all of those issues that had such an impact on his job and his employer and, for me, on my State and his State. Jim never wavered in his commitment to doing the best job he could possibly do in always representing the best interests of his company while never losing the best interests of those who were served by his company—the customers.

On this day today, when the President of the United States signs major, sweeping tax reform and as we approach Christmas—a special holiday for all families—I rise on the floor of the Senate to take note of Jim McCool from the State of Mississippi, employee of the Southern Company, professional advocate, father of three, and husband to a great lady. Jim McCool has gone the long way down the long road, and he has done it with style, with class, and he has delivered every single time.

Washington doesn't have a better advocate working in this town than Jim McCool. We are going to miss him, but I am going to get to play a lot more golf with him in the years ahead because he is going to have more free time than he has right now. So I wish Jim and his family the best. I thank him for all he has done for us as Georgians.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. GARDNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TAX REFORM BILL

Mr. GARDNER. Mr. President, I rise today to note this Congress's historic achievement in reforming the Nation's tax system for the first time in 30 years. I congratulate the hard-working teams, the staffers, and others from the Budget, Finance, and Energy Committees and their colleagues in the House for the work they have done.

It is not easy to modernize a Tax Code that has languished for over 30 years. Many groups have worked for a long time to solidify their special benefits, and they don't want to see those perks or special benefits go away. Many others just don't know how to work things under the status quo and think that must be the only way to do things, is to find a new status quo that represents the old status quo.

Reforming the Tax Code is not easy, but it is important. It is important to America's economy. It is important to America's working families. It is important to Colorado. It is important for a lot of reasons. For instance, right now, we waste 6 billion hours and $263 billion just to file our taxes every year. After this reform, 92 percent of taxpayers will take the standard deduction. That simplifies the code, cuts those hours, and eliminates wasted dollars.

Perhaps most importantly, it will shake our economy out of its slow-walking recovery. While there are booming areas in our country—and undoubtedly Colorado's Front Range represents some of the best examples of booming areas in our Nation—there are many areas of the country that haven't seen the growth and have, quite frankly, been left behind. They haven't seen their wages go up for a long time. In fact, yesterday the Denver Post published two stories about wages. Those stories point out that median wages in Colorado in 2016 were still below the levels of 2007 and even 2000. While I appreciate these reports, the fact is, we knew it wasn't anything unheard of. It certainly isn't new to those Coloradans who live outside of the Front Range and who they haven't seen their wages grow. It is a reality they have been dealing with for far too long.

Over the years, wages have become detached from corporate profits, and this chart is a good example of what has occurred. Prior to 1990, a 1 percent increase in corporate profits led to a greater than 1 percent increase in worker wages. But from 2008 to 2016, a 1 percent increase in corporate profits led to only a 0.3 percent increase in wages.

What you can see right here is the corporate rate over time. You can see that in 1990, 1986, the U.S. rate remained at 35 percent, what is today, for at least a little bit longer, the highest statutory tax rate in the world when it comes to business rates. You can see OECD nations have dramatically dropped theirs beginning in 1990 and going down through today. That is what has happened. Over that same period, our once-competitive corporate tax system has gotten more and more out of date. Our corporate rate today, as I said, is about the same as it was 30 years ago—35 percent. Meanwhile, foreign countries, such as Germany, France, Italy, and even Socialist Greece, have lowered their tax rates. Now America has the highest corporate tax rate in the industrialized world, and Europe has an average statutory rate of around 18.5 percent. So American businesses have shifted their work overseas. New factories were built in Poland, not Pueblo. New offices opened in Dublin, not Delta. With fewer opportunities, American wages stagnated.

The empirical data on this is clear. We have another chart to talk about this. High-tax countries see anemic wage growth—well under 1 percent a year—but low-tax countries see much stronger growth—between 1 and 4 percent.

You can see right here on the red line—this line represents the highest statutory corporate rates in the world, the 10 countries with the highest statutory corporate rates. They have less than 1 percent wage growth. You can see the lowest statutory corporate rates—the countries that represent the bottom 10 statutory rates in the world have wage growth at 4 percent a year. That is clear data—growth between 1 and 4 percent in low-tax countries.

Make no mistake, America is on the red line because we have an out-of-date corporate Tax Code—an out-of-date Tax Code that we have begun to address.

Lowering the corporate tax rate has historically had support on both sides of the aisle, including something President Obama said back in 2011 in his State of the Union Address at a joint session of Congress. But suddenly, over the last couple of months, that is not the case anymore, and sadly I suspect that opposition to tax cuts has more to do with partisan politics than the merits of the proposal.

Whatever the reason, instead of reaching out and working together, we have heard a parade of horrors: It will run up deficits. It only benefits the wealthy. Instead of investing in workers to make more profits, businesses will just hoard their money. We have even heard that provision after provision will literally kill people.

As we heard objections get more and more outlandish, including the Biblical end of time, we heard the critiques get even more petty. We even heard the other side use procedural rules to complain about the title of the bill. What we haven't heard is how those opposed to this bill would solve the wage problem. They don't have a theory about why wages have stagnated or a vision for how to get them moving again, but we do. We passed it last night, and this reform will start to move wages again. This reform makes our corporate tax rates competitive again. It removes the incentive to invest abroad rather than right here at home.

It is no surprise that the Business Roundtable, the Chamber of Commerce, the National Federation of Independent Business—the organization that represents small businesses across this country—the National Retail Federation, the National Association of Home Builders, and the American Farm Bureau Federation support this bill.

In fact, you can see this small portion of a stack of letters I received from hundreds of farmers from across the State of Colorado who wrote to my office and said: I would like to join Colorado Farm Bureau to support tax reform that works for Colorado's farmers and ranchers. There are hundreds of people saying: Please help reform our Tax Code; cut our taxes. These letters came from real Coloradans, people from all four corners of the State who know how important real reform is to them. These groups know that this reform—these individuals know that this reform translates into more growth for the American economy, higher wages for American workers.

The Tax Foundation has estimated that this reform will bring 339,000 new, full-time equivalent jobs, increase GDP, and raise workers' wages. I have heard a lot of doubt about that part. I have heard a lot of people say that no wage growth is going to occur, that no money will come from these greedy corporations. But look at the news today, because today companies across America have already started to respond to this pro-growth tax reform.

Just hours ago, AT&T announced that it will invest an additional $1 billion in the United States in 2018 and that it will give more than 200,000 of its U.S. employees a bonus of $1,000—all because of the tax relief bill that we have been working on that we passed today. Similarly, today Boeing announced that it will make a $300 million investment in charitable giving, worker training and education, and infrastructure and facility enhancements. Both of these companies made it very clear that these investments—over $1 billion of investment and $1,000 to 200,000 employees in the United States—are because of the tax bill that the House passed today and that we passed early this morning.

There is more on the way, but the business side isn't the only way it brings relief to American families and it is certainly not the most important. The reforms we have made on the personal side will deliver relief to Americans across the Nation.

A family of four earning the median American income of $73,000 will see their tax bill go down by $2,000, and that is nearly 60 percent next year from what it was this year. A single parent with two children and an income of $52,000 will see a tax cut of nearly $1,900. In a nation where too many people can't pull together $100 in 24 hours, these tax reductions alone are an enormous benefit. These are real benefits to the American people.

Although there may be some naysayers in Washington who apparently have plenty of money, to people in Colorado, people in the West, people across this country, that is a big deal. These are benefits to real people, and I am glad to be a part and honored to be a part of delivering this real relief.

I am also proud to have done this in a way that creates many provisions that are especially important to Colorado. We have made it easier to take advantage of the medical expense deduction. We have expanded the child tax credit and the 529 programs. We have protected other education provisions, such as the student loan interest deduction and tax breaks for America's teachers. We have made sure our farming co-ops are treated fairly, and we have made sure our growing brewing and distilling industry is treated fairly as well. We have made a dent in the unfair death tax, and that is a big deal for the hundreds of farmers and ranchers who have contacted my office. We have ended the ObamaCare individual mandate, so no longer will the people in Colorado who earn less than $50,000 be subjected to a tax fine, a penalty by the IRS, simply because they can't afford an unaffordable ObamaCare policy. We have helped ensure America's energy security by opening up new resource opportunities in a responsible manner, making sure that we simultaneously ensure that Colorado's renewable energy industry continues to flourish by making sure that today's credits for wind, solar, and refined coal are still available. That is what we did in this legislation.

Mr. President, this is historic reform. I am proud to be a part of it. I am proud to have voted for it. We can already see today that as a result of the work we have done, Americans are seeing the benefit.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CLIMATE CHANGE

Mr. WHITEHOUSE. Mr. President, I am here now for the 190th ''Time to Wake Up'' speech to talk about an issue that falls at the intersection of climate change and jobs and consumer power and protection. You would think that a policy that simultaneously reduces the carbon emissions responsible for climate change and boosts American industrial competitiveness and puts thousands of dollars back into the pockets of American consumers would be pretty universally popular. Unfortunately, you would be wrong.

The corporate average fuel economy standards, known as the CAFE standards, set a minimum threshold for the average fuel economy of cars and light trucks that are sold in the United States. In 2011, the major automakers here in America—Ford, GM, and the others—enthusiastically endorsed voluntary new fuel efficiency standards which would gradually increase the fuel economy for their cars and light trucks to 54.5 miles per gallon on average by 2025.

Think about that for a second. In 2011, average fuel economy for these vehicles was stuck below 30 miles per gallon. The CAFE standards hadn't budged in years, and as a result, our automakers had stopped innovating to make cars more fuel efficient. They didn't have to make them more fuel efficient. And when gas prices soared in the mid-2000s, it was consumers who were on the hook.

Today, thanks to the voluntary agreement that was reached by the automakers, the CAFE standard is presently over 40 miles per gallon for cars and over 30 miles per gallon for light trucks. Consumers have already saved $42 billion at the pump because of those increased fuel economy standards. Consumers who purchase a new car in 2025, on average, will save about $8,000 on gas over the lifetime of that car because of those new fuel economy standards.

Of course, it is not just the consumers who win under the new CAFE standards; the environment also wins. Already the American auto fleet's increased average fuel economy has resulted in 195 million fewer metric tons of carbon emissions, and, of course, with the carbon emissions come all the rest of the pollution out of a car's tailpipe, so it is a big environmental benefit. Over the life of the CAFE standards program, total carbon emissions reductions should total 6 billion metric tons. This is huge because transportation is now the largest source of carbon emissions in the United States, and carbon emissions from cars and

light trucks account for almost one-sixth of the Nation's total.

If we are to be successful in keeping the average global temperature increase under 2 degrees Celsius—the upper bound, beyond which scientists tell us the consequences of climate change will likely be irreversible—then we have to significantly reduce our auto emissions. That is the target of the Paris climate agreement, which is represented here in this graph, from business as usual here, to all of the carbon emissions savings and efficiencies necessary to reach our Paris goal right here. Of all of this—power sector, industrial sector, efficiencies, home sector—all of it—this gold wedge right here represents the piece of it that we achieve by meeting these CAFE standards. So it is pretty important to meet those standards if we are going to hit the Paris climate goals, and it is pretty important to hit the Paris climate goals if we don't want to condemn our children and grandchildren to a very hazardous future.

Here is what is strange. The exact same set of industry players who voluntarily signed onto and supported the stronger fuel efficiency standards just 4 years ago through their trade association are now working hand in hand with EPA Administrator Scott Pruitt—when something bad is happening for the environment, you can almost always find him around—to weaken them, to undo what they voluntarily agreed to and promised the American people.

Following the election of Donald Trump, the Auto Alliance—the trade group that represents automakers like Ford, General Motors, Toyota, and Volvo—claimed that the very same standards the automakers had voluntarily supported just a few years before now reflect what they call an ''extraordinary and premature rush to judgment.'' Shortly after Pruitt came into office, the Auto Alliance asked him to revisit the standard.

By the way, just before I gave this speech, I googled ''Auto Alliance.'' I went to their website, and I hit the search engine on it. I typed in ''climate change'' and hit ''search.'' Those words ''climate change'' do not appear on the Auto Alliance's website, to give you an idea how seriously they take this problem, at least at the trade association level.

So the Auto Alliance, when Pruitt came in, asked him to revisit this CAFE standard that their member companies had all agreed to. Pruitt, who, as Oklahoma's attorney general, had been notoriously compliant to industry, gladly complied.

The Auto Alliance has a long history as the trailing edge of the automotive industry, opposing seat belts, opposing air bags, and opposing catalytic converters. Now, in the polluter-friendly Trump administration, it sees a tempting chance to sell more gas-guzzlers. But is that smart? Over the long term, does this risk actually consign American automakers to global irrelevance?

We sell these cars in an international market, so let's look at what that international market is moving to. Countries around the world have realized that the future of the automobile lies not with the gasoline-powered internal combustion engine but with alternative sources of power—electricity or hydrogen fuel cells, for instance.

By the way, I just got a Chevrolet Bolt, the all-electric car. Not only is that good for the environment, it is a wonderful car to drive. It is a fun car to drive. It is great vehicle.

China, the world's largest car market, recently announced that by 2025, 20 percent of new cars sold there must run on alternative fuels, and it is on its way to an eventual total ban of the sale of gasoline and diesel-powered cars. That is where the biggest car market in the world is headed.

The European Union is the world's third largest car market. The Netherlands has announced that starting in 2030, all cars sold must be emissions-free. Belgium is considering a similar measure. France and the United Kingdom will ban sales of new gasoline and diesel-powered cars starting in 2040. Norway, while not a member of the EU, is very much part of that European economy. They are even more ambitious. By 2025—just over 7 years from now—all new cars sold in Norway must be emissions-free.

Moving on to Japan, the world's fourth largest car market—Japan now has more electric charging stations than it has gas stations. India is the fifth largest car market. It has announced that by 2030, all new cars sold there must be electric or hybrid vehicles. So with the entire world moving toward cleaner, newer technology and innovative vehicles, why does this automotive lobby group—the Auto Alliance—suddenly want to renege on the promise its members made to the American people to raise and abide by those CAFE standards?

We should hope that our business leaders would be honorable enough to keep their word. That is a fairly basic proposition. But if the future of the industry lies with ever more fuel-efficient cars—hybrids, electric cars, fuel cell cars—why would the auto industry in America be furiously lobbying the Trump administration to go backward? Breaking your word to go backward doesn't seem to make sense, even from a business point of view.

Electric vehicles and alternative fuel vehicles represent the future of the auto industry. China and other countries get this. The Chinese are trying to poach our electrical engineers to develop their automotive industry so that it can one day beat ours. Meanwhile, executives at our automakers are scheming with Pruitt to head back to the past, to get out of the promise that they made to build more innovative, fuel-efficient cars.

Investing in the technologies of the future will help ensure that the electric vehicle revolution, which is on our doorstep, doesn't leave America behind, doesn't leave American innovators behind, doesn't leave American workers behind, and doesn't leave American automakers behind.

A midterm review of these CAFE standards found that the automakers already have the technology to meet the new standard and that the new standard will save money for their customers. It is to the benefit of their customers to keep going with the CAFE standards they agreed to.

An independent analysis by the nonprofit organization CERES found that the CAFE standards provide automakers and their suppliers the certainty they need to increase investment in the cleaner technologies that are necessary for the long-term health of the industry, and with that certainty that leads to increased investment, the increased investment leads to jobs.

This ought to be a no-brainer. A policy that protects consumers and the environment while promoting innovation and making American companies more competitive for the global market should be something we can all agree on. But there is also a simpler, more old-fashioned principle at stake here: Keep your word.

Ford, GM, and the others told the American public that they would compete for car buyers' business by delivering quality, energy-efficient vehicles. That is what they told the American public, and they said it voluntarily. This wasn't forced down their throats through a regulatory proceeding; this was a voluntary agreement that they signed up for and were enthusiastic about at the time.

They should keep their word. Why is that asking too much of American corporate leadership? Keep your word. How basic a principle is that? They should stop their trade association lobbying to water down the CAFE standards promises that they made.

It is a recurring problem around here, as many of us have noticed, that the trade association is usually on the trailing edge of the industry; it is like the worst voice of the industry. That is surely the case here, where the trade association for our American automakers is trying to get them to set it up so they will break their word to the American people about a promise that they made—a very simple one, which the technology is already there to achieve.

Even if you don't care one whit about climate change, even if you laugh that off, even if you go down the Trump road that it is a Chinese hoax, we still ought to be honoring those CAFE standards for American jobs, for American ingenuity, and for American innovation.

Thank you.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GARDNER). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CARDIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

2017 SERGEI MAGNITSKY SANCTIONS LIST

Mr. CARDIN. Mr. President, I wish to take this time to talk about two matters of human rights, which I know the Presiding Officer has been very much engaged with as an active member of the Senate Foreign Relations Committee. I want to share this information with our colleagues.

This month marks the fifth anniversary of the 2012 Sergei Magnitsky Rule of Law and Accountability Act. Today, with the publication of five new sanctions designations, the citizens of the Russian Federation—many of whom strive for a future governed by the rule of law—can claim a small victory over oppression. I hope that today's news provides a semblance of justice for the family of Sergei Magnitsky and those who continue to fight against corruption and human rights abuses across the country.

The Magnitsky list now includes 49 names—an important testament to the central importance that accountability and human rights should play in U.S. foreign policy.

I think the Members of this body are familiar with the circumstances surrounding Sergei Magnitsky's death. He was a young lawyer in Russia representing a company. He discovered corruption, and he did what any lawyer should do. He reported it to the authorities. As a result, he was arrested. He was tortured, denied medical care, and died in prison.

As a result of that, legislation was introduced. I was proud to sponsor it with my good friend Senator MCCAIN. It was enacted into law, as I said, 5 years ago. It holds those who perpetrate these violations of human rights accountable by denying them the right to visit our country—visa applications—or to use our banking systems.

The five additions to this list include Andrei Pavlov, Yulia Mayorova, and Alexei Sheshenya for their roles in the Magnitsky case and Ramzan Kadyrov and Ayub Kataev for gross violations of human rights. I appreciate the work of career officials at the Treasury and State Departments for their work in investigating and designating these important cases.

Andrei Pavlov is a Russian lawyer who played a central role orchestrating the false claims used in the $230 million tax fraud that Sergei Magnitsky uncovered. His addition to the Magnitsky list is long overdue, as he played an essential role in the plot.

Yulia Mayorova is the former wife of Pavlov and a Russian lawyer. She also reportedly played a role in helping to facilitate the fraud uncovered by Sergei Magnitsky.

Alexei Sheshenia also reportedly played key roles in both the 2006 theft of the $107 million in taxes paid by RenGaz and in the 2007 theft of the $230 million of taxes paid by Hermitage. I understand that in both tax thefts, shell companies beneficially owned by Alexei Sheshenia used forged backdated contracts to obtain judgments against companies that paid a significant amount of taxes.

Ramzan Kadyrov is a renowned human rights abuser who has brutally run the Republic of Chechnya for more than 10 years. Under his rule, human rights offenders have been murdered, and gay men have disappeared. He has destroyed any semblance of the rule of law in the Republic. Over the course of his time in power, there have been credible allegations of his directing assassinations deployed across Russia and Europe. Human rights groups have documented many cases of torture and extrajudicial killings by forces under his control.

Ayub Kataev is a prison warden and head of the branch of the Chechen internal affairs ministry. Earlier this year, Chechen authorities reportedly set up concentration camps for gay men under his control. He certainly belongs on this list.

Since 2012, Senator MCCAIN and I have conducted rigorous oversight to ensure robust implementation of the Magnitsky law. In 2016, we wrote to the State Department with certain suggestions for inclusions on the list relevant to the death of Sergei Magnitsky. We also expressed concerns that the allegations of torture in Chechnya against gay men and other human rights violations in the North Caucasus should be investigated. I am pleased they took action that was responsive to both of our inquiries.

I want my colleagues to know that I do believe this administration has conducted the review on the Magnitsky list the way it should have been—keeping in close contact with Members of the Senate. I think the result speaks to the quality of work that was done in this year's list.

America's values are our interests. As a country, we must remain steadfastly committed to the principles embedded in the Magnitsky law—accountability, the rule of law, and respect for human rights. The American people expect U.S. policymakers to advance these principles in all aspects of our diplomatic relations. I welcome today's announcement and also expect the first publication of the ''Global Magnitsky'' sanctions designations this week.

As the Presiding Officer is well aware, we have recently passed the ''Global Magnitsky'' law that applies similar standards for human rights violations globally. That list should be made available, we hope, sometime this week.

VENEZUELA HUMANITARIAN CRISIS

Mr. CARDIN. Mr. President, a second subject that I wish to talk about today on human rights deals with the collapse in Venezuela. I come to the floor to speak about Venezuela's growing humanitarian tragedy and accelerating economic collapse.

Late last June, here on the Senate floor, I described Venezuela as a nearly failed State, where authoritarian leaders profit from links to corruption and drug trafficking, while the Venezuelan people are subject to precarious humanitarian conditions and human rights abuses. Disturbingly, the situation has only deteriorated since the time I was last on the floor talking about the circumstances.

With Venezuela's humanitarian crisis growing daily, conditions facing Venezuelan children are particularly dire. This week, the New York Times published a heartbreaking investigation of how Venezuelan children dying of hunger. It states:

> Parents go days without eating, shriveling to the weight of children themselves. Women line up at sterilization clinics to avoid having children they cannot feed. Boys leave home to join street gangs that scavenge for scraps. . . . Crowds of adults storm dumpsters after restaurants close. Babies die because it is hard to find or afford infant formula, even in emergency rooms.

That is in our hemisphere in Venezuela.

The Catholic relief organization Caritas has determined that over 50 percent of the children are suffering from nutritional deficiencies. They project that 280,000 Venezuelan children could eventually die of hunger without an urgently needed humanitarian response.

As the Venezuelans increasingly suffer the ravages of hunger, the country's hospital system is collapsing. Essential medicines are in short supply, and more than half of the Nation's operating facilities no longer function or have sufficient supplies. Disturbingly, international relief organizations have found that over 60 percent of the Venezuelan hospitals don't even have potable water.

Amid these crisis conditions, Venezuelan President Maduro repeatedly denies the existence of this country's humanitarian crisis. He has even taken to the unprecedented step of setting up a party-controlled food distribution system referred to as CLAPS, and his government now uses food as a tool of political patronage.

The result is that the United States and our partners in the hemisphere now confront the situation where the Maduro regime would rather see its people go hungry than accept the foreign assistance the Venezuelans desperately need. This man-made tragedy is absolutely unacceptable.

Today I have written to Ambassador Nikki Haley, our Ambassador to the United Nations, to urge her to call an emergency special session of the U.N. Security Council to evaluate which United Nations mechanisms, including U.N. Security Council resolutions, should be pursued to alleviate the humanitarian suffering inside Venezuela.

As humanitarian concerns mount, human rights abuses of Venezuela are rampant. Last month, the U.N. High Commissioner for Human Rights told the U.N. Security Council that this year Venezuelan security forces ''systematically resorted to the arbitrary detention of more than 5,000 protestors.''

A more recent report by Human Rights Watch and Foro Penal, a Venezuelan nongovernmental organization, documents how Venezuelan security forces have subjected political opponents to ''torture involving electric shock and asphyxiation.''

In response, Luis Almagro, the Secretary General of the OAS, has convened a series of hearings to receive testimony to ascertain whether members of the Venezuelan Government have committed crimes against humanity that should be referred to the International Criminal Court for prosecution. These efforts deserve our attention and our support.

Against this alarming backdrop, we require no explanation for why the United States has received more asylum requests from Venezuela than from any other nationality for 2 years straight.

These challenges will only grow as Venezuela's economy continues to collapse. The country is in a selective default on its bonds. Hyperinflation and rapid currency devaluation are ravaging family incomes. This week, the country's parallel exchange rate reached 12,000 times the official rate, meaning that the average Venezuelan now earns less than $10 a month.

The reasons for this collapse are simple. Venezuela's economy is plagued by endemic corruption and gross mismanagement. As this calamity grows, Senators need to be aware that Venezuela will eventually need a major IMF program that may well surpass the $17 billion intervention that Ukraine required in 2014. The international community will have to respond, which will also include, of course, the United States.

We also need to recognize that Russia and China are now major stakeholders in Venezuela, in our hemisphere, and will be at the table as the international community copes with the pending collapse.

Russia, in particular, is playing geopolitics with the situation—refinancing Venezuela's debt, offering loans in return for financial stakes in U.S.-based CITGO, securing stakes in Venezuela's oil industry, and expanding its influence in our hemisphere.

In response to these growing challenges, the Trump administration has applied greater pressure by imposing targeted sanctions against a number of individuals, including President Maduro. With this designation, President Maduro has joined the list of notorious heads of state on U.S. sanction list, including the likes of North Korea's Kim Jong Un, Syrian President Bashar al-Assad, Zimbabwe's former President Robert Mugabe, and Panama's former President Manuel Noriega.

President Trump has also imposed financial sanctions blocking the issuance of new bonds to fund the Maduro regime's ongoing repressive and economic mismanagement. The bond market has been one of the last lifelines for the Maduro government. Investors are right to lose trust in Venezuela's ability to pay its debt.

We must recognize, however, that sanctions alone will not resolve the challenges the people of Venezuela are facing. We need a comprehensive strategy that utilizes all elements of U.S. diplomacy. We must provide critical foreign assistance to help mitigate the humanitarian crisis and bolster essential support for human rights and democratic civil society.

In May I introduced S. 1018, a bipartisan bill that lays out a comprehensive strategy for U.S. policy. My bill includes humanitarian assistance and funding to protect and promote human rights and democracy. It also includes a more aggressive approach to tackling the endemic corruption.

Earlier this month, the House of Representatives approved its version of this bill. It is time for the Senate to act. While I see an opportunity for bipartisanship in the Senate on U.S. policy toward Venezuela, I must say that I was alarmed by President Trump's statement in August about a potential military option. Such cavalier comments are not helpful and, once again, call into question whether he has the temperament and judgment for dealing with serious national security challenges.

We must rise to the challenge of Venezuela as a great nation, bringing our full diplomatic resources and skills to bear and avoiding stooping to mere saber rattling.

I urge our colleagues to take on this challenge, to help the people of Venezuela, who are suffering from this humanitarian crisis, and to allow America's entire toolkit to be used to help resolve this problem in our hemisphere.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RUSSIA INVESTIGATION

Mr. WARNER. Mr. President, I rise today concerned about the threats to the special counsel's critical investigation of Russian interference in the 2016 election.

Over the last several weeks, a growing chorus of irresponsible and reckless voices have called for President Trump to shut down Special Counsel Mueller's investigation. At first, these calls came from the fringes of our political discourse—those who refuse to put our country and our security before base political instincts.

Earlier this year, many of my colleagues on both sides of the aisle were right to push back on these misdirected calls and urge that the special counsel be allowed to do his job without interference. However, in recent weeks, those voices seem to be growing in stridency and in volume. Just this weekend, one major news organization suggested that Special Counsel Mueller could be involved in a coup against the President. One senior adviser at the White House has now outrageously alleged that ''the fix was in against Donald Trump from the beginning.'' Those statements are reckless. They are inappropriate, and they are extremely worrying. They are also at odds with the President's own lawyers who have pledged to cooperate with the special counsel.

Beyond being irresponsible, the seemingly coordinated nature of these claims should alarm us all—particularly since, in recent days, these baseless accusations have been repeated by several Members of the House of Representatives.

I believe it is up to every Member of this institution, Republican or Democratic, to make a clear and unambiguous statement that any attempt by this President to remove Special Counsel Mueller from his position or to pardon key witnesses in any effort to shield them from accountability or shut down the investigation would be a gross abuse of power and a flagrant violation of executive branch responsibilities and authorities. These truly are red lines, and we simply cannot allow them to be crossed.

Let's take a moment to remember why Special Counsel Mueller was appointed in the first place and why it remains so critical that he be permitted to finish his job without obstruction.

Recall, last spring, when we were all reeling from a series of confounding actions by this President, beginning with the firing of FBI Director Jim Comey on May 9. Mr. Comey was fired just 2 months after publicly revealing the FBI's ongoing investigation of the Trump campaign and—as we would find out later—after several attempts by this President to improperly influence Director Comey.

Try to put yourself back into those dangerous days. Director Comey's dismissal was met with confusion and widespread condemnation. We needed a stabilizing action from our Nation's law enforcement leadership. We needed some certainty that the facts would be found and brought to light, regardless of what they were.

Eight days after Mr. Comey's firing, Trump appointee and Deputy Attorney General Rod Rosenstein appointed Robert Mueller to oversee the investigation into ''any links and/or coordination between the Russian government and individuals associated with the campaign of President Donald Trump'' and ''any matters that arose or may arise directly from the investigation.''

His appointment reassured Americans that there will be a full and thorough law enforcement investigation. The announcement was met with support on both sides of the aisle and received nearly universal praise. In fact, many of the same people who are attacking him today praised Mr. Mueller's appointment just months ago.

Indeed, there is much to praise. The fact is, Robert Mueller has impeccable credentials as a man of the law. He has assembled a team that includes some of the Nation's best investigators, and he is leading the investigation with the professionalism it deserves.

Mr. Mueller is a dedicated Vietnam war veteran and a lifelong Republican, appointed to his current role by Deputy Attorney General Rod Rosenstein, also a Republican. In fact, all of the major players to date in this investigation—former Director Comey, current FBI Director Rosenstein, and even Attorney General Sessions, who has had to recuse himself—are all Republicans. The charges that some have made that somehow Democratic political bias has crept into this investigation are baseless, given the makeup of the leadership team.

In recent weeks, much has been made of some political opinions expressed by an FBI agent during the election last year. This specious line of argument conveniently ignores the fact that as soon as Mr. Mueller learned about those comments, he immediately removed that agent in question from the investigation. If anything, this incident only adds to Mr. Mueller's credibility as a fair and independent investigator.

I stand here as the vice chairman of the Senate Intelligence Committee. We are in the midst of our own investigation into Russian incursion, and I am proud of the way Chairman BURR and our committee has taken on this very difficult task.

We have made tremendous progress uncovering the facts of Russian interference in our elections. Our committee's work helped expose the dark underbelly of disinformation on many of our social media platforms. We have successfully pressed for the full accounting of Russian cyber efforts to target our State electoral systems, and, despite the initial denials of any Russian contacts during the election, this committee's efforts have helped uncover numerous and troubling high-level engagements between the Trump campaign and Russian affiliates, many of which have only been revealed in recent months.

We have a lot of work to do. Our committee has gone out of its way to ensure continued bipartisan backing for this effort, and I am committed to seeing the effort through. However, it should be very clear that our committee cannot and will not stand as a substitute for Mr. Mueller's investigation.

As Chairman BURR and I have noted on numerous occasions, the FBI is responsible for determining any criminal activities related to this inquiry. As such, Mueller has already moved to indict two individuals and has negotiated two additional guilty pleas. This was an investigative path reserved solely for law enforcement, and it is essential that it be permitted to go on unimpeded.

The country no doubt remains severely divided on the question of the last election. However, the national security threat facing us today should demand that we rise above partisan differences. No matter the political divide, surely each of us—and all Americans—should want to know the truth of what happened during last year's election, and, no doubt, we want to know that as quickly as possible.

The President has long called the investigation into Russian meddling into the 2016 election a witch hunt, and he has done much to discredit the intelligence community's unanimous assessment of Russian interference in our election. The failure of this White House to lead a whole-of-government approach to prevent this type of election interference in the future—either by the Russians or some other adversary—defies understanding. The President's refusal to accept the intelligence community's assessment and his blatant disregard for ensuring that Russia never again infiltrates our election process has been unnerving and cause for significant concern.

In recent days, the President has said he is not considering removing Special Counsel Mueller, but the President's track record on this front is a source of concern. I am certain most of my colleagues believed he wouldn't fire Jim Comey either.

Firing Mr. Mueller, or any other of the top brass involved in this investigation, would not only call into question this administration's commitment to the truth but also to our most basic concept, the rule of law. It also has the potential to provoke a constitutional crisis.

In the United States of America, no one—no one—is above the law, not even the President. Congress must make clear to the President that firing the special counsel or interfering with his investigation by issuing pardons of essential witnesses is unacceptable and would have immediate and significant consequences.

I hope my concerns are unfounded—in many ways, I had hoped I would never have to make this kind of speech—but there are troubling signs. It is critical that all of us, as elected officials and as citizens, speak out against these threats now before it is too late.

Thank you.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FRANKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TELECOMMUNICATIONS AND TECHNOLOGY COMPANIES AND CONSUMER PROTECTION

Mr. FRANKEN. Mr. President, I rise to deliver the second in a series of floor speeches that I offer as I close out my time in the Senate.

This afternoon, I want to talk about Americans' relationship with telecommunications and technology companies and what that means for their access to essential services and for their privacy.

When I entered the Senate in July of 2009, then-Majority Leader Harry Reid asked me to serve on the Judiciary Committee. I pointed out that there are a lot of lawyers in the Senate and that I wasn't one of them, but he said he needed Members with my perspective on the committee. I wondered how my background could possibly serve me on Judiciary, but it did—almost immediately—when in December of that year, Comcast announced its intention to acquire NBCUniversal.

I happened to know a lot about the effects of media consolidation because I used to work in media. When powerful corporations are permitted to acquire other powerful corporations, it is the American consumers who are left facing higher prices, fewer choices, and even worse service from their telecommunications providers. I questioned why an already powerful company should be allowed to get even bigger and thus extract more leverage over consumers and the businesses reliant on its platform.

It was through my work on Comcast and NBCUniversal that I learned about the rising costs of internet, phone, and TV services, as well as the importance of preserving net neutrality. I also became interested in how giant telecommunications companies, as well as ever-evolving tech companies, were treating the massive troves of user data they were collecting on a perpetual basis.

I believe consumers have a fundamental right to know what information is being collected about them. I believe they have a right to decide whether they want to share that information and with whom they want to share it and when. I believe consumers have a right to expect that companies that store their personal information will store it securely.

I also believe all Americans deserve affordable access to high-quality telecommunications services—services they depend on to communicate with the world, get an education, and find a job. I believe the internet should remain the open platform for innovation, economic growth, and freedom of expression it has always been.

Perhaps it was the complex nature of these issues or even the financial incentive to turn a blind eye, but when I came to the Senate, very few Members of Congress were talking about corporate consolidation, commercial privacy, or net neutrality—issues that have gained much deserved attention in more recent years. Whatever the reason for other Members' hesitance, I felt it was incumbent upon me to get into the weeds on these issues so I could be a leader in the Senate and ultimately address the concerns of ordinary Minnesotans.

That is why, when the interests of the American consumers have clashed with the desires of powerful telecommunications and technology companies, I have always tried to put the public first and to fight on their behalf by shedding light on corporate abuses and using all the tools at my disposal to curb them.

Again, it is through my work on the Judiciary Committee—and, more specifically, my work on media and technology policy—that I believe my perspective from my previous career has been of most value.

Comcast's proposal to acquire NBCU immediately made me uncomfortable because I had seen their motives for this deal before. In 1993, during my 13th season at ''Saturday Night Live,'' the Big Three networks—NBC, CBS, and ABC—pressured Congress to change the rules that had previously prevented them from owning any of the shows they aired in prime time. The purpose of the rules had been to prevent the networks from prioritizing their own shows over others or otherwise harming competing programming.

Unsurprisingly, after the rules were repealed, the networks—contrary to their guarantees and assurances they had given Congress—began giving the shows they owned preferential treatment. At the time, ''Seinfeld,'' which aired on NBC, was not owned by NBC and had been produced before the rules had changed—was the No. 1 show on television, which made the Thursday night timeslot following ''Seinfeld'' the most valuable real estate on television. I watched as shows that eventually wound up in that premium location were all owned, at least in part, by NBC.

So when I became a Senator, one of the first major deals I opposed was Comcast's acquisition of NBCUniversal. As in the case of AT&T's current bid to buy Time Warner, this deal was about giving one company the ability to control both the programming and the pipes that carry it. I knew from my time in media that a combined Comcast-NBCUniversal would have strong incentives to favor its own programming over that of others and restrict competing distributors from accessing that programming. I knew these incentives would hurt competing content creators, inhibit the free flow of information, and ultimately harm consumers.

Unfortunately, I was not wrong. In the years after its acquisition of NBCUniversal, Comcast repeatedly violated the terms of its agreements with the FCC and the Department of Justice, favoring its own news programming over its competitors in Comcast's channel lineup and failing to live up to its promises regarding offering affordable standalone broadband, racial diversity in programming—they did not live up to their promises there—and online video distribution. Because merger conditions are extremely difficult and costly to enforce, competition and consumers were harmed in the process.

Comcast's behavior in the wake of acquiring NBCUniversal was one of the major reasons I then opposed its proposal to turn around and buy Time Warner Cable a couple years later. It was also one of the major reasons I believe that later deal was ultimately dropped after objections from the FCC and the Department of Justice.

For a long time in the Senate, it was a lonely battle. For over a year, I was the only Senator to oppose Comcast's proposals to buy Time Warner Cable—a deal that would have given the combined company 57 percent of the broadband market—but advocates and ordinary citizens raised their voices, and together we were able to stop the deal.

Most recently, I have led my colleagues in scrutinizing AT&T's proposed acquisition of Time Warner, and I have once again called on regulators to move to block the deal for the inevitable harm it will cause to competition and consumers.

I have been proud to lead these efforts, and I leave here in a much different environment than when I arrived. I know there are strong voices in the Senate that will carry on the fight when I am gone.

These efforts to slow down and halt media consolidation are part of a very important, larger development we have seen in our country. In recent years, there has been a resurgence in the American public's—and, in turn, Congress's—interest in combating corporate consolidation.

When I first entered the Senate, I wasn't sure most Americans understood what was at stake when these powerful companies wanted to combine. Vertical integration and antitrust laws sounded like obscure, almost boring, topics, but more and more Americans are getting educated about these issues, and more and more Members of Congress are working to get Washington focused on how they affect the lives of real people.

Just look at the fight for net neutrality. For many of the same reasons that I opposed Comcast's acquisition of NBCUniversal, I have long supported strong net neutrality rules to ensure that the internet remains a level playing field where everyone can participate on equal footing, free from discrimination by large internet service providers like Comcast, Verizon, and AT&T.

Net neutrality preserves the internet as the engine for innovation that it has always been and allows businesses of all sizes to thrive—even when they are up against the largest, most profitable corporations. Here is just one example I found useful in explaining net neutrality:

In 2005, three guys set up shop over a pizzeria in a strip mall in San Mateo, CA, where they launched the now-ubiquitous YouTube. Video-sharing websites were in their infancy, but these guys already faced competition from something that preceded it called Google Video, but Google Video wasn't very good. Because of net neutrality, YouTube was able to compete with Google Video on a level playing field. The giant internet service providers treated YouTube's videos the same as they did Google's, and Google couldn't pay them to gain an unfair advantage, like a fast lane into consumer homes.

They were treated the same, neutrally. The content was neutral—net neutrality. People really liked YouTube. They preferred YouTube to Google Video, and YouTube thrived. In fact, in 2006, Google bought it for stock valued at $1.65 billion. That is a nice chunk for three guys over a pizzeria in San Mateo.

It is not just tech companies and small businesses that rely on open internet. In a submission to the FCC in 2014, a coalition that includes Visa, Bank of America, UPS, and Ford explained that ''every retailer with an online catalogue, every manufacturer with online product specifications, every insurance company with online claims processing, every bank offering online account management, every company with a website—every business in America interacting with its customers online is dependent upon an open Internet.'' I have repeated this quote on the floor and at rallies time and time again over the years because I think it perfectly exemplifies the importance of this issue.

Preserving net neutrality is only controversial for the few deep-pocketed entities that stand to financially gain without it.

If FCC Chairman Pai ultimately has his way, we will be entering a digital world where the powerful outrank the majority, a world where a handful of multibillion-dollar companies have the power to control how users get their information, and a world where the deepest pockets can pay for a fast lane while their competitors stall in the slow lane.

For nearly 9 years, I have been calling net neutrality the free speech issue

of our time because it embraces our most basic constitutional freedoms. And ironically, the kind of civic participation that has aspired so many of us in recent months—and has effected real change, like in the fight for net neutrality and the successful efforts to save the Affordable Care Act—has depended in no small part on a free and open internet.

In 2015, the FCC's vote to reclassify broadband providers as common carriers under title II of the Communications Act didn't just mean good things for net neutrality; it also had important implications for consumer privacy. It gave the agency the authority and the responsibility to implement rules to protect Americans' privacy by giving consumers greater control of their personal data that is collected and used by their broadband providers. That was a big win. Republicans didn't see it that way. One of the first things they did this Congress was to repeal those rules, which was a huge blow to Americans' right to privacy.

For my part, I have long believed that Americans have a fundamental right to privacy. I believe they deserve both transparency and accountability from the companies that have the capacity to trade on the details of their lives. And should they choose to leave personal information in the hands of those companies, they certainly deserve to know that their information is being safeguarded to the greatest degree possible. This transparency and accountability should come from all the companies that have access to Americans' sensitive information. This includes internet service providers like Comcast and AT&T but also edge providers like Google, Facebook, and Amazon.

In 2011, I served as chair for the inaugural hearing of the Judiciary Subcommittee on Privacy, Technology and the Law—a subcommittee that I founded after it became abundantly clear that our Nation's privacy laws had failed to keep pace with rapidly evolving technologies.

When people talked about protecting their privacy when I was growing up, they were talking about protecting it from the government. They talked about unreasonable searches and seizures, about keeping the government out of their bedrooms. They talked about whether the government was trying to keep tabs on the books they read or the rallies they attended. Over the last 40 or 50 years, we have seen a fundamental shift in who has our information and what they are doing with it. That is not to say that we still shouldn't be worried about protecting ourselves from government abuses, but now we also have relationships with large corporations that are obtaining, storing, sharing and in many cases selling enormous amounts of our personal information.

When the Constitution was written, the Founders had no way of anticipating the new technologies that would evolve in the coming centuries. They had no way of anticipating the telephone, for example, and so the Supreme Court ruled over 40 years ago that a wiretap constitutes a search under the Fourth Amendment. The Founders had no idea that one day the police would be able to remotely track your movements through a GPS device, and so the Supreme Court ruled in 2012 that this was also a search that required court approval. All of this is a good thing. Our laws need to reflect the evolution of technology and changing expectations of American society. This is why the Constitution is often called a living document. But we have a long way to go to get to the point where our modern laws are in line with modern technology.

My goal for the subcommittee was to help members understand both the benefits and privacy implications of emerging technologies; to educate the public and raise awareness about how their data is being collected, used, and shared; and, if necessary, to legislate to fill gaps in the law. When politics prevented legislation, I repeatedly pressed companies—many of them more than once—to be more transparent about how they were treating their customers' private information, including users' location data, web-browsing histories, and even their finger and face prints.

As consumer awareness has evolved, these companies have taken important steps to improve transparency of their use of Americans' personal information. But unfortunately, accumulating massive troves of information isn't just a side project they can choose to halt at any given time; for many of them, it is their whole business model. We are not their customers; we are their product.

Recently, we have seen just how scary this business model can be. In October of this year, the Judiciary Committee examined Russia's manipulation of social media during the 2016 campaign, and both the public and Members of Congress were shocked to learn the outsized role that the major tech companies play in so many aspects of our lives, based primarily on the mass collection of personal information and complex algorithms that are shrouded in secrecy. Not only do these companies guide what we see, read, and buy on a regular basis, but their dominance—specifically in the market of information—now requires that we consider their role in the integrity of our democracy. Unfortunately, this fall's hearings demonstrated that they may not be up to the challenge that they have created for themselves.

The size of these companies is not—in isolation—the problem, but I am extremely concerned about these platforms' use of Americans' personal information to further solidify their market power and consequently extract unfair conditions from the content creators and innovators who rely on their platforms to reach consumers. As has become alarmingly clear in recent months, companies like Google, Facebook, and Amazon have unprecedented power to guide Americans' access to information and potentially shape the future of journalism. It should go without saying that such power comes with great responsibility.

Everyone is currently and rightfully focused on Russian manipulation of social media, but as lawmakers, it is incumbent upon us to ask the broader questions: How did big tech come to control so many aspects of our lives? How is it using our personal information to strengthen its reach and its bottom line? Are these companies engaging in anticompetitive behavior that restricts the free flow of information in commerce? Are they failing to take simple precautions to respect our privacy and to protect our democracy? And finally, what role should these companies play in our lives, and how do we ensure transparency and accountability from them going forward?

Modern technology has fundamentally altered the way we live our lives, and it has given us extraordinary benefits. As these companies continue to grow and evolve, challenges like those we have recently confronted in the Judiciary Committee will only grow and evolve with them. So we must now muster the will to meaningfully address the tough questions related to competition, privacy, and ultimately the integrity of our democracy.

I will not be here to ask those questions. I will do what I can to find the answers from the outside, but it is my colleagues in the Senate who must prioritize them going forward. There is simply too much at stake. I know that they will do so with the help of a tireless advocacy community and the brilliant minds who have long contemplated these incredibly complex issues and ensured that lawmakers pay attention. And more importantly, they will do so with the support and encouragement of the American people.

I have witnessed significant highs and significant lows in the fight to protect consumers' rights, but the most important lesson I have learned along the way is that ordinary Americans can wield extraordinary power when they raise their voices. For this reason and despite significant setbacks in recent months, I know that it is the public's interests that can ultimately prevail.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LEE). The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. SANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

REPUBLICAN TAX BILL AND ADDRESSING THE NEEDS OF THE MIDDLE CLASS

Mr. SANDERS. Mr. President, I understand that my Republican colleagues and President Trump are busy celebrating the passage of the tax bill that was voted on at 1:30 in the morning. They are very excited, and they are very happy about it. I understand that. I guess, if one is a billionaire like President Trump or is a wealthy campaign contributor, you do have a whole lot to celebrate. Maybe, if you are 1 of the 6,000 lobbyists here in Washington, DC, who helped to write the bill, you are celebrating a lot today. Yet, if you are one of the vast majority of the American people who is in the middle class, you should not be celebrating today. In fact, you should be pretty nervous.

The passage of this legislation marks a great victory for the Koch brothers and other wealthy campaign contributors who will see, at a time of massive income and wealth inequality, huge tax breaks for themselves. In other words, the wealthiest people will become much wealthier. Meanwhile, the deficit—what is owed by our kids and our grandchildren—will increase by $1.5 trillion as a result of this bill. The largest and most profitable corporations—companies like Apple, Microsoft, Pfizer, and General Electric—despite record breaking profits, are going to see very, very large tax breaks to the tune of many billions of dollars.

Now, at a time when the very wealthy are becoming much richer, tens of millions of American families are struggling to keep their heads above water economically. There are 40 million Americans who are living in poverty. The nonpartisan Tax Policy Center tells us that in terms of this legislation, 83 percent of the tax benefits will go to the top 1 percent by the end of the decade, who are already doing phenomenally well, and that 60 percent of the benefits will go to the top one-tenth of 1 percent. Meanwhile, at the end of 10 years, some 92 million middle-class households will be paying more in taxes.

On top of all of that, as the only Nation—major country—on Earth not to guarantee healthcare to all people, this bill will result in 13 million Americans losing their health insurance. I understand the President was really excited about this. Hey, what a great day. There are 13 million more Americans who are losing their health insurance when we are the only major country on Earth not to guarantee healthcare to all people.

In the ending of the individual mandate, what all of the experts tell us is that our healthcare premiums will go up. If you are an average person out there, your healthcare premiums will very likely go up as a result of this legislation. Meanwhile, starting next year—I am not talking about 10 years from now—some 8 million middle-class families will pay more in taxes.

Doesn't it say a lot about Republican priorities when they make permanent the tax breaks for corporations; yet they make temporary the tax breaks for working families, which will expire in 8 years?

Furthermore, I would hope that every American is listening closely to what Speaker of the House PAUL RYAN is talking about. I have to give RYAN credit for being pretty honest about the intentions of the Republican Party. Just this morning, he was on ABC, saying what he has said for quite a while, and that is that the Republican plan is a two-step approach. Step No. 1 is passing the legislation that passed last night here and today in the House. Step No. 2 is, having run up a deficit of $1.5 trillion, they are now going to come back and offset that deficit by making massive cuts to Social Security, Medicare, and Medicaid.

According to RYAN, they have a two-step program. Step No. 1 is to give massive tax breaks to the rich and large corporations and to run up the deficit by $1.5 trillion. Step No. 2 is to offset that deficit by cutting Social Security, Medicare, and Medicaid.

How unspeakable and outrageous is this plan? How much does it go against what the American people want? This gives huge tax breaks to billionaires—to the Trump family, to the Koch brothers—and then pays for those tax breaks by cutting Social Security, Medicare, and Medicaid.

There are millions of senior citizens and people with disabilities in Vermont and all across this country who, today, are struggling to buy food, to heat their homes, and to buy the prescription drugs that they need because they are trying to survive on $12,000, $13,000, $14,000 a year in Social Security. There are people who have worked their entire lives and have exhausted themselves as they approach retirement. Do not tell those people who live on $12,000, $13,000 a year in Social Security that you are going to cut their benefits through a Chained CPI or by some other mechanism in order to give tax breaks to billionaires. How outrageous that would be.

Don't tell older workers—many of them with health problems after their having worked 20, 30, 40 years—that you are going to give billions of dollars in tax breaks to Microsoft, Pfizer, or General Electric, but then you are going to ask them to work more years in order to be eligible for Medicare.

I understand that every Member of the Congress would like to go home for the holiday season, and so would I. This is the time of year during which Vermont is very, very beautiful. The truth is that it would really be unconscionable for us to leave Washington after giving tax breaks to billionaires and large corporations while we ignore the enormous problems that are facing the middle class and working families of our country.

When Donald Trump ended the Deferred Action for Childhood Arrivals Program, the DACA Program, nearly 800,000 lives were thrown into chaos and uncertainty. Without the legal protections afforded by the DACA Program, hundreds of thousands of young people today are living in terrible fear and anxiety about losing the legal status they currently have in the only country they have ever known. These are young people who grew up in the United States, went to school in the United States, are working in the United States, and are in our military. This is their home. It would be unspeakable to take away their legal status and subject them to deportation.

Since the President's announcement in September, more than 11,000 people have already lost their protections under DACA, with approximately 22,000 set to lose their legal protections by the March 5, 2018, deadline. These are hundreds of thousands of wonderful young people. We cannot turn our backs on them. We must deal with DACA before we leave for the holiday break. Any end-of-the-year spending agreement must address the fear and uncertainty caused by the administration's reckless actions, and a clean Dream Act must be signed into law.

This is not just what BERNIE SANDERS wants; this is what the American people in overwhelming numbers want. A Quinnipiac poll came out just the other day in which 77 percent of the American people supported maintaining legal status for these young people and allowing them to move forward toward citizenship—77 percent—and that is consistent with other polls that have been taken. A vast majority of Democrats, Republicans, and Independents understand that it would be incredibly cruel and harmful to our country in so many ways to deny legal status to the Dreamers. We cannot turn our backs on the Dreamers. We must address their crisis right now.

It has been almost 3 months since funding for community health centers has lapsed. Our Nation's 1,400 community health centers serve more than 27 million people in roughly 10,000 communities throughout the country. In my home State of Vermont, one out of four Vermonters gets their primary healthcare, dental care, low-cost prescription drugs, and mental health counseling at a community health center.

How does it happen that the Republican leadership can spend months on a bill to give tax breaks to billionaires but not address the lack of funding, the reauthorization of the Community Health Centers Program or the Children's Health Insurance Program, which provides healthcare to 9 million children?

In this country, there are 1.5 million workers and retirees in multi-employer pension plans who could see the pensions that they worked for over their entire lives cut by up to 60 percent. People were promised these pensions a few years ago, and in a disastrous act, Congress took away that promise, and

working people could lose the pensions they were promised by up to 60 percent cuts in those pensions. Congress needs to act before the end of the year to make sure that no one in America in a multi-employer pension plan will see their pension cut.

Those are real issues impacting real people, but there are more. There was an article recently in the Washington Post, and it said that because of major cuts to the Social Security Administration, people with disabilities are not getting their claims processed in a timely manner. The result was that in 1 year, if you can believe it, 10,000 people with disabilities died before they got their claims processed.

What the Republicans have been very active on is making sure that the Social Security Administration does not get the funding it needs, which means that it is harder for people who have retired and people who have disabilities to get the information they need or the claims that they have processed in a timely manner. We must make sure that every senior and person with a disability gets treated with dignity. We have to restore adequate funding to the Social Security Administration.

One of the great outrages that currently is taking place in this country and really is quite beyond belief is that at a time when we live in a competitive global economy and when we need the best educated workforce in the world to be able to do the new jobs that are being created, which require more education, we have over 40 million people in our country who have left college or graduate school in debt and sometimes deeply in debt. I am talking about people I have met who have gone to medical school or dental school and are $300,000 or $400,000 in debt. People graduate college $100,000 or $150,000 in debt. This is a crisis that is impacting millions of people. It is impacting our entire economy. It is an issue that must be addressed. Maybe, just maybe, before we give tax breaks to billionaires, we might want to significantly lower the debt burden so many people in this country have in their student debt.

This is the year 2017, soon to be 2018. This is the wealthiest country in the history of the world. Yet there are communities in Vermont, Utah, and communities all over this country that do not have adequate broadband service. How does a business start up in a community if that community does not have rapid broadband or good cell phone service? The answer is, it doesn't. It can't. That is one of the reasons why rural America is hurting so badly. We must invest in rural infrastructure to make sure every community in this country has quality, affordable broadband.

There is an opioid epidemic sweeping this country, impacting Vermont, my neighboring State of New Hampshire, West Virginia, Kentucky, and all parts of this country are seeing people dying from overdoses from opioids and heroin. This is an epidemic that must be addressed. We can't simply walk out of here and leave people all across the country without the resources they need to treat people who are addicted and to prevent our young people from becoming addicts. We need to invest in treatment and prevention for the opioid epidemic.

As we speak, there are over 30,000 vacancies in the Veterans' Administration. That means that we have to make sure every veteran in this country who goes to the VA gets the quality and timely healthcare he or she needs. We can't turn our backs on the veterans. We have to invest in the VA.

The bottom line is that, as much as all of us would like to get out of Washington and go home, we simply cannot turn our backs on tens of millions of working people and people in the middle class. It is not good enough to pass tax breaks for billionaires and then leave town. So I hope the Republican leadership will immediately bring to this floor the legislation that we need to address the many crises facing the middle class of this country.

With that Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TRIBUTE TO MARK E. MILLER

Mr. HATCH. Mr. President, today I wish to honor Mark E. Miller, for his distinguished public service and professional assistance to the Senate Finance Committee, as well as to the rest of Congress.

Mr. Miller served as the executive director of the Medicare Payment Advisory Commission, or MedPAC, for the last 15 years. During that time, he dedicated himself to our country, ensuring Congress received impartial, data-driven, and sound policy advice to transform the Medicare Program while protecting our Nation's seniors and the disabled.

MedPAC was established by Congress in 1997 as part of the Balanced Budget Act. It is a nonpartisan agency that provides analysis and policy recommendations regarding the Medicare Program, including payment, beneficiary access to care, and quality of care for traditional fee-for-service Medicare and Medicare Advantage. As all of us know, the analysis we get from MedPAC is critical in how we, as Members of Congress, debate, address changes, and ultimately make improvements to the Medicare Program.

Throughout his service, Mr. Miller ensured that MedPAC consistently fulfilled its mission of providing objective, empirically driven policy analysis and advice to Congress.

Mr. Miller himself also testified, answered calls, and otherwise provided invaluable advice on complicated Medicare payment issues to both majority and minority leaders, Finance Committee chairmen and ranking members, as well as other committee members, and other Member offices regarding all things healthcare. Throughout his years of service, Mr. Miller has proven himself a trusted source of objective information.

Mr. Miller gave years of his life, including countless long nights, weekends, and early mornings to make sure Congress has the best and most reliable information it can get. In turn, that analysis has guided many ideas and recommendations into legislation that made its way to a President's desk for signature. Mr. Miller's professionalism, expertise, energy, patience, humor, and dedication make him an example to all of us as we work the process of designing and ultimately enacting legislation. Mark has been there from the beginning, watching an idea being born, helping to develop policy to achieve that idea, and providing valuable policy counsel as it works its way through the legislative process to ultimately becoming law.

Thanks to his sense of purpose, dedication, and love for this country, Mr. Miller should be seen as just as much an influence on our current Medicare policy as most Members in this body. Mark is a consummate professional, and he will be missed. I wish him all the very best as he takes the next steps in his successful career.

May we ever remember Mark's service, and may MedPAC ever be guided by the same sense of duty and purpose Mr. Miller instilled in his 15 years leading that organization.

TRIBUTE TO STEVE JOHNSON

Mr. DURBIN. Mr. President, Cesar Chavez, the great champion of justice and human dignity, once offered this advice about friendship: He said; ''If you really want to make a friend, go to someone's house and eat with him. . . . The people who give you their food give you their heart.''

The Senate Dining Room isn't Steve Johnson's house, but for the 22 years that he has worked there, Steve has poured his heart into his job, and he has become a friend—or at least a friendly face—to Senators, our families, staff members, and visitors.

As general manager of the Senate Dining Rooms and two other eateries in the Capitol, Steve works hard to create places where people who might not normally talk to each other can sit down at adjoining tables, eat a meal, and maybe swap stories or jokes.

In the Senate Dining Room, with its white linen table cloths and crystal chandeliers, you might see Republican and Democratic Senators and staff members asking after each other's families. In the refectory on the first floor, reporters and visitors to the Capitol stand in line together to grab a

quick bite. Downstairs, in the carryout, you can find the whole Capitol family, as Steve calls them; ''the white collars, the blue collars, the green collars, and the Capitol Police,'' all eating together.

It is a little like stepping back into a better, less partisan time.

On Friday, December 22, Steve Johnson is leaving the Senate. He is retiring. Before he does, I want to take a moment to thank Steve for his many years of good and loyal service to the Senate.

Until 1995, when Steve began working as a maitre d' in the Senate Dining Room, he had never seen the inside of the U.S. Capitol, but he had seen the outside of this magnificent building many times.

You see, Steve grew up in Freehold, NJ, home of ''The Boss,'' Bruce Springsteen. He was one of six kids. His mom trained as a nurse, and his dad was a director of a YMCA.

In 1963, Steve's Dad, Herbert, attended the March on Washington, where Martin Luther King gave his ''I Have a Dream'' speech. The experience made a profound impression.

During Steve's childhood and teen years, whenever there was a big march or rally in Washington, the whole Johnson family—mom, dad, and six kids—would pile into the family station wagon, drive to Washington, DC, for the day, and drive back to Freehold that night.

During those childhood trips, Steve developed a reverence for this building. After 22 years of working here, he still has it. He is still awed when he sees the Capitol dome gleaming in the sun as he arrives at work, or sees the Capitol Christmas tree lit up at night.

It is a feeling that many of us share.

Steve started his career in food service nearly 40 years ago, shortly after he graduated from Glassboro State College in New Jersey with a bachelor's degree in business administration. He went to work at a restaurant in his hometown.

A few years later, he and a business partner took over running a more than 200-year-old inn, the Liberty Tavern, in New Jersey's capitol city of Trenton. They gave it their best try, with clever marketing and a hard-working staff, but couldn't make good of it.

Fortunately for us, Steve's wife, Joanne, took a job with the Federal Government in Washington, and Steve made the move with her.

Before the Senate, he worked at the Mayflower Hotel, another Washington legend. As I mentioned, he started in the Senate Dining Room as maitre d' and worked his way up to assistant general manager and finally general manager.

He works incredibly hard, from early in the morning until evening or later. With his calm demeanor, he makes a tough job look almost easy.

That calm may have something to do with the fact that Steve is a dedicated marathon runner. He has run 18 marathons, including seven Boston Marathons.

He is a modest man in a sea of big egos, a scrupulously nonpartisan man in era of sharp partisan lines. He and his dedicated staff are important members of the Senate family.

There is a line in a Bruce Springsteen song where Bruce says, ''I'm ready to grow young again.''

Sadly, none of us can actually do that.

But Steve has decided that he is ready to be a rookie again and try something completely new and different. In this next chapter of his life, he will work as a volunteer literacy tutor for adults who speak English as a Second Language.

It is another way, I think, of making people feel at home and cared for, something that Steve Johnson is so good at.

In closing, I want to thank Steve again for his many years of service to the Senate, and I want to wish Steve and Joanne the very best of luck as they start this new chapter in their lives.

HONDURAS

Mr. LEAHY. Mr. President, on Monday, the head of the Honduras Supreme Electoral Tribunal declared Juan Orlando Hernandez the next President of Honduras. Shortly thereafter, the Secretariat of the Organization of American States, one of the principal international observers, announced that it could not certify the election as free and fair and called for a new election. Yesterday, after his top advisers rebuked the OAS for infringing on Honduras's sovereignty, President Hernandez, stating that ''the Honduran people have spoken,'' declared himself President-elect.

On December 5, I spoke at length about the Honduran election, and I have made several statements since then. I will not repeat what I and many others have already said about the troubling process orchestrated by President Hernandez and his associates over the past several years to lay the groundwork for his reelection for an unprecedented second Presidential term, nor about the many irregularities that have caused masses of people to take to the streets in protest since the vote on November 26. As of today, at least 12 protesters, and perhaps as many as 20, have been killed and many more injured, mostly from military police firing live ammunition. I was disappointed that, in his speech yesterday, President Hernandez made no mention of those tragic deaths.

As we await the Trump administration's decision on whether to support the OAS's call for a new election or accept President Hernandez' claim to a second term, I want to make three points.

First, if this flawed election had been held in a country not led by a President whose consolidation of power and reliance on the military and police have had the strong backing of the White House and the State Department, it is doubtful that it would be accepted as free and fair. Instead, the White House, which has been willing to excuse the Hernandez government's corruption scandals and crackdown on the press and civil society, would likely be calling for a recount or, if the integrity of the ballots could not be assured, a new election.

Second, the OAS deserves the thanks of people throughout this hemisphere for the role it has played as an impartial observer and for standing up for a free and fair election in Honduras at a time when democratic processes, freedom of expression and association, and independent judiciaries are threatened not only in Honduras but in many parts of Latin America. Next year, Presidential and Parliamentary elections are scheduled in many countries in Central and South America, and the OAS, which has been a strong defender of democracy and human rights in Venezuela, has a vital role to play in seeking to ensure that those elections meet international standards of fairness and transparency. It is therefore particularly important and reassuring that the OAS Secretariat has insisted on such standards in Honduras by calling for a new election, and it is just as important that the United States stands with the OAS at this time.

Third, it is ultimately for the people of Honduras to decide what kind of a government they want and whether to accept the result declared by the Supreme Electoral Tribunal, which has little credibility outside of President Hernandez's National Party. It is clear that the country is sharply divided politically, socially, and economically. Absent an electoral process that is widely accepted as free and fair, that divisiveness will imperil the progress that is urgently needed in combating poverty, violence, organized crime, corruption, and impunity that pose immense challenges for the future.

But the international community and particularly the people of this hemisphere also have a stake in this election and in Honduras's future. In the past decade alone, the United States has provided many hundreds of millions of dollars in aid to Honduras, much of which I supported, but that aid has not achieved the results that the Honduran people and we wanted, and the reason for that, I believe, is primarily because successive Honduran Governments were not serious about addressing many of the key problems I have mentioned, yet the aid kept flowing. Unfortunately, I am not convinced that the current government is sufficiently serious about this, either.

Honduras today desperately needs a freely and fairly elected leader who can unite the country. Unfortunately, this election lacked the conditions of fairness and transparency necessary to produce that result. If a new election is

held under such conditions, it is entirely possible that President Hernandez may win—or he may not. But for him, or any candidate, to obtain the mandate required to unite the country and make a credible case that his government is a deserving partner of the United States, it will need to be by rejecting the serious flaws of this election and demonstrating to all the people of Honduras and this hemisphere what real democracy looks like.

I ask unanimous consent that today's Bloomberg View editorial calling for a new democratic election in Honduras be printed in the RECORD.

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

THE U.S. SHOULD BACK NEW ELECTIONS IN HONDURAS

(By James Gibney and Michael Newman)

LATIN AMERICA NEEDS TO START ITS BIG ELECTION YEAR ON THE RIGHT FOOT

There is only one way out of Honduras's deepening political crisis, and that is a new presidential election. It's a solution the U.S., with its long history in Latin America, should help bring about—although it would help if it had an ambassador there.

The certification this week of incumbent President Juan Orlando Hernandez's contested victory in last month's election has brought Hondurans into the streets, continuing a wave of violent demonstrations that have claimed at least 24 lives. It comes after a deeply flawed ballot-counting process that included long delays, after which Hernandez's early deficit mysteriously disappeared. (The final tally put him ahead by about 1.5 percent.) The vote was denounced by numerous observers—including the Organization of American States, which has called for new elections.

Yet the U.S., which has no ambassador in Tegucigalpa or an assistant secretary of State for the hemisphere, has been only mildly critical. When Hernandez's victory was certified, it urged opposing political parties to ''raise any concerns they may have.'' And just after the disputed election, the State Department renewed aid to Honduras—a move widely interpreted as tacit support for Hernandez.

Hernandez has won friends in Washington with his willingness to crack down on crime and illegal migration to the U.S., and his investor-friendly policies. At the same time, his administration has been responsible for ugly human rights abuses and been implicated in several high-profile corruption scandals. Moreover, he has extended his tenure only by packing Honduras's Supreme Court to lift the country's one-term limit for presidents. The head of the court responsible for certifying election results is one of Hernandez's close allies.

Even before last month's flawed vote, Honduras was notable for the lack of popular confidence in its electoral mechanisms. And if it's stability that Washington seeks, these disputed results don't promise to achieve it. Protracted unrest will only make fighting drugs and illegal migration harder.

The contrast between the OAS and the U.S. could also hurt U.S. influence and credibility. The U.S. has rightly supported the OAS in its efforts to hold Venezuela accountable for its electoral crimes. If it fails to do the same in Honduras, it risks setting a dangerous double standard. This would be especially damaging in a year when nearly two out of three Latin Americans are scheduled to go to the polls.

As the administration's just-released National Security Strategy says, ''Stable, friendly, and prosperous states in the Western Hemisphere enhance our security and benefit our economy.'' The best way to ensure that Honduras becomes one is to support free, transparent and fair elections.

NOMINATION OBJECTION

Mr. GRASSLEY. Mr. President, I intend to object to any unanimous consent requests at the present time relating to the nominations of David J. Ryder, of New Jersey, to be Director of the Mint, and of Isabel Marie Keenan Patelunas, of Pennsylvania, to be Assistant Secretary for Intelligence and Analysis, Department of the Treasury.

I will object because the Department of the Treasury has failed to respond to a letter I sent on September 29, 2017, to a bureau within the Department seeking documents relevant to an ongoing investigation by the Senate Committee on the Judiciary. Despite several phone calls between committee staff and Treasury personnel to prioritize particular requests within that letter, the Treasury Department has to date failed to provide any documents.

My objection is not intended to question the credentials of Mr. Ryder or Ms. Patelunas in any way. However, the Department must recognize that it has an ongoing obligation to respond to congressional inquiries in a timely and reasonable manner.

ARCTIC NATIONAL WILDLIFE REFUGE

Mr. BENNET. Mr. President, in 2008, the Senate took up the question of whether to drill in the Arctic National Wildlife Refuge. I wasn't here at the time, but I remember the issue prompted a rigorous debate.

The Senate spent months on the topic. Experts weighed in, and the American people had a chance to share their views in a fairly open process.

It is worth pausing to recall the context for that discussion. In 2008, America produced nearly 7 million barrels of oil a day and imported another 12 million. The price of oil was roughly $150 a barrel. There was talk about the world hitting ''peak oil.''

In that context, one side claimed that drilling in the Arctic Refuge was needed to boost domestic production, reduce foreign imports, and lower prices at the pump. The other side countered that any economic benefit from drilling was far outweighed by the need to preserve the Arctic Refuge, a jewel of our public lands, a vital habitat for wildlife, and a sacred place for the Gwich'in people—a place so sacred they are reluctant to even enter it.

In the end, after weighing the facts and considering the costs, 56 Senators, included 6 Republicans, voted to protect the Arctic Refuge from drilling.

That was 2008. Now fast forward to 2017. The Arctic Refuge remains a jewel of our public lands. It remains a vital habitat for so many flora and fauna. It remains a sacred place for local tribes, and one of America's most spectacular wild places. The case for preservation has not changed.

By contrast, the case for drilling has never been weaker. Compared to 2008, domestic oil production has nearly doubled. Oil imports are down 22 percent. The price of oil has fallen 50 percent. Terminals we built to import oil and gas are now being used to export oil and gas.

For all these reasons, unlike 2008, oil companies are not clamoring for more opportunities to drill. Just last week, oil companies had the chance to bid on 10.3 million acres open for drilling in Alaska. In the end, less than 1 percent of the land was leased.

Think about that. We are not even using all of the land now available for drilling in Alaska. It defies reason that we would open up even more, especially in a place as treasured as the Arctic Refuge.

All of this is to say that, if it made little sense to drill in 2008, it makes no sense to drill now.

So it should surprise no one that the other side doesn't want a real debate. That is why they tucked this into their massive tax bill, hoping to sneak it in under the hood.

Their justification? We need revenue from the oil to pay down the deficit that we are creating with this tax bill.

There are two problems with that. First, the Congressional Budget Office found that, because of low demand, revenue from drilling would be far less than projected, potentially hundreds of millions less.

Second, the only reason we are having this conversation is because the other side wants to spend $1.4 trillion on tax cuts for corporations and the wealthiest Americans.

Consider this: Their plan spends $37 billion to give an average tax cut of $64,000 to those lucky enough to make over $1 million a year.

To help pay for that, we are about to drill in one of the most stunning places in America.

I am not opposed to oil and gas production. We need transition fuels as we move toward low-carbon, renewable energy. I also recognize that, for many small towns across America, the oil and gas sector is a rare source of steady, high-paying jobs.

In Colorado, we have managed to increase energy production to meet our growing demand. But we have done so in a way that protects our public lands and creates jobs, for those in oil and gas and our thriving outdoor economy. We have found a way for all sides to win.

If my colleagues from Alaska want to increase energy production, create jobs, and spur growth, I stand ready to help, but let's not pretend that drilling in the Arctic Refuge is the only way to do that.

There are places in America where you can set up an oil rig, lay down

roads, and run pipelines in responsible way. The Arctic Refuge is not one of those places. It is a treasure we should leave for our children, not a place to drill for no good reason.

Sadly, the Senate voted to allow drilling in the Arctic Refuge when it took up the broader tax bill.

For every American who opposed this move, know that this isn't over.

Senator MARKEY and I have authored a bill, which now has 41 cosponsors, that would shield the Arctic Refuge from drilling.

So I urge everyone to keep fighting, to keep speaking out for America's public lands, which are the envy of the world, to keep standing up for the beautiful places in America we must pass on to the next generation, as our parents and grandparents did for us.

TRIBUTE TO CAPTAIN LUDVIG K. TANDE

Mr. RUBIO. Mr. President: I wish to pay tribute to a member of my staff, Kris Tande, who is retiring from the Senate at the end of this year. This is not the first time he has retired from public service as retired Navy Capt Ludvig K. Kris Tande spent a career as a naval aviator prior to working for several legislators from the State of Florida.

Captain Tande currently serves as my senior State military director, and I am the fourth Florida Senator to have had Captain Tande help me represent northwest Florida. Starting in 1998, Captain Tande served as regional director for Senator Connie Mack, later serving in the same position for Senators Mel Martinez and George LeMieux. Former Congressman Jeff Miller tapped Captain Tande as his district director from 2001–2005. Captain Tande has served the constituents of Northwest Florida for the past 19 years, a term that notably included the 2005 Base Realignment and Closure Commission, which saw Florida gain vital military missions such as the relocation of 7th Special Forces Group from North Carolina and the standup of multiservice F–35 Joint Strike Fighter training at Eglin Air Force Base. During my time, when our country lost one of its brave troops, Captain Tande helped connect me with the families to whom we owed a great debt. When disaster struck, Captain Tande was instrumental in assisting Floridians adversely affected by the 2010 Deepwater Horizon oil spill that resulted in substantial economic damage in northwest Florida.

Former Senator Mel Martinez has this to say about Kris: ''Captain Tande was one of the most valued members of my Senate staff. My service in the Senate came at the beginning of the 'War on Terror'. Kris provided me valuable insight into the military issues we were confronting. He particularly helped me to understand the plight of military families impacted by long deployments, and the physical cost of war on our troops. He was much more than a regional representative. He was an integral part of my Senate life. Kris became a friend and trusted advisor and was a genuine pleasure to know. My visits to the Panhandle were always great because of good, cheerful company and a car full of snacks! Captain, enjoy a well-earned retirement and thank you for your many years of dedicated service to our country.''

For many people, this could be considered a full career. For Kris Tande, this was his second act. Captain Tande was designated a Naval aviator in 1970 and subsequently flew 4,000 hours in helicopters and fixed-wing aircraft and deployed on several aircraft carriers. He is a plankowner of the amphibious ship USS *Wasp* LHD–1. Tande held several commands, most notably as commanding officer Naval Air Station Whiting Field, 1993–1995, in Milton, FL, and commander Training Wing Five (1995). His flight helmet sits in the reconstructed NAS Cubi Point Officers' Club, originally in the Republic of the Philippines, now at the National Naval Aviation Museum in Pensacola, FL.

As he leaves the service of his country and heads into retirement with his wife of 47 years, J.J., his four children, and six beloved grandsons, I wanted to thank Captain Tande for his service to his country and particularly to northwest Florida. The business, military personnel, veteran and their families who make up so much of the Florida Panhandle will miss this good public servant's steady hand.

Best wishes to Kris and J.J. as they embark on a well-earned retirement.

TRIBUTE TO KATIE MURRAY

Mr. ROUNDS. Mr. President, today I recognize Katie Murray for all of her hard work on behalf of myself, my staff, and the citizens of South Dakota while working in my Rapid City and Sioux Falls, offices.

Katie is a joy to work with, and she has been an excellent public servant. We wish her the best in all of her future endeavors.

The citizens of South Dakota, my staff, and I are grateful to Katie for her service. We are a better State because of her hard work.

TRIBUTE TO MICHELE MUSTAIN

Mr. ROUNDS. Mr. President, today I recognize Michele Mustain for all of her hard work on behalf of myself, my staff, and the people of South Dakota while working in my Sioux Falls, SD office.

We are grateful for the excellent work she has done for other elected leaders and for all of the help she has given to the citizens of the United States.

Because she has helped so many soldiers and their families, it is fitting that she will now be working for the Employer Support for the Guard and Reserve.

My staff and I wish her the best in the future. We will always appreciate her and her willingness to help us become better public servants.

ADDITIONAL STATEMENTS

TRIBUTE TO FREDERIKA S. JENNER

• Mr. CARPER. Mr. President, it is with great pleasure that, on behalf of Delaware's congressional delegation, I wish to honor the exemplary service of educator and Delaware State Education Association leader Frederika S. Jenner. She has served Delaware as a teacher and education advocate since 1972, and during that time, she worked to effectively improve our education system and shape thousands of young children's lives. Frederika has now retired after more than four decades of serving in Delaware's schools and advocating on behalf of its students and teachers. She is a selfless education advocate and adviser, as well as a devoted wife and mother. Delaware's education system and countless Delawareans will benefit from her life's work for decades to come.

Frederika is a graduate of A.I. DuPont High School in Wilmington, DE. She earned her bachelor's degree in education from Goucher College in Baltimore and then returned to Delaware where she taught elementary school for 39 years. She had such a dedication to education that she furthered her own while she was teaching and ultimately received her master's in instruction from the University of Delaware. Although she started as an English and reading specialist, Frederika took a leap to become a science teacher along the way, teaching herself and earning her certification all in the first year in her new position. From then on, science remained an intense passion of hers, as well as a focus of much of her work both in and out of the classroom. Throughout her career, Frederika also encouraged a love of reading among her students and took great pride in her voluminous classroom library, with over 2,000 books on its shelves.

Throughout her many years in the classroom, Frederika became a trusted voice among her fellow educators. From day one, she was involved as a building representative for the Delaware State Education Association, and her activism grew from there. Later, she would serve as president of the 1,200-member Red Clay Education Association and then went on to serve as an executive board member of the Delaware State Education Association for 3 years. In 2011, Frederika was elected president of the Delaware State Education Association. In that role, she emerged as a strong and fair leader, working to shape education policy decisionmaking. For many years, she served as the bridge between DSEA members and public officials as the State worked to create and implement

new educational standards that we use today and to chart a course to reach them.

Frederika also took on the task of improving science education in Delaware. She worked for 5 years as a Coalition science specialist and helped school districts all over Delaware integrate new State science standards and innovative teaching practices, including the Smithsonian Kits Programs. She regularly traveled the State, training teachers and delivering necessary supplies—everything from magnets and batteries to live crayfish, all in the interest of ensuring that students receiving hands-on science training. In 2010, Delaware Governor Jack Markell recognized her immense capabilities and appointed Frederika to the State Employee Advisory Committee.

There is a reason why, as Governor of Delaware, I was laser-focused on education and strengthening families. I believe these are two areas where we can make a lasting difference in the trajectory of a young person's life. Frederika shares this belief and dedicated her career to the young people of Delaware. On behalf of both U.S. Senator CHRIS COONS and U.S. Representative LISA BLUNT ROCHESTER, I want to thank Frederika S. Jenner for her service to the people of Delaware. Her love of children, along with her leadership and dedication to the notion that all children can learn, have improved the quality of education for countless Delawareans who were fortunate enough to be in her classroom and many who were not. However, all Delawareans have benefitted from the educational system she has worked so hard to help improve.

We are delighted to offer today our heartfelt congratulations to Frederika Jenner on a job well done, and we want to convey our thanks as well to her husband, Charles, and their sons Andrew and Nick for sharing with the children of Delaware a remarkable woman and educator.●

TRIBUTE TO CHARLES DALTON

● Mr. GRAHAM. Mr. President, I am genuinely honored to recognize before the U.S. Senate and the Nation Charles Dalton of Greenville, SC, on the occasion of his retirement as chief executive officer and president of Blue Ridge Electric Cooperative and Blue Ridge Security Solutions.

Born and raised on a farm in Pickens, SC, Charles from an early age developed a love for antique cars, Clemson football, and serving the Upstate of South Carolina. Charles cofounded and operated a furniture company in Pickens with his brother, Allison Dalton, before starting his career with Blue Ridge Electric Cooperative.

Charles was elected chief executive in 1982 and has committed his time to serving the State of South Carolina by bringing power to remote, mountainous communities in five counties in the Upstate. His leadership over the last 36 years has helped the energy provider's membership to more than double, growing from 29,000 members to approximately 66,000. Charles has a reputation as a humble, accessible leader. In fact, he has been known to give out his home phone number to Blue Ridge members in an effort to provide constant service and maintain relationships in the communities in which he serves.

In addition to contributing to the Upstate's growing economy during his tenure at Blue Ridge, Charles has also served in multiple capacities on nonprofit boards, including the Greenville chapter of the American Red Cross, Peace Center, and Cannon Memorial Hospital. He was selected to serve as a commissioner for the South Carolina Department of Transportation and cofounded the Upstate South Carolina Alliance, an organization committed to establishing the Upstate as a prominent economic region competing in the global economy. After his retirement, Charles and his wife, Libby, are looking forward to remaining engaged and active in the Upstate.

Charles has received statewide recognition for his contributions to business, regional collaboration, and community service in South Carolina. In 1998, he was selected by Governor Beasley to serve as South Carolina's ''Ambassador for Economic Development.'' As a proud graduate of Clemson University, Charles was recognized with the 2014 Distinguished Service Award by the Clemson Alumni Association for serving as an exceptional role model for present and future students. Last year, Charles was awarded the Spirit of the Upstate Award for consistently exhibiting exceptional leadership and dedicating his personal and professional life to strengthening the Upstate region in South Carolina. These accolades serve as a testament to the profound role Charles has played in improving the lives of South Carolinians in the Upstate, and I am confident that he will continue to do so in this next chapter of life.

It is a distinct honor to recognize Charles Dalton on this important milestone. I ask that my colleagues join me in thanking Charles for the many contributions he has made over the course of his career, and I wish him all the best.●

150TH ANNIVERSARY OF BETHEL AFRICAN METHODIST EPISCOPAL CHURCH

● Mr. PETERS. Mr. President, today I wish to recognize the 150th anniversary of Bethel African Methodist Episcopal—A.M.E.—Church in Saginaw, MI. This occasion commemorates the humble beginnings of Bethel A.M.E. from a church of 6 to now more than 1,000 congregants, celebrating 150 years of faith, fellowship, and family.

Bethel A.M.E. Church, the first African-American church in Saginaw, began in the home of Mr. and Mrs. Allen Ford, with six congregants in 1867. The church began to rapidly grow and became the social and religious foundation and place of refuge for African Americans in the community. As Bethel A.M.E. rose in prominence, it attracted the attention of notable figures, including abolitionist and women's rights activist Sojourner Truth in 1871.

Over the past 150 years, more than a dozen pastors have led Bethel A.M.E. and have left lasting contributions to the church's fundamental mission and community outreach. Reverend J.A. Dean's passion for ministering to youth laid the foundation for youth programs such as the Daily Vacation Bible School and the Carver Center of National Youth Organization in Saginaw. Each pastor had a hand in the expansion of the church. Reverend Isaiah Snelling spearheaded the development of a new church complex. After 12 years, the construction was completed under Rev. Harold C. Huggins' tenure in 1967. Bethel A.M.E. celebrated the church's centennial and dedication of the new development within the same year.

Bethel A.M.E. has had many successes over the years and has also endured great tragedy. Kenneth Bowman stepped into the role of substitute pastor when Rev. R.C. Boyd, who served from 1949 to 1954, became ill. Pastor Bowman accomplished many goals within his 1-year tenure, until he was killed in an automobile accident on March 13, 1954. Soon after, Pastor Boyd passed away on March 18, 1954, succumbing to his illness.

Through the tragedies, Bethel A.M.E. held true to its motto: ''Love Conquers All,'' by providing for the physical and spiritual needs of the Saginaw community with steadfast and compassionate stewardship by organizing missions, youth programs, and prison ministries. Bethel A.M.E. also feeds the hungry, assists residents experiencing homelessness, and operates both a credit union and daycare center.

Today Bethel A.M.E. Church, led by Pastor Dennis Laffoon, is the oldest African-American church in the Great Lakes Bay Region. Their membership has grown from its six founding members into a proud and active body of more than 1,000 strong. In its 150 years, Bethel A.M.E. has been a community institution, spiritual refuge, and civic leader in Saginaw.

I am pleased to rise today to ask my colleagues to join me in recognizing the historic milestone of the 150th anniversary of Bethel African Methodist Episcopal Church. From modest beginnings in that little home on Fourth Street to expanding its square footage and its mission to pass on the blessings they have received onto the community, Bethel A.M.E. has much to celebrate. I wish the leadership and congregation continued success and prosperity in the years ahead.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Ridgway, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting nominations which were referred to the Committee on the Judiciary.

(The message received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1536. An act to designate a human trafficking prevention coordinator and to expand the scope of activities authorized under the Federal Motor Carrier Safety Administration's outreach and education program to include human trafficking prevention activities, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3312. An act to amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to specify when bank holding companies may be subject to certain enhanced supervision, and for other purposes.

H.R. 4254. An act to amend the National Science Foundation Authorization Act of 2002 to strengthen the aerospace workforce pipeline by the promotion of Robert Noyce Teacher Scholarship Program and National Aeronautics and Space Administration internship and fellowship opportunities to women, and for other purposes.

H.R. 4323. An act to promote veteran involvement in STEM education, computer science, and scientific research, and for other purposes.

H.R. 4375. An act to provide for a report on broadening participation in certain National Science Foundation research and education programs, to collect data on Federal research grants to science agencies, and for other purposes.

At 1:48 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House agreed to the amendment of the Senate to the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3312. An act to amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to specify when bank holding companies may be subject to certain enhanced supervision, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 4254. An act to amend the National Science Foundation Authorization Act of 2002 to strengthen the aerospace workforce pipeline by the promotion of Robert Noyce Teacher Scholarship Program and National Aeronautics and Space Administration internship and fellowship opportunities to women, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4323. An act to promote veteran involvement in STEM education, computer science, and scientific research, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4375. An act to provide for a report on broadening participation in certain National Science Foundation research and education programs, to collect data on Federal research grants to science agencies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Finance, with an amendment in the nature of a substitute:

S. 1827. A bill to extend funding for the Children's Health Insurance Program, and for other purposes (Rept. No. 115–197).

By Mr. HOEVEN, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1333. A bill to provide for rental assistance for homeless or at-risk Indian veterans (Rept. No. 115–198).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. YOUNG (for himself and Ms. BALDWIN):

S. 2255. A bill to reauthorize title VI of the Higher Education Act of 1965 in order to improve and encourage innovation in international education, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HATCH (for himself, Mr. GRASSLEY, Mr. CRAPO, Mr. ROBERTS, Mr. THUNE, and Mr. ISAKSON):

S. 2256. A bill to amend the Internal Revenue Code of 1986 to extend expiring provisions, and for other purposes; to the Committee on Finance.

By Mr. COONS (for himself and Mr. GRAHAM):

S. 2257. A bill to establish the IMPACT for Energy Foundation; to the Committee on Energy and Natural Resources.

By Mr. PORTMAN (for himself, Mr. COONS, and Mr. KING):

S. 2258. A bill to provide for the discharge of parent borrower liability if a student on whose behalf a parent has received certain student loans becomes disabled; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BOOKER (for himself, Mrs. MURRAY, Mr. BROWN, Mr. WHITEHOUSE, Ms. BALDWIN, Mr. FRANKEN, Mrs. GILLIBRAND, Mr. KAINE, Mrs. SHAHEEN, Mr. BLUMENTHAL, Mr. SANDERS, Ms. HIRONO, Mr. MARKEY, Mr. MURPHY, Mr. VAN HOLLEN, Ms. DUCKWORTH, Mr. MENENDEZ, Mr. MERKLEY, and Mr. WYDEN):

S. 2259. A bill to establish certain duties for pharmacies to ensure provision of Food and Drug Administration-approved contraception, medication related to contraception, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. RUBIO (for himself and Mr. NELSON):

S. Res. 362. A resolution recognizing the service of the Los Angeles-class attack submarine the USS Jacksonville and the crew of the USS Jacksonville, who served the United States with valor and bravery; considered and agreed to.

By Mr. NELSON (for himself and Mr. RUBIO):

S. Res. 363. A resolution expressing profound concern about the growing political, humanitarian, and economic crisis in Venezuela and the widespread human rights abuses perpetrated by the Government of Venezuela; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 515

At the request of Mr. CASEY, the name of the Senator from North Dakota (Ms. HEITKAMP) was added as a cosponsor of S. 515, a bill to require the Secretary of Labor to maintain a publicly available list of all employers that relocate a call center overseas, to make such companies ineligible for Federal grants or guaranteed loans, and to require disclosure of the physical location of business agents engaging in customer service communications, and for other purposes.

S. 1580

At the request of Mr. RUBIO, the names of the Senator from Oregon (Mr. MERKLEY) and the Senator from Maryland (Mr. VAN HOLLEN) were added as cosponsors of S. 1580, a bill to enhance the transparency, improve the coordination, and intensify the impact of assistance to support access to primary and secondary education for displaced children and persons, including women and girls, and for other purposes.

S. 1615

At the request of Mr. NELSON, his name was added as a cosponsor of S. 1615, a bill to authorize the cancellation of removal and adjustment of status of certain individuals who are long-term United States residents and who entered the United States as children, and for other purposes.

S. 1693

At the request of Mr. PORTMAN, the names of the Senator from Wyoming (Mr. ENZI) and the Senator from New Jersey (Mr. MENENDEZ) were added as cosponsors of S. 1693, a bill to amend the Communications Act of 1934 to clarify that section 230 of that Act does not prohibit the enforcement against providers and users of interactive computer services of Federal and State

criminal and civil law relating to sex trafficking.

S. 1774

At the request of Mr. HATCH, the name of the Senator from Kentucky (Mr. PAUL) was added as a cosponsor of S. 1774, a bill to provide protections for workers with respect to their right to select or refrain from selecting representation by a labor organization.

S. 1914

At the request of Mr. WARNER, the name of the Senator from Indiana (Mr. YOUNG) was added as a cosponsor of S. 1914, a bill to amend title XVIII of the Social Security Act in order to strengthen rules in case of competition for diabetic testing strips, and for other purposes.

S. 2070

At the request of Mr. GRASSLEY, the name of the Senator from Wisconsin (Ms. BALDWIN) was added as a cosponsor of S. 2070, a bill to amend the Violent Crime Control and Law Enforcement Act of 1994, to reauthorize the Missing Alzheimer's Disease Patient Alert Program, and to promote initiatives that will reduce the risk of injury and death relating to the wandering characteristics of some children with autism.

S. 2105

At the request of Mr. BOOZMAN, the name of the Senator from Massachusetts (Ms. WARREN) was added as a cosponsor of S. 2105, a bill to modify the presumption of service connection for veterans who were exposed to herbicide agents while serving in the Armed Forces in Thailand during the Vietnam era, and for other purposes.

S. 2147

At the request of Mr. BROWN, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 2147, a bill to amend the Internal Revenue Code of 1986 to create a Pension Rehabilitation Trust Fund to establish a Pension Rehabilitation Administration within the Department of the Treasury to make loans to multiemployer defined benefit plans, and for other purposes.

S. 2152

At the request of Mr. HATCH, the name of the Senator from Oregon (Mr. MERKLEY) was added as a cosponsor of S. 2152, a bill to amend title 18, United States Code, to provide for assistance for victims of child pornography, and for other purposes.

S. 2236

At the request of Mrs. GILLIBRAND, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 2236, a bill to require covered discrimination and covered harassment awareness and prevention training for Members, officers, employees, interns, fellows, and detailees of Congress within 30 days of employment and annually thereafter, to require a biennial climate survey of Congress, to amend the enforcement process under the Office of Congressional Workplace Rights for covered discrimination and covered harassment complaints, and for other purposes.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 362—RECOGNIZING THE SERVICE OF THE LOS ANGELES-CLASS ATTACK SUBMARINE THE USS JACKSONVILLE AND THE CREW OF THE USS JACKSONVILLE, WHO SERVED THE UNITED STATES WITH VALOR AND BRAVERY

Mr. RUBIO (for himself and Mr. NELSON) submitted the following resolution; which was considered and agreed to:

S. RES. 362

Whereas the USS Jacksonville (SSN 699) is named after Jacksonville, the largest and most populous city in Florida, and is the first ship to bear that name;

Whereas the slogan of the city of Jacksonville, Florida, is ''The Bold New City of the South'' and inspired the nickname of the USS Jacksonville, which is ''The Bold One'';

Whereas, on August 10, 2017, the USS Jacksonville returned to the home port of the USS Jacksonville at Joint Base Pearl Harbor-Hickam in the Western Pacific after 209 days out to sea, thus completing the 15th and final deployment of the USS Jacksonville;

Whereas, on the last deployment of the USS Jacksonville, the USS Jacksonville steamed more than 48,000 nautical miles while conducting—

(1) maritime security operations in the areas of operation of the Fifth Fleet and Seventh Fleet of the United States; and

(2) joint exercises with the Maritime Self-Defense Force of Japan and the navy of the Republic of India;

Whereas, since the commissioning of the USS Jacksonville on May 16, 1981, the USS Jacksonville has completed 2 around-the-world cruises, visited ports on nearly every continent, and completed countless critical missions; and

Whereas, on September 11, 2001, while the USS Jacksonville was attached to the Enterprise Battle Group, the USS Jacksonville—

(1) was in the Mediterranean Sea; and

(2) stayed on-station to provide critical intelligence support as the United States prepared to retaliate in response to the terrorist attacks carried out on that day: Now, therefore, be it

Resolved, That the Senate recognizes the service of the Los Angeles-class attack submarine the USS Jacksonville and the crew of the USS Jacksonville, who served the United States with valor and bravery.

SENATE RESOLUTION 363—EXPRESSING PROFOUND CONCERN ABOUT THE GROWING POLITICAL, HUMANITARIAN, AND ECONOMIC CRISIS IN VENEZUELA AND THE WIDESPREAD HUMAN RIGHTS ABUSES PERPETRATED BY THE GOVERNMENT OF VENEZUELA

Mr. NELSON (for himself and Mr. RUBIO) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 363

Whereas the crisis in Venezuela continues to ravage the country and the Venezuelan people suffer from shortages of essential medicines, food, and basic supplies;

Whereas because of the crisis in Venezuela, approximately 1,300,000 people are undernourished and roughly 75 percent of the population has lost an average of 19 pounds since the start of the economic crisis;

Whereas the largest impact of the crisis in Venezuela is felt by children, as 54 percent suffer from nutritional deficiencies, according to the nongovernmental organization Caritas;

Whereas public health organizations in Venezuela report that only 38 percent of essential drugs are present in the country and more than 60 of the hospitals in Venezuela no longer have potable water, leading to a rise in chronic diseases, as well as in communicable diseases such as malaria and diphtheria;

Whereas the crisis forces thousands of Venezuelans to leave the country in vulnerable conditions and the number of Venezuelans seeking asylum in 2017 was almost double that in 2016, according to the United Nations High Commissioner for Refugees;

Whereas President of Venezuela Nicolas Maduro has repeatedly denied the existence of Venezuela's humanitarian crisis and rejected offers of international humanitarian assistance;

Whereas, instead of responding to the needs and demands of its people, the Government of Venezuela has prioritized the consolidation of power, undermined Venezuela's democracy, and engaged in a campaign of repression and human rights abuses;

Whereas the Government of Venezuela curtails freedom of expression, harasses journalists, and limits the ability of the Venezuelan people and the world to learn about the crisis and its effects;

Whereas, starting in April 2017, Venezuelan citizens staged massive, nationwide protests for more than four months in direct opposition to President Maduro's efforts to consolidate power and undermine Venezuela's democracy;

Whereas the United Nations Office of the High Commissioner on Human Rights reports that 124 deaths have been investigated by the Venezuelan Attorney General's Office in connection with the 2017 protests, with at least 46 victims allegedly killed by security forces and 27 more by members of armed progovernment civilian groups, bringing the total number of extrajudicial deaths to 357 between July 2015 and March 2017;

Whereas the United Nations Office of the High Commissioner concluded that there has been widespread and systematic use of excessive force and arbitrary detentions against demonstrators, as well as violent raids of homes, torture, and ill-treatment of those detained in connection with the protests;

Whereas human rights organizations in Venezuela have identified more than 5,000 arbitrary detentions between April 1, 2017, and October 31, 2017, and at least 299 political prisoners currently detained;

Whereas Amnesty International documented repeated use of various methods of arbitrary detention, including torture and forced disappearances intended to silence dissidents and limit freedom of expression;

Whereas nongovernmental organizations Human Rights Watch and Foro Penal have documented how Venezuelan security forces have used tactics of torture, involving electric shocks and asphyxiation, against individuals who oppose the Government of Venezuela;

Whereas the Government of Venezuela continues to use the Bolivarian National Guard and National Police to repress and detain protesters and subsequently try them in military courts with at least 198 documented

cases against civilians in military courts; and

Whereas, on July 25, 2017, the Organization of American States Secretary General Luis Almagro convened public hearings to review whether the Government of Venezuela has committed crimes against humanity and should be referred to the International Criminal Court: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its profound concern about the humanitarian impacts of the crisis suffered by the people of Venezuela, including widespread shortages of basic food commodities and essential medicines;

(2) urges President of Venezuela Nicolas Maduro to permit the delivery of international humanitarian assistance;

(3) calls on the Government of Venezuela to immediately release all political prisoners and to respect internationally recognized human rights;

(4) calls on the Government of Venezuela to ensure the neutrality and professionalism of all security forces and to respect the Venezuelan people's rights to freedom of expression and assembly;

(5) supports the Secretary General of the Organization of American States in his review of whether the widespread human rights abuses in Venezuela warrant an investigation by the International Criminal Court; and

(6) urges the President of the United States to provide full support for OAS efforts in examining the human rights situation in Venezuela and to instruct appropriate Federal agencies to hold officials of the Government of Venezuela accountable for violations of United States law and abuses of internationally recognized human rights.

NOTICE OF INTENT TO OBJECT TO PROCEEDING

I, Senator CHARLES E. GRASSLEY, intend to object to proceeding to the nomination of David J. Ryder, of New Jersey, to be Director of the Mint, and Isabel Marie Keenan Patelunas, of Pennsylvania, to be Assistant Secretary of Intelligence and Analysis, Department of the Treasury, dated December 20, 2017.

AUTHORITY FOR COMMITTEES TO MEET

Mr. GARDNER. Mr. President, I have a request for one committee to meet during today's session of the Senate. It has the approval of the Majority and Minority leaders.

Pursuant to rule XXVI, paragraph 5(a), of the Standing Rules of the Senate, the following committee is authorized to meet during today's session of the Senate:

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The Subcommittee on Transportation and Infrastructure of the Committee on Environment and Public Works is authorized to meet during the session of the Senate on Wednesday, December 20, 2017, at 10:30 a.m. in room SD–406 to conduct a hearing entitled ''Freight Movement: Assessing Where We Are Now and Where We Need to Go''.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session for the en bloc consideration of the following nominations: Executive Calendar Nos. 489, 498, 509, 531, and 532; that the Senate vote on the nominations en bloc with no intervening action or debate; that if confirmed, the motions to reconsider be considered made and laid upon the table en bloc; that the President be immediately notified of the Senate's action; that no further motions be in order; and that any statements relating to the nominations be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Thereupon, the Senate proceeded to consider the nominations en bloc.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nominations of Bruce D. Jette, of Virginia, to be an Assistant Secretary of the Army; James E. McPherson, of Virginia, to be General Counsel of the Department of the Army; Randall G. Schriver, of Virginia, to be an Assistant Secretary of Defense; Thomas Harker, of Virginia, to be an Assistant Secretary of the Navy; and John P. Roth, of Virginia, to be an Assistant Secretary of the Air Force en bloc?

The nominations were confirmed en bloc.

EXECUTIVE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the en bloc consideration of the following nominations: Executive Calendar Nos. 571, 572, 573, 574, and 575.

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

The clerk will report the nominations en bloc.

The legislative clerk read the nominations of Duane A. Kees, of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of four years; Stephen R. McAllister, of Kansas, to be United States Attorney for the District of Kansas for the term of four years; Ronald A. Parsons, Jr., of South Dakota, to be United States Attorney for the District of South Dakota for the term of four years; Ryan K. Patrick, of Texas, to be United States Attorney for the Southern District of Texas for the term of four years; and Michael B. Stuart, of West Virginia, to be United States Attorney for the Southern District of West Virginia for the term of four years.

Thereupon, the Senate proceeded to consider the nominations en bloc.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate vote on the nominations en bloc with no intervening action or debate; that if confirmed, the motions to reconsider be considered made and laid upon the table en bloc; that the President be immediately notified of the Senate's action; that no further motions be in order; and that any statements relating to the nominations be printed in the RECORD.

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

The question is, Will the Senate advise and consent to the Kees, McAllister, Parsons, Patrick, and Stuart nominations en bloc?

The nominations were confirmed en bloc.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that at a time to be determined by the majority leader, in consultation with the Democratic leader, on January 3, 2018, the Senate proceed to executive session for the consideration of the following nomination: Executive Calendar No. 508. I ask consent that there be 30 minutes of debate, equally divided in the usual form; that following the use or yielding back of time, the Senate vote on the nomination with no intervening action or debate; that if confirmed, the motion to reconsider be considered made and laid upon the table; that the President be immediately notified of the Senate's action; that no further motions be in order; and that any statements relating to the nomination be printed in the RECORD. I further ask that notwithstanding rule XXXI, the nomination be held in status quo into the second session of the 115th Congress.

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

EXECUTIVE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Executive Calendar Nos. 560 through 569 and all nominations placed on the Secretary's desk; that the nominations be confirmed; that the motions to reconsider be considered made and laid upon the table with no intervening action or debate; that no further motions be in order; that any statements related to the nominations be printed in the RECORD; that the President be immediately notified of the Senate's action, and the Senate then resume legislative session.

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

The nominations considered and confirmed are as follows:

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Anthony J. Cotton

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Sharon A. Shaffer

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 8069:

To be brigadier general

Col. Robert J. Marks

The following named officers for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Ronald G. Allen, Jr.
Col. Mark R. August
Col. Charles E. Brown, Jr.
Col. Joel L. Carey
Col. Brenda P. Cartier
Col. Darren R. Cole
Col. Heath A. Collins
Col. Douglas S. Coppinger
Col. Matthew W. Davidson
Col. Todd A. Dozier
Col. Peter M. Fesler
Col. Eric H. Froehlich
Col. Michael A. Greiner
Col. Andrew P. Hansen
Col. Michelle L. Hayworth
Col. Thomas K. Hensley
Col. Stephen F. Jost
Col. Jeffrey R. King
Col. Leonard J. Kosinski
Col. Thomas E. Kunkel
Col. Laura L. Lenderman
Col. Rodney D. Lewis
Col. Robert K. Lyman
Col. David B. Lyons
Col. Michael E. Martin
Col. Joseph D. McFall
Col. David N. Miller, Jr.
Col. Christopher J. Niemi
Col. Clark J. Quinn
Col. George M. Reynolds
Col. Douglas A. Schiess
Col. David W. Snoddy
Col. Adrian L. Spain
Col. Ernest J. Teichert, III
Col. Alice W. Trevino

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Christopher G. Cavoli

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Lt. Gen. Stephen J. Townsend

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. Nancy A. Norton

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. Richard A. Brown

IN THE AIR FORCE

The following named officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Mitchel Neurock

The following named officers for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be major general

Brig. Gen. Hubert C. Hegtvedt
Brig. Gen. Timothy P. Kelly
Brig. Gen. Albert V. Lupenski
Brig. Gen. Samuel C. Mahaney
Brig. Gen. John B. Williams

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE

PN1296 AIR FORCE nomination of Arianne R. Morrison, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

PN1297 AIR FORCE nomination of Richard A. Hanrahan, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

PN1298 AIR FORCE nominations (2) beginning ALECK A. BROWN, and ending JOHN D. RITTER, which nominations were received by the Senate and appeared in the Congressional Record of December 1, 2017.

IN THE ARMY

PN1142 ARMY nomination of Jennifer A. Mahoney, which was received by the Senate and appeared in the Congressional Record of October 16, 2017.

PN1143 ARMY nominations (2) beginning YON T. CHUNG, and ending MICHAEL B. PAYNE, which nominations were received by the Senate and appeared in the Congressional Record of October 16, 2017.

PN1265 ARMY nominations (2) beginning NATHELE J. ANDERSON, and ending BRIAN R. HORTON, which nominations were received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1266 ARMY nominations (2) beginning THOMAS W. GREEN, and ending KENNETH M. KOOP, which nominations were received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1267 ARMY nomination of Adam R. Liberman, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1268 ARMY nomination of Michael E. Steelman, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1269 ARMY nomination of Gerald D. Gangaram, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1270 ARMY nomination of Brian R. Johnson, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1271—1 ARMY nominations (18) beginning SCOTT T. AYERS, and ending TYESHA L. SMITH, which nominations were received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1272 ARMY nomination of Peter J. Armstrong, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1273 ARMY nomination of Ali S. Zaza, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1274 ARMY nomination of Phillip T. Buckler, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1275 ARMY nomination of Vernice K. Favor-Williams, which was received by the Senate and appeared in the Congressional Record of November 27, 2017.

PN1300 ARMY nomination of Heather M. Lee, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

IN THE NAVY

PN1245 NAVY nominations (50) beginning WILLIAM L. ARNEST, and ending KAREN J. WOOD, which nominations were received by the Senate and appeared in the Congressional Record of November 14, 2017.

PN1301 NAVY nomination of Sharif H. Calfee, which was received by the Senate and appeared in the Congressional Record of December 1, 2017.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now resume legislative session.

THE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the following bills en bloc: Calendar No. 124, S. 117 and Calendar No. 56, S. 501. I further ask unanimous consent that, where applicable, the committee-reported amendment be agreed to, the bills, as amended, if amended, be considered read a third time and passed, and the motions to reconsider be considered made and laid upon the table, all en bloc.

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

ALEX DIEKMANN PEAK DESIGNATION ACT OF 2017

The Senate proceeded to consider the bill (S. 117) to designate a mountain peak in the State of Montana as ''Alex Diekmann Peak,'' which had been reported from the Committee on Energy and Natural Resources, with an amendment, as follows:

(The part of the bill intended to be stricken is shown in boldface brackets and the part of the bill intended to be inserted is shown in italics.)

S. 117

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 ''Alex Diekmann Peak Designation Act of 2017''.

[SEC. 2. FINDINGS.

[Congress finds that Alex Diekmann—

[(1) was a loving father of two and an adoring husband who lived in Bozeman, Montana, where he was a renowned conservationist who dedicated his career to protecting some of the most outstanding natural and scenic resource areas of the Northern Rockies;

[(2) was responsible during his unique conservation career for the protection of more than 50 distinct areas in the States of Montana, Wyoming, and Idaho, conserving for the public over 100,000 acres of iconic mountains and valleys, rivers and creeks, ranches and farms, and historic sites and open spaces;

[(3) played a central role in securing the future of an array of special landscapes, including—

[(A) the spectacular Devil's Canyon in the Craig Thomas Special Management Area in the State of Wyoming;

[(B) crucial fish and wildlife habitat and recreation access land in the Sawtooth Mountains of Idaho, along the Salmon River, and near the Canadian border; and

[(C) diverse and vitally important land all across the Crown of the Continent in the State of Montana, from the world-famous Greater Yellowstone Ecosystem to Glacier National Park to the Cabinet-Yaak Ecosystem, to the recreational trails, working forests and ranches, and critical drinking water supply for Whitefish, and beyond;

[(4) made a particularly profound mark on the preservation of the natural wonders in and near the Madison Valley and the Madison Range, Montana, where more than 12 miles of the Madison River and much of the world-class scenery, fish and wildlife, and recreation opportunities of the area have become and shall remain conserved and available to the public because of his efforts;

[(5) inspired others with his skill, passion, and spirit of partnership that brought together communities, landowners, sportsmen, and the public at large;

[(6) lost a heroic battle with cancer on February 1, 2016, at the age of 52;

[(7) is survived by his wife, Lisa, and their 2 sons, Logan and Liam; and

[(8) leaves a lasting legacy across Montana and the Northern Rockies that will benefit all people of the United States in our time and in the generations to follow.

SEC. 3. DESIGNATION OF ALEX DIEKMANN PEAK, MONTANA.]

SEC. 2. DESIGNATION OF ALEX DIEKMANN PEAK, MONTANA.

(a) IN GENERAL.—The unnamed 9,765-foot peak located 2.2 miles west-northwest of Finger Mountain on the western boundary of the Lee Metcalf Wilderness, Montana (UTM coordinates Zone 12, 457966 E., 4982589 N.), shall be known and designated as ''Alex Diekmann Peak''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, record, or other paper of the United States to the peak described in subsection (a) shall be considered to be a reference to ''Alex Diekmann Peak''.

The committee-reported amendment was agreed to.

The bill (S. 117), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 117

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 ''Alex Diekmann Peak Designation Act of 2017''.

SEC. 2. DESIGNATION OF ALEX DIEKMANN PEAK, MONTANA.

(a) IN GENERAL.—The unnamed 9,765-foot peak located 2.2 miles west-northwest of Finger Mountain on the western boundary of the Lee Metcalf Wilderness, Montana (UTM coordinates Zone 12, 457966 E., 4982589 N.), shall be known and designated as ''Alex Diekmann Peak''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, record, or other paper of the United States to the peak described in subsection (a) shall be considered to be a reference to ''Alex Diekmann Peak''.

EAST ROSEBUD WILD AND SCENIC RIVERS ACT

The bill (S. 501) to amend the Wild and Scenic Rivers Act to designate certain segments of East Rosebud Creek in Carbon County, Montana, as components of the Wild and Scenic Rivers System, was considered, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 501

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 ''East Rosebud Wild and Scenic Rivers Act''.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) East Rosebud Creek is cherished by the people of Montana and visitors from across the United States for its clean water, spectacular natural setting, and outstanding recreational opportunities;

(2) recreational activities, including fishing, hunting, camping, paddling, hiking, rock climbing, and wildlife watching, on East Rosebud Creek and the surrounding land generate millions of dollars annually for the local economy;

(3) East Rosebud Creek—

(A) is a national treasure;

(B) possesses outstandingly remarkable values; and

(C) merits the high level of protection afforded by the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.) in order to maintain the benefits provided by the Creek, as described in paragraphs (1) and (2), for future generations to enjoy; and

(4) designation of select public land segments of East Rosebud Creek under the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.) would recognize the importance of maintaining the values of the Creek while preserving public access, respecting private property rights, allowing appropriate maintenance of existing infrastructure, and allowing historical uses of the Creek to continue.

(b) PURPOSE.—The purpose of this Act is to designate East Rosebud Creek in the State of Montana as a component of the National Wild and Scenic Rivers System to preserve and protect for present and future generations the outstandingly remarkable scenic, recreational, and geologic values of the Creek.

SEC. 3. DESIGNATION OF WILD AND SCENIC RIVER SEGMENTS.

(a) DESIGNATION.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding at the end the following:

''(213) EAST ROSEBUD CREEK, MONTANA.—The portions of East Rosebud Creek in the State of Montana, consisting of—

''(A) the 13-mile segment exclusively on public land within the Custer National Forest from the source in the Absaroka-Beartooth Wilderness downstream to the point at which the Creek enters East Rosebud Lake, including the stream reach between Twin Outlets Lake and Fossil Lake, to be administered by the Secretary of Agriculture as a wild river; and

''(B) the 7-mile segment exclusively on public land within the Custer National Forest from immediately below, but not including, the outlet of East Rosebud Lake downstream to the point at which the Creek enters private property for the first time, to be administered by the Secretary of Agriculture as a recreational river.''.

(b) ADJACENT MANAGEMENT.—

(1) IN GENERAL.—Nothing in paragraph (213) of section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) (as added by subsection (a)) creates a protective perimeter or buffer zone outside the designated boundary of the river segment designated by that paragraph.

(2) OUTSIDE ACTIVITIES.—The fact that an otherwise authorized activity or use can be seen or heard within the boundary of the river segment designated by paragraph (213) of section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) (as added by subsection (a)) shall not preclude the activity or use outside the boundary of the river segment.

ORDERS FOR THURSDAY, DECEMBER 21, 2017

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m., Thursday, December 21; further, that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, and the time for the two leaders be reserved for their use later in the day; finally, that following leader remarks, the Senate be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MCCONNELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order.

There being no objection, the Senate, at 6:04 p.m., adjourned until Thursday, December 21, 2017, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate:

THE JUDICIARY

SUSAN PARADISE BAXTER, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF PENNSYLVANIA, VICE SEAN J. MCLAUGHLIN, RESIGNED.

JOEL M. CARSON III, OF NEW MEXICO, TO BE UNITED STATES CIRCUIT JUDGE FOR THE TENTH CIRCUIT, VICE PAUL J. KELLY, JR., RETIRED.

COLM F. CONNOLLY, OF DELAWARE, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF DELAWARE, VICE SUE L. ROBINSON, RETIRED.

KARI A. DOOLEY, OF CONNECTICUT, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF CONNECTICUT, VICE ROBERT N. CHATIGNY, RETIRED.

GORDON P. GIAMPIETRO, OF WISCONSIN, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF WISCONSIN, VICE RUDOLPH T. RANDA, RETIRED.

MARILYN JEAN HORAN, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF PENNSYLVANIA, VICE GARY L. LANCASTER, DECEASED.

CHAD F. KENNEY, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA, VICE LUIS FELIPE RESTREPO, ELEVATED.

MARYELLEN NOREIKA, OF DELAWARE, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF DELAWARE, VICE GREGORY MONETA SLEET, RETIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 20, 2017:

DEPARTMENT OF DEFENSE

BRUCE D. JETTE, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY.

JAMES E. MCPHERSON, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY.

RANDALL G. SCHRIVER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

THOMAS HARKER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE NAVY.

JOHN P. ROTH, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. ANTHONY J. COTTON

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. SHARON A. SHAFFER

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 8069:

To be brigadier general

COL. ROBERT J. MARKS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. RONALD G. ALLEN, JR.
COL. MARK R. AUGUST
COL. CHARLES E. BROWN, JR.
COL. JOEL L. CAREY
COL. BRENDA P. CARTIER
COL. DARREN R. COLE
COL. HEATH A. COLLINS
COL. DOUGLAS S. COPPINGER
COL. MATTHEW W. DAVIDSON
COL. TODD A. DOZIER
COL. PETER M. FESLER
COL. ERIC H. FROEHLICH
COL. MICHAEL A. GREINER
COL. ANDREW P. HANSEN
COL. MICHELLE L. HAYWORTH
COL. THOMAS K. HENSLEY
COL. STEPHEN F. JOST
COL. JEFFREY R. KING
COL. LEONARD J. KOSINSKI
COL. THOMAS E. KUNKEL
COL. LAURA L. LENDERMAN
COL. RODNEY D. LEWIS
COL. ROBERT K. LYMAN
COL. DAVID B. LYONS
COL. MICHAEL E. MARTIN
COL. JOSEPH D. MCFALL
COL. DAVID N. MILLER, JR.
COL. CHRISTOPHER J. NIEMI
COL. CLARK J. QUINN
COL. GEORGE M. REYNOLDS
COL. DOUGLAS A. SCHIESS
COL. DAVID W. SNODDY
COL. ADRIAN L. SPAIN
COL. ERNEST J. TEICHERT III
COL. ALICE W. TREVINO

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. CHRISTOPHER G. CAVOLI

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. STEPHEN J. TOWNSEND

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. NANCY A. NORTON

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. RICHARD A. BROWN

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. MITCHEL NEUROCK

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. HUBERT C. HEGTVEDT
BRIG. GEN. TIMOTHY P. KELLY
BRIG. GEN. ALBERT V. LUPENSKI
BRIG. GEN. SAMUEL C. MAHANEY
BRIG. GEN. JOHN B. WILLIAMS

DEPARTMENT OF JUSTICE

DUANE A. KEES, OF ARKANSAS, TO BE UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF ARKANSAS FOR THE TERM OF FOUR YEARS.

STEPHEN R. MCALLISTER, OF KANSAS, TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF KANSAS FOR THE TERM OF FOUR YEARS.

RONALD A. PARSONS, JR., OF SOUTH DAKOTA, TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF SOUTH DAKOTA FOR THE TERM OF FOUR YEARS.

RYAN K. PATRICK, OF TEXAS, TO BE UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF TEXAS FOR THE TERM OF FOUR YEARS.

MICHAEL B. STUART, OF WEST VIRGINIA, TO BE UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA FOR THE TERM OF FOUR YEARS.

IN THE AIR FORCE

AIR FORCE NOMINATION OF ARIANNE R. MORRISON, TO BE MAJOR.

AIR FORCE NOMINATION OF RICHARD A. HANRAHAN, TO BE MAJOR.

AIR FORCE NOMINATIONS BEGINNING WITH ALECK A. BROWN AND ENDING WITH JOHN D. RITTER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 1, 2017.

IN THE ARMY

ARMY NOMINATION OF JENNIFER A. MAHONEY, TO BE MAJOR.

ARMY NOMINATIONS BEGINNING WITH YON T. CHUNG AND ENDING WITH MICHAEL B. PAYNE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 16, 2017.

ARMY NOMINATIONS BEGINNING WITH NATHELE J. ANDERSON AND ENDING WITH BRIAN R. HORTON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 27, 2017.

ARMY NOMINATIONS BEGINNING WITH THOMAS W. GREEN AND ENDING WITH KENNETH M. KOOP, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 27, 2017.

ARMY NOMINATION OF ADAM R. LIBERMAN, TO BE COLONEL.

ARMY NOMINATION OF MICHAEL E. STEELMAN, TO BE COLONEL.

ARMY NOMINATION OF GERALD D. GANGARAM, TO BE MAJOR.

ARMY NOMINATION OF BRIAN R. JOHNSON, TO BE MAJOR.

ARMY NOMINATIONS BEGINNING WITH SCOTT T. AYERS AND ENDING WITH TYESHA L. SMITH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 27, 2017.

ARMY NOMINATION OF PETER J. ARMSTRONG, TO BE COLONEL.

ARMY NOMINATION OF ALI S. ZAZA, TO BE COLONEL.

ARMY NOMINATION OF PHILLIP T. BUCKLER, TO BE MAJOR.

ARMY NOMINATION OF VERNICE K. FAVOR–WILLIAMS, TO BE LIEUTENANT COLONEL.

ARMY NOMINATION OF HEATHER M. LEE, TO BE MAJOR.

IN THE NAVY

NAVY NOMINATIONS BEGINNING WITH WILLIAM L. ARNEST AND ENDING WITH KAREN J. WOOD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 14, 2017.

NAVY NOMINATION OF SHARIF H. CALFEE, TO BE CAPTAIN.

EXTENSIONS OF REMARKS

CONGRATULATING THE ARMY FOOTBALL TEAM'S VICTORY OVER NAVY

HON. ELISE M. STEFANIK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Ms. STEFANIK. Mr. Speaker, I rise today to acknowledge the Army football team's victory over the Navy.

The Army-Navy football game is one of college football's most famous rivalries, played this year on December 9, 2017, at Lincoln Financial Field in Philadelphia. Last year in December of 2016, the Army Black Knights won their first game against the Navy Midshipmen in 14 years. This year, Army won its second consecutive game with a score of 14–13, earning the Commander-in-Chief's Trophy. The victory was hard-fought in harsh, snowy conditions, not unfamiliar to the men and women who have served in the 10th Mountain Division.

Army wore uniforms that were a tribute to the 21st Congressional District's own 10th Mountain Division, which was established in 1943. The soldiers of the 10th Mountain Division are notorious for training in severe conditions created by high elevations and mountain climates. To honor those who have served while assigned to the unit, the uniform featured the division's coat of arms along with the words ''Vires Montesque Vincimus'' on the right shoulder, which means ''We Conquer Powers and Mountains.'' The Mountain Salute, ''Climb to Glory,'' could be seen under the coat of arms and the ''Follow Me'' sign was placed on their helmets. Additionally, the team wore the Panda Patch on their cleats, a patch that originally helped identify the soldiers who were nicknamed the Pando Commandos, a nod to the 10th Mountain Division's roots in Pando, Colorado.

On behalf of the 21st District, I want to congratulate the United States Military Academy at West Point on their victory and recognize the Soldiers of the 10th Mountain Division who fought in World War II and those who continue to fight today to keep our nation safe.

PERSONAL EXPLANATION

HON. VICENTE GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. GONZALEZ of Texas. Mr. Speaker, on roll call No. 690 I was inadvertently recorded as voting ''no.'' I support the Women in Aerospace Education Act and my vote should be recorded as ''yes.''

TRIBUTE TO PAT AND JOHN WHEELER

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Pat and John Wheeler of Council Bluffs, Iowa on the very special occasion of their 50th wedding anniversary. They were married on October 6, 1967 at St. Paul's United Church of Christ in Council Bluffs.

Pat and John's' lifelong commitment to each other and their family truly embodies Iowa values. As they reflect on their 50th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them nothing but the best.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from the Faith and Freedom Coalition, Taxpayers Protection Alliance, Club for Growth, and FreedomWorks:

FAITH AND FREEDOM COALITION.

DEAR REPRESENTATIVE: On behalf of the 1.5 million members and supporters of the Faith & Freedom Coalition, I urge you to vote YES on the Conference Report to H.R. 1, the Tax Cuts and Jobs Act (TCJA). A vote for this bill is a vote for tax cuts that Republicans have promised and America's hardworking families desperately deserve. The Tax Cuts and Jobs Act will strengthen families, grow the economy, and create jobs. To that end, Faith & Freedom Coalition will score the vote on H.R. 1 as vote to cut taxes for families and as a vote to begin the process of repealing Obamacare. This vote will appear in tens of millions of Congressional Scorecards and voter guides distributed in over 100,000 churches.

Since Congress last passed major tax reform over thirty years ago, the tax code has become riddled with corporate giveaways and special-interest provisions that benefit the politically-connected and privileged at the expense of working families. This legislation makes the tax code simpler and fairer, strengthens the family, increase wages, creates jobs, and makes small, family-owned businesses more competitive.

H.R. 1 doubles the child tax credit to $2,000, makes it available to more families by increasing the income eligibility thresholds, and makes up to $1,400 refundable to lower and middle-class working families. This provision is pro-life, pro-child, pro-family and pro-middle class. Doubling the standard deduction protects more of the average family's income from taxation, keeping more of their paycheck at home rather than sending it to Washington.

The Tax Cuts and Jobs Act also reduces the tax rate on the hard-earned income of small, family-owned businesses—creating the lowest tax rate on small business income since World War II. Mom and Pop businesses are the backbone of the American economy and the American family. Over 80% of new jobs are created by Main Street businesses and they need a tax rate that enables them to compete with overseas competitors and Wall Street corporations. These small businesses are often family affairs and are a key component to supporting stronger, more secure families.

Finally, repealing Obamacare's individual mandate and returning the savings to families is another tax cut for working families. Nearly 7 million American families paid over $3 billion because of Obamacare's individual mandate tax, and 80 percent make less than $50,000 a year. The Obamacare individual mandate is one of the most regressive taxes in the nation, punishing work and savings and hurting those least able to pay. Repealing it is a critical, if partial, fulfillment of the larger promise to end the disaster of Obamacare.

America's families have already waited too long for tax cuts that let them keep their hard earned dollars and care for their families. We must not fail them. The Tax Cuts and Jobs Act will simplify the code so that it is fairer for families and individuals, while also encouraging the economy to grow, leading to the creation of more jobs and higher wages.

For all these reasons, Faith & Freedom Coalition will include the vote on Conference Report to H.R. 1, the Tax Cuts and Jobs Act (TCJA) in our Congressional Score and voter guides as a key vote in the 115th Congress.

Thank you for considering the views of our millions of members and supporters.

TAXPAYERS PROTECTION ALLIANCE.

The Taxpayers Protection Alliance (TPA), representing millions of taxpayers across the country, urges the House of Representatives to vote YES for the Tax Cuts and Jobs Act. TPA is encouraged by the final tax reform package crafted by the conference committee. This legislation will provide comprehensive tax relief for millions of Americans.

The conference report has many positive aspects, including a doubled standard deduction, a 21 percent corporate rate, and a $2,000 child tax credit. This legislation allows the economy to flourish, as small businesses get the green light to expand, hire, and increase wages. Individuals and families will have an easier time saving for education and retirement, with the thousands of dollars in annual savings from the legislation.

Additionally, the repeal of the Obamacare individual mandate penalty relieves an onerous burden for taxpayers while saving hundreds of billions in exchange subsidy payments. Taxpayers will finally have the freedom to forgo health insurance if they choose,

without risking penalty from the federal government. TPA is pleased that the conference committee offers a plan that sharply curtails government while giving power back to hard-working Americans.

TPA urges every Congressman to vote YES on the Tax Cuts and Jobs Act.

CLUB FOR GROWTH.

Re key vote alert—''YES'' on Conference Report to the Tax Cuts and Jobs Act, H.R. 1.

The Club for Growth supports the conference report to the Tax Cuts and Jobs Act (HR 1) and we urge all members of Congress to vote YES on it. A vote is expected in the next few days. The vote will be included in the Club's 2017 congressional scorecard. This bill is not perfect, but it's still very pro-growth. Some of the more pro-growth elements of the bill include lowering the corporate tax rate down to 21%, a new 20% deduction for pass-through businesses, doubling the Death Tax exemption, and moving to an international territorial tax system. The bill also modestly lowers individual tax rates and doubles the standard deduction.

The Club for Growth urges immediate passage of HR 1. Congress should also begin work on another pro-growth tax bill for next year that addresses other parts of the tax code left untouched by this proposal.

Our Congressional Scorecard for the 115th Congress provides a comprehensive rating of how well or how poorly each member of Congress supports pro-growth, free-market policies and will be distributed to our members and to the public.

FREEDOMWORKS.

KEY VOTE YES ON THE CONFERENCE REPORT FOR THE TAX CUTS AND JOBS ACT, H.R. 1

On behalf of our activist community, I urge you to contact your representative and senators and ask them to vote YES on the conference report for the Tax Cuts and Jobs Act, H.R. 1. This final agreement on the Tax Cuts and Jobs Act provides much-needed relief to taxpayers across the country and to American businesses alike.

The Tax Cuts and Jobs Act lowers individual rates for the vast majority of taxpayers. In addition, the Tax Cuts and Jobs Act nearly doubles the standard deduction, meaning Americans keep more of their hard-earned money, and doubles the child tax credit from $1,000 to $2,000. This bill also provides relief by doubling the exemption amount from the unfair death tax.

Pass-through business owners, who file their taxes on their individual tax return, will be able to take a 20 percent deduction. This lowers the tax burden currently faced by pass-through businesses, which, according to the Tax Foundation, employ 70 million people, and promotes fairness.

America's business community will also see added growth as a result of the policy changes in this bill. The corporate tax rate will be lowered substantially from 35 percent to 21 percent, making American businesses more globally competitive and allowing them the resources they need to innovate and create jobs. It also eliminates confusion and complexity so job creators can focus on building their company and hiring working Americans.

This bill also repeals the harmful ObamaCare individual mandate, a coercive tax on Americans. It's estimated that 80 percent of households subject to this tax earn less than $50,000 per year. This is an unnecessary hardship being placed on working Americans. The federal government should not punish individuals who cannot afford ObamaCare's costly health insurance plans or decide it is not the best course for them.

For these reasons, I urge you to call your representative and senators and ask them to vote YES on the conference report for the Tax Cuts and Jobs Act, H.R. 1. FreedomWorks will count the vote on our 2017 Congressional Scorecard. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of the House and Senate who consistently vote to support economic freedom and individual liberty.

IN RECOGNITION OF THE UNION OF NIGERIAN FRIENDS 30TH ANNIVERSARY

HON. MARC A. VEASEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. VEASEY. Mr. Speaker, I rise today to honor the Union of Nigerian Friends for its 30 years of service to Forest Hill and the North Texas community.

In 1987, the Union of Nigerian Friends was founded in order to provide a safe environment for dialogue on issues that affect the political, economic, and social progress for Nigerians here in my home state of Texas. Since its establishment 30 years ago, the Union of Nigerian Friends continues to promote cultural awareness and unity among all Nigerians and Americans, while serving as a shining example of civic engagement for our community.

The Union of Nigerian Friends takes great pride in its active civic participation through its numerous community partnerships in the areas of business, family recreation and education. For their longstanding excellence in community engagement Mayor Lyndia Thomas of the city of Forest Hill, Texas recognized the Union of Nigerian Friends for their success.

I honor the Union of Nigerian Friends 30th anniversary celebration.

TRIBUTE TO JEAN AND HOWARD GILLESPIE

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Jean and Howard Gillespie of Red Oak, Iowa on the very special occasion of their 65th wedding anniversary. They celebrated their anniversary on September 20, 2017.

Jean and Howard's lifelong commitment to each other and their family truly embodies Iowa values. As they reflect on their 65th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 65th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them nothing but the best.

IN HONOR OF ALEXANDRIA WINNING CLASS 5A WOMEN'S VOLLEYBALL STATE TITLE

HON. MIKE ROGERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. ROGERS of Alabama. Mr. Speaker, I ask for the House's attention today to recognize Alexandria High School for winning the Class 5A State Title.

The Valley Cubs sealed their victory by beating Lawrence County High School on November 2nd at Bill Harris Arena in Birmingham in three sets for the Class 5A State Title: 25–23, 25–16, 25–13.

The Head Coach is Whitney Welch and Assistant Coaches are Kelli Johnson and Toni Hess. Players include: Kendal Bumpus, Madison Chastain, Kinsley Gregoria, Kaitlin Harvey, Anna Johnson, Kate Johnson, China Lane, Gracie Muncher (All-State Team), Aubrey Pope (All State Team), Kyleigh Rhodes, Taylor Spradley (Class 5A MVP), Kameron Simpson, Kayleigh Steen and Mattie Wade (All State Team).

Mr. Speaker, please join me in congratulating the students and faculty of Alexandria High School, the coaches, the players and all the Valley Cubs fans on this exciting achievement. Go Valley Cubs.

PERSONAL EXPLANATION

HON. TERRI A. SEWELL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Ms. SEWELL of Alabama. Mr. Speaker, had I been present, I would have voted NAY on Roll Call No. 697.

TRIBUTE TO NIX LAURIDSEN

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Nix Lauridsen of Des Moines, Iowa, for his induction into the 2017 Iowa Business Hall of Fame.

The Greater Des Moines Committee founded the Iowa Business Hall of Fame in 1975 to honor Iowans who have helped to enhance the state's business climate. Nix is the co-founder and chairman of Lauridsen Group, Inc which oversees several independent companies that operate processing plants worldwide. Gaining his first experience in the processing industry at his father's rendering plant Boyer Valley, Nix's companies have pioneered the development of value-added products from the separation of plasma from red cells, as well as adding plasma to swine diet that reduced baby pig mortality from 10 percent to 2 percent. Outside of business, Nix has been a major advocate for education and the arts in Des Moines.

Mr. Speaker, I am proud to recognize Nix on his induction to the 2017 Iowa Business

Hall of Fame and commend him for his dedication to our great state. I ask that my colleagues in the United States House of Representatives join me in congratulating him for this outstanding achievement and in wishing him nothing but continued success.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from the Retail Industry Leaders Association, Dow Chemical Company, Semiconductor Industry Association, Information Technology Industry Council, Coalition for American Insurance, AT&T, and the National Roofing Contractors Association:

RETAIL INDUSTRY LEADERS ASSOCIATION.

TO MEMBERS OF THE UNITED STATES CONGRESS: The Retail Industry Leaders Association (RILA) urges Congress to pass the conference report to H.R. 1, the ''Tax Cuts and Jobs Act,'' which is scheduled for floor consideration this week. The bill provides for comprehensive tax reform, which is critical to growing the economy and improving U.S. international competitiveness. It accomplishes these goals by doing, among other things: immediately reducing the corporate tax rate from 35 to 21 percent; replacing our current worldwide tax system with a territorial tax system; and modifying individual tax rates, with a focus on providing a tax cut for middle income taxpayers.

RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than $1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers located both domestically and abroad.

Over 42 million jobs in the United States are either in retail or supported by retail, making retail America's largest private sector employer. With more than $3.8 trillion in sales and hundreds of billions paid in wages, retail is one of America's most powerful economic engines. In fact, consumer spending represents two-thirds of U.S. gross domestic product (GDP).

Despite the retail industry's prominent place in the economy, retailers pay among the highest effective tax rates among U.S. industries. In 2016, retailers paid an average domestic effective tax rate of 34.6 percent. As a result, retailers paid $32.5 billion in federal taxes, representing 11 percent of the total federal corporate income tax paid by all corporate taxpayers. This tax treatment for the retail sector stifles job creation, investment, and consumer savings for a sector so important to our nation's economy.

It has been 31 years since the tax code has been fundamentally reformed. RILA and its member companies urge passage of the conference report to H.R. 1, ''Tax Cuts and Jobs Act'' to finalize this once in a generation opportunity to reform the tax code to benefit the economy and America's workers, consumers, and businesses.

DOW CHEMICAL COMPANY.

DEAR REPRESENTATIVE BRADY: On behalf of The Dow Chemical Company, I write to urge you to vote in favor of the Tax Cuts and Jobs Act. This bill represents a hard-won compromise based on constructive dialogue among many stakeholders, and it deserves to become law.

Tax reform is critical for American manufacturers and our ability to thrive at home and compete globally. The legislation before you achieves a lower corporate rate and a shift to a territorial system—the key components of a pro-growth policy that will help U.S. manufacturers succeed in an increasingly competitive global environment.

Over the past 10 years, Dow has invested more than $8 billion in the U.S. and Dow is prepared to invest an additional $4 billion in American manufacturing factories and infrastructure. This bill, with a focus on U.S. growth and competitiveness, will drive further investments such as ours, resulting in more jobs and strengthening the U.S. manufacturing sector, along with the many industries it supports.

Passing this bill and enacting the first major overhaul of our tax code in a generation will be a significant accomplishment for this Congress. Most importantly, tax reform will bolster American businesses of all sizes, their employees and the communities they call home.

SEMICONDUCTOR INDUSTRY ASSOCIATION,
Washington, DC, December 18, 2017.

Re Semiconductor Industry backs Corporate Tax Reform Conference Report.

The Semiconductor Industry Association (SIA), representing U.S. leadership in semiconductor manufacturing, design, and research, today announced its support for the conference report on H.R. 1, the Tax Cuts and Jobs Act. The conference report reconciles differences between tax reform bills passed by the House and Senate in recent weeks. Votes on the conference report are expected this week in both chambers.

''America's economic strength and global technology leadership depend heavily on corporate tax policy that promotes growth and encourages innovation,'' said John Neuffer, president & CEO, Semiconductor Industry Association. ''We support the conference report because it includes several important provisions that will make U.S. semiconductor companies more globally competitive. SIA is particularly pleased that conferees largely retained the balanced international approach of the Senate bill.''

The conference report includes several measures the U.S. semiconductor has long supported. These include lowering the corporate rate to a globally competitive level of 21 percent, modernizing our international tax structure, and creating an incentive for foreign income from intellectual property (IP) held in the U.S. Repeal of the corporate Alternative Minimum Tax (AMT) also protects the utility of the R&D tax credit, which helps ensure our industry can stay at the tip of the technology leadership spear.

''Semiconductors are one of America's top exports and a key driver of U.S. economic strength, national security, and technology leadership,'' said Neuffer. ''This legislation modernizes the U.S. tax code and makes the United States a more competitive location for semiconductor research, design, and manufacturing. We urge the Senate and House to pass it and the President to sign it into law in short order.''

INFORMATION TECHNOLOGY INDUSTRY COUNCIL.

DEAR LEADERS MCCONNELL AND SCHUMER, SPEAKER RYAN AND LEADER PELOSI: On behalf of the over 60 members of the Information Technology Industry Council (ITI), I write to express our strong support of the conference report to the H.R. 1, the Tax Cuts and Jobs Act. Given the importance of these provisions to the high-tech community, we will consider scoring votes in support of final passage of the tax reform legislation in our 115th Congressional Voting Guide.

ITI has long advocated for tax reform that builds a more competitive economy and incentivizes innovation. We are pleased to see that this critical legislation includes a permanent, competitive corporate rate, moves to a territorial system and creates powerful incentives for innovation including a permanent Research and Development Credit, and a tax incentive for income made abroad on intellectual property held in the United States.

Updating the over 30-year-old U.S. tax code is an essential step towards a more rational system for the nation. Adopting a territorial tax system where profits are taxed where they occur is essential to aligning the US system with the rest of the world. Similarly lowering the corporate rate, from one the highest statutory rates in the developed world, will make the United States more competitive in the global arena. Critically for our sector, the law will help ensure the United States remains the global leader in innovative technologies by providing incentives for the development and retention of intellectual property.

On behalf of ITI's member companies, we urge members of the House and Senate to support the final conference report to the Tax Cuts and Jobs Act.

COALITION FOR AMERICAN INSURANCE,
Washington, DC, December 18, 2017.

Re we support the Tax Cut and Jobs Act.

LEGISLATION ESTABLISHES LEVEL PLAYING FIELD FOR ALL INSURERS IN U.S.

The Coalition for American Insurance strongly supports the final version of the Tax Cuts and Jobs Act. The historic legislation includes a significant reform that will ensure more equal tax treatment for U.S. based insurers and consumers by addressing a longstanding loophole that allowed foreign insurance companies to move their U.S.-generated insurance profits abroad to avoid tax.

''With this agreement, Congress has made good on its promise to create U.S. jobs and to keep American companies competitive in the global marketplace. Importantly, the Tax Cuts and Jobs Act helps to close the tax haven loophole in the current tax code that unfairly rewarded the transfer of profits and jobs overseas. Now, with the inclusion of the Base Erosion and Anti-Abuse Tax (BEAT) to impede the offshoring of profits by foreign companies to tax havens, all insurers operating in the U.S. market will do so on the most level playing field in decades.

''The BEAT is not discriminatory. Instead, it ensures that all companies doing business in the United States will pay U.S. taxes on that business. This is an important reform that will help maintain a thriving American-based insurance industry and enhance choices for all consumers.

''We strongly urge members of the House and Senate to approve the Tax Cuts and Jobs Act so that this bill can be signed into law this year.''

AT&T.

AT&T remains committed to invest an additional $1 billion in the United States in 2018 if the bill proposed by the House and Senate conference committee is passed into law.

NATIONAL ROOFING CONTRACTORS ASSOCIATION.

The National Roofing Contractors Association (NRCA) supports the conference report

for the Tax Cuts and Jobs Act (H.R. 1). NRCA has long supported pro-growth tax reform that lowers rates for all types of employers and better enables roofing industry entrepreneurs to grow their businesses and create more high paying, family-sustaining jobs. We believe the final version of H.R. 1 will increase incentives for productive investment in our industry and ultimately expand economic growth in the U.S.

Established in 1886, NRCA is one of the nation's oldest trade associations and the voice of professional roofing contractors worldwide. NRCA's 3,600 member companies represent all segments of the roofing industry, including contractors, manufacturers, distributors, consultants and other industry employers in all 50 states. NRCA members are typically small, privately held companies, but our membership includes businesses of all sizes. During peak season, the average member employs 45 people.

NRCA applauds your leadership in advancing tax reform through the House and Senate. We are pleased to see that the final bill provides lower tax rates for both corporations and businesses structured as passthrough entities; expands expensing capabilities for qualifying property, including commercial roofs; doubles the death tax exemption; and improves accounting methods for small businesses, among other provisions. We are especially pleased to see progress made on improving the new tax credit for passthrough employers and ensuring that family-owned businesses that utilize trusts are not excluded from benefiting from tax reform.

Again, NRCA supports the conference report on H.R. 1 and commends you for your leadership in advancing tax reform that will strengthen the roofing industry. We urge members of the House and Senate to approve this legislation so it may be signed into law by the president. Thank you for your consideration of NRCA's view on this crucial legislation.

HUMAN TRAFFICKING

HON. GUS M. BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. BILIRAKIS. Mr. Speaker, I rise today to raise awareness of an important issue facing our nation and community: the rise of human trafficking.

The United States was founded on basic notions of human rights: that all people are born with an inalienable right to freedom, liberty and self-determination. Human trafficking is a crime against a person whereby through exploitation an individual is compelled to work or engage in a commercial sex act through force, fraud, or coercion, thereby being stripped of his/her fundamental human rights.

Human trafficking is a form of modern-day slavery in which traffickers target vulnerable populations, including men, women, children, citizens and non-citizens, forcing them into servitude and/or the sex trade. Traffickers typically use multiple means to control their victims, including: beatings, rape, isolation, drug and/or alcohol dependency, document withholding, and psychological and emotional abuse.

The International Labor Organization estimates that globally there are 20.9 million victims of trafficking. Nationally, the criminal enterprise of human trafficking is second only to the illegal drug trade, in terms of the speed of its growth and being among the most lucrative international crimes.

Human trafficking has been reported in all 50 states and reported cases of trafficking increase each year, with 7,621 cases reported and 26,727 calls made to the National Human Trafficking Hotline in 2016. Sadly, the State of Florida consistently ranks third in the number of calls made to the National Human Trafficking Hotline. In 2016, Florida, with 550 cases reported, had the third highest number of human trafficking cases in the country.

Human trafficking is a crime that impacts Pasco County, Florida. Through the Pasco County Commission on Human Trafficking, our local community unites to combat this modern-day slavery, bringing together nonprofits, government and non-government organizations, private sector businesses to aid in the prevention, prosecution, education and awareness efforts needed to restore freedom and dignity to survivors.

Just last month, my responsibilities on the Energy and Commerce Subcommittee on Communications and Technology allowed me to question experts on the human trafficking crisis and the growing usage of the Internet to facilitate illegal activities as well as combatting criminals. At that hearing, my colleague even told a harrowing story of how his own daughter was nearly kidnapped while traveling overseas. I fully hope that these exchanges not only shed a light on human trafficking, but provide more ammunition for law enforcement to save people from their captivity.

More awareness, education, and advocacy is needed, as it is crucial to eradicating human trafficking in our local communities, state, and nation. To this end, January is declared as National Slavery and Human Trafficking Prevention Month and January 11th is declared as National Human Trafficking Awareness Day. Every community and every individual is needed to fight human trafficking wherever it exists. Let us declare as one that slavery has no place in our world, and let us finally restore to all people the most basic rights of freedom, dignity, and justice.

TRIBUTE TO MARSHA AND MIKE FISHER

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Marsha and Mike Fisher of Adel, Iowa, on the very special occasion of their 50th wedding anniversary. They celebrated their anniversary on November 25th, 2017.

Marsha and Mike's lifelong commitment to each other and their family truly embodies our Iowa values. As they reflect on their 50th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them both nothing but continued success.

WWI CHRISTMAS

HON. TED POE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. POE of Texas. Mr. Speaker, the sounds of rifles firing and shells exploding faded into silence along the Western Front. It was December 25, 1914, five months into the first World War.

As dawn approached, German soldiers slipped from their trenches and made their way to no-mans-land, calling out Merry Christmas in the Allies language. The allies raised their weapons, fearing it was a trick.

But upon seeing the enemy unarmed, the soldiers climbed out of their trenches, and began shaking hands with their foe. The men exchanged small gifts: cigarettes, beer and plum pudding, and sang carols and songs. Others used the break in war to collect their war dead, heroes of the war.

The war would eventually claim 15 million lives. Mr. Speaker, this is one of the last examples of chivalry between enemies in warfare. For those few fleeting moments, there was ''Peace on Earth and goodwill to men''.

Not even a World War can destroy the Christmas Spirit.

And that's just the way it is.

INTEREST DISALLOWANCE AND THE AGRICULTURAL EXCEPTION

HON. GEORGE HOLDING

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. HOLDING. Mr. Speaker, I am pleased that today Congress is moving to reform the country's tax code and will thereby create a tremendous economic engine that will produce major job expansion and economic growth. But with any piece of large legislation, there are inevitable refinements that can be made. If we do move a technical corrections bill next year, I am hopeful that we will address one aspect of the interest disallowance contained in the current bill. I am concerned that there are agricultural companies in North Carolina that will face challenges unless this matter is addressed, and a minor definitional correction will address this situation. The farming exception included in the Tax Cuts and Jobs Act is limited to small companies growing crops and does not currently include the interdependent farming businesses which support them in processing and packing their crops. I believe that the agricultural exception should be expanded to address companies that also process and prepare crops, in addition to those that grow crops. This minor change would recognize a unique and necessary sector of the farming industry, and I look forward to working with my colleagues on this important issue going forward.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from Heritage Action, American Action Network, SBE Council, and Americans for Prosperity:

AMERICANS FOR PROSPERITY.

LETTER NO. 1

AFP: HISTORIC TAX REFORM AGREEMENT WILL UNLEASH ECONOMIC GROWTH AND PROSPERITY

ARLINGTON, VA.—Americans for Prosperity today cheered the final version of the Tax Cuts and Jobs Act released by the tax reform conference committee. The organization commended lawmakers for crafting a bill that remains true to the principles of the Unified Framework and advances the ultimate goal of unrigging the economy for hardworking Americans.

In praising the package, the group is pointing out that it would provide tax relief for individuals at every income bracket, make U.S. businesses significantly more competitive by lowering the corporate tax rate from 35 percent to 21 percent, and includes efforts to simplify and ease the burden of tax compliance. In addition, the tax plan includes provisions long championed by AFP, such as repealing Obamacare's unpopular individual mandate.

Americans for Prosperity President Tim Phillips issued the following statement: ''This final tax reform plan delivers relief to the working class while unleashing opportunity and growth for America's small business owners and job creators. All year, we've been calling on Congress to go bold and focus on making this pro-growth. We think they've done that. Although not perfect, the House and the Senate should be commended for their diligent work to significantly improve our broken system, and the Trump White House deserves credit for its relentless focus on getting tax reform done this year.

''Lawmakers now face a historic moment—a once-in-a-generation opportunity to overhaul our nation's broken tax code in order to create jobs, increase wages, fuel the economy and unleash U.S. investment, which will usher in a new era of American innovation. We urge all members of Congress to embrace this historic plan and fulfill their promise to create a simpler, fairer and more competitive tax code by sending it to the president's desk this year.''

LETTER NO. 2

AFP KEY VOTE: YES VOTE ON THE TAX CUTS AND JOBS ACT

DEAR SENATORS: On behalf of more than 3.2 million Americans for Prosperity activists in all 50 states, I urge a YES vote on the Senate version of The Tax Cuts and Jobs Act. This tax reform package will deliver a fairer, flatter, and simpler tax code that will lead to stronger economic growth, more job creation, and higher wages. Lawmakers should not miss this once-in-a-generation opportunity.

We urge you to vote YES on the Senate version of The Tax Cuts and Jobs Act. Americans for Prosperity will include this vote in our congressional scorecard. This comprehensive tax reform plan will bring tax relief to middle-class households and businesses across the country. Americans would see individual tax rates fall from the current rate of 22.5 percent to 22 percent; 25 percent to 24 percent; and 32.5 rate to 32 percent. They would also benefit from an expanded standard deduction and repealing the Alternative Minimum Tax. Businesses would see the corporate tax rate fall to 20 percent permanently as well as improvements in the structure of our punishing international tax system. Meanwhile, small businesses—the economy's top job creators—would also see welcome tax relief.

Americans have suffered under an unfair, complex, and burdensome tax code which pits the least fortunate against the well-connected for far too long. It's encouraging to see lawmakers follow through on their commitment to the American people to overhaul the tax code and make it work better for everyday Americans. This vote will inform our engagement on the grassroots level in lawmakers' districts.

We urge you to vote YES on the Senate version of The Tax Cuts and Jobs Act. Americans for Prosperity will include this vote in our congressional scorecard.

SBE COUNCIL.

SBE COUNCIL STATEMENT ON TAX REFORM CONFERENCE REPORT: A SOLID BILL THAT SUPPORTS STRONG ECONOMIC GROWTH AND ENTREPRENEURSHIP

WASHINGTON, DC.—Small Business & Entrepreneurship Council (SBE Council) president & CEO Karen Kerrigan issued the following statement about the ''Tax Cuts and Jobs Act'' conference report unveiled today:

''The conference report is a solid bill that will enable strong and sustainable economic growth, which is critical to healthy entrepreneurship and small business growth. It is vitally important that this tax package be signed into law this year to fuel the optimism and confidence that is strengthening our economy and bolstering investment, which is key to higher wage growth and more opportunity in areas of the country that have never recovered from the great recession.

''We appreciate the efforts of the conference committee, especially as it relates to keeping entrepreneurs, their workforce and the dreamers who want to start businesses at the center of tax reform. We urge the House and Senate to quickly pass the legislation so it can be signed by President Trump this year.''

AMERICAN ACTION NETWORK.

AMERICAN ACTION NETWORK STATEMENT ON TAX CONFERENCE AGREEMENT

CONGRESS ON THE VERGE OF DELIVERING HISTORIC, ONCE-IN-A-GENERATION TAX REFORM TO THE AMERICAN PEOPLE

WASHINGTON.—Following the House and Senate's announcement of a conference agreement on tax reform, American Action Network (@AAN) Executive Director Corry Bliss issued the following statement:

''House and Senate leadership should be commended for their work, and today's progress, toward making meaningful tax reform a reality for working families across the country. Congress is on the verge of delivering historic, once-in-a-generation tax reform to the American people, and this is an opportunity that cannot be wasted. Right now, too many families are living paycheck-to-paycheck, struggling to make ends meet because of an archaic and unfair tax code. The plan presented by Congress today will expand economic opportunity for all Americans by unleashing more jobs, lower taxes and a fairer playing field for businesses. Now, it is up to the House and Senate to quickly bring the legislation forward for a vote, and send it to the President's desk to become law before Christmas.''

AAN has been the highest spending outside group in the effort to pass meaningful tax reform, and launched the Middle-Class Growth Initiative in August to promote pro-growth tax reform passage. The multi-pronged effort, now totaling over $24 million, has included advertising on television, radio, digital, direct mail, and mobile billboards in over 60 congressional districts across the country.

HERITAGE ACTION.

''YES'' ON CONFERENCE REPORT FOR THE TAX CUTS AND JOBS ACT (H.R. 1)

DECEMBER 18, 2017.—This week, the House and Senate will vote on the Tax Cuts and Jobs Act (H.R. 1), the most significant tax reform and tax cut legislative initiative since the 1986 tax reform package passed under President Ronald Reagan. The bill would make sweeping changes to the individual and corporate codes, and eliminate Obamacare's individual mandate penalty.

The Tax Cuts and Jobs Act Conference report would unleash economic growth, increase wages for American workers, create new jobs, and provide tax relief to all Americans including the middle and working classes, main street businesses, and U.S. corporations. It accomplishes this by 1) cutting the corporate tax rate from 35 percent to 21 percent, 2) allowing pass-through businesses to deduct 20 percent of taxable income, 3) permitting full and immediate expensing of new and capital equipment for five years, 4) moving toward a territorial tax system that incentivizes foreign investment here in America, 5) lowering marginal tax rates for all Americans, 6) doubling the standard deduction, and 7) providing substantial relief from the death tax.

According to Heritage Foundation research, the GOP tax reform bill could increase long-run gross domestic product (GDP) by almost 3 percent, translating into an increase of $4,000 per household. The Tax Foundation estimates, if enacted permanently, the tax plan will increase wages by 3.3 percent and create roughly 1.6 million new full-time equivalent (FTE) jobs. This is exactly the kind of economic growth our country needs and what congressional Republicans and President Trump promised on the campaign trail. Two important provisions contained in the tax plan is the near elimination of the state and local tax (SALT) deduction and the full elimination of the Obamacare individual mandate tax penalty. Eliminating the SALT deduction ends the practice of federal taxpayers subsidizing liberal state governments, which will put pressure on state and local governments to be more fiscally responsible. In fact, New Jersey Senate President Steve Sweeney said ''We're going to have to re-evaluate everything'' if the bill becomes law. Like the House bill, the Senate bill allows for a $10,000 deduction for property tax. Eliminating the individual mandate provides tax relief to working class Americans who can't afford expensive Obamacare insurance plans. Additionally, both provisions raise significant revenue needed to lower marginal tax rates under Senate budget reconciliation rules.

It's been far too long since Congress made lasting positive changes to the U.S. tax code—three decades in fact. Since that time, our convoluted 74,000-page tax code has suppressed American entrepreneurship, driven companies and jobs overseas, and made it harder and harder for American families to leave a better life for their children. Members of Congress justifiably concerned about the national debt should look to cut federal spending to balance the budget, not confiscate hard-earned income from individuals or punish profitable businesses. Congress

cannot tax the American people into economic prosperity nor can it raise enough revenue to balance the budget if it continues to spend nearly $4 trillion a year.

Adam Michel, Policy Analyst in the Thomas A. Roe Institute at The Heritage Foundation explains:

''Holding pro-growth tax reform hostage over the deficit unwittingly makes fiscally responsible spending reforms harder. The deficit cannot be eliminated with tax increases. The notion that we can tax our way out of trouble denies the fundamental problem: The deficit is driven by uncontrolled spending. Tax reform that grows the economy can also ease the burden of paying down the debt. Robust economic growth is a necessary component of managing our debt. Pro-growth tax reform that allows for a larger and more robust economy means our debt relative to our output shrinks and makes the necessary spending reforms easier.''

Due to the self-imposed $1.5 trillion deficit tax cut box Senate Republicans elected to put themselves in, the Tax Cuts and Jobs Act is not as robust as tax reform should be under a unified Republican government, but it certainly is what President Reagan would call ''half a loaf.'' While Congress cannot tax the country into prosperity, it can and should deliver meaningful tax reform that spurs sustainable, long-term economic growth. The Tax Cuts and Jobs Act is a strong step toward that end. The time for pro-growth tax reform is now.

*** Heritage Action supports the Tax Cuts and Jobs Act and will include it as a key vote on our legislative scorecard. ***

IN RECOGNITION OF THE VICTIMS OF CYBER ABUSE

HON. SEAN P. DUFFY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. DUFFY. Mr. Speaker, I rise today on behalf of Kati Milberg-Pavek in recognition of and in shared grief for the indefensible cyber abuse she faced following the deaths of her daughter and two nieces: Clara Diana Pavek, Lydia Marie Milberg and Laynie Jo Amos. On December 12, 2013, a terrible tragedy took the lives of three wonderful children. I was further saddened and disturbed by the unprovoked comments and harassment that the victims and their families subsequently faced on social media, as well as local news outlets and publications.

As First Lady to the United States of America, Melania Trump has declared a campaign against cyber-bullying and reckless abuse, and like her I rise to condemn the hatred by these reckless individuals. Though my words can never reverse the awful heartbreak Ms. Milberg-Pavek and her family have suffered, I hope that by speaking out against victims' abuse, we can encourage those in control of online platforms to play a more active role in monitoring these hateful attacks, especially when innocent children are involved. No one should have to endure these types of spiteful on-line comments in the wake of a loss again, and I stand with those who actively seek to provide solutions for this growing problem. My deepest sympathies are with Ms. Milberg-Pavek and her family.

HONORING MR. JOHN F. TRENTACOSTA

HON. ELIZABETH H. ESTY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Ms. ESTY of Connecticut. Mr. Speaker, I rise today to honor John Trentacosta upon his retirement as President and CEO of Newtown Savings Bank in Newtown, Connecticut. For the past nineteen years, John has provided experienced and insightful leadership at Newtown Savings Bank, and his contributions have been crucial to guiding the institution through both successful and challenging economies.

John is a native of Bronx, New York, and completed his undergraduate degree at Manhattan College before going on to earn his Master of Business Administration at Iona College. He began working in finance in New York before moving with his wife Linda to Connecticut in 1988. Throughout his long and successful career in the financial industry, John has served in a number of leadership roles, such as Chief Financial Officer, for a variety of institutions. Following a decade of working at the Bank of New Haven, John joined Newtown Savings Bank in 1998, and became President in 2003 and CEO in 2009. His experience and leadership have been instrumental in continuing the organization's success for the future.

In addition to his successful career, John has shared his time and expertise with a number of community and professional organizations in Connecticut. He currently serves on the Western Connecticut State University Foundation Board, and has previously been Director of Habitat for Humanity of New Haven and Chairperson of the Newtown Rotary Golf Fundraiser Event. John has also served as a board member of the Connecticut Society of CPA's Educational Trust Fund, a member of the Connecticut Community Bankers Association's Executive Committee, and a member of the Greater Danbury Chamber of Commerce board.

Mr. Speaker, in his nineteen years of leadership at Newtown Savings Bank, John Trentacosta has been a successful leader in Connecticut's financial services industry, and he has also been a true partner to our community. Therefore, it is fitting and proper that we honor him here today.

DOT MILLER

HON. ED PERLMUTTER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. PERLMUTTER. Mr. Speaker, I rise today to recognize Dot Miller for being honored as a ''7Everyday Hero'' by KMGH Channel 7 for her outstanding service to the community.

Dot is the former President of the Arvada Chamber of Commerce. During her leadership the Chamber grew from 450 members to more than 700 members. During that time, she also helped educate Arvada businesses and develop future leaders by exposing students to the workforce.

In 2011, Dot created the Jefferson County Business Education Alliance (JCBEA) which partners business owners and students with educational opportunities such as internships and job shadowing opportunities. One of the signature programs of the JCBEA is the Career Readiness Program which brings together teachers, administrators and business leaders in the community to help students in the classroom. This program is a course made up of six modules where students learn various skills ranging from work ethic and customer service to financial responsibility. In addition, students learn interview skills and how to write resumes. The JCBEA also provides workforce-ready training by conducting mock interviews between students and business leaders in the community.

I extend my deepest congratulations to Dot Miller for receiving this well-deserved honor as a ''7Everyday Hero''. Her positive impact on the community will be felt for many years to come.

PERSONAL EXPLANATION

HON. SEAN P. DUFFY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. DUFFY. Mr. Speaker, on Monday, December 18, 2017, I missed the following votes and was not recorded. Had I been present, I would have voted YEA on Roll Call No. 685, YEA on Roll Call No. 686, and YEA on Roll Call No. 687.

TRIBUTE TO DONNA AND RON MARTIN

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Donna and Ron Martin of Greenfield, Iowa on the very special occasion of their 50th wedding anniversary. They celebrated their anniversary on October 28, 2017.

Donna and Ron's lifelong commitment to each other and their family truly embodies Iowa values. As they reflect on their 50th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them nothing but the best.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from Ford Motor Company, MetLife, Coalition Letter, Americans for

Tax Reform, National Taxpayers Union, and a letter signed by National Taxpayers Union, 60 Plus Association, ALEC Action, American Action Network, American Commitment, American Conservative Union, Americans for a Strong Economy, Americans for Tax Reform, Association of Mature American Citizens (AMAC), Campaign for Liberty, Center for Freedom and Prosperity, Center for Individual Freedom, Center for Worker Freedom, Club for Growth, Consumer Action for a Strong Economy (CASE), Council for Citizens Against Government Waste, Digital Liberty, Faith & Freedom Coalition, Family Business Coalition, Freedom Foundation of Minnesota, FreedomWorks, Heritage Action for America, Hispanic Leadership Fund, Independent Women's Voice, Institute for a Policy Innovation, Invest in Education Coalition, The James Madison Institute, The John K. MacIver Institute for Public Policy, Middle Class Growth Initiative, Niskanen Center, Property Rights Alliance, Rio Grande Foundation, Small Business & Entrepreneurship Council, Taxpayers Protection Alliance, Tea Party Patriots Citizens Fund, and Women for Trump:

FORD MOTOR COMPANY.

As an American automaker with more than 85,000 U.S. employees, we applaud your strong commitment to producing tax reform that we believe will help support continued investment in American manufacturing and the good-paying jobs it supports.

Over the last five years, Ford has invested more than $12 billion in its U.S. factories. We have more U.S. hourly employees and produce more vehicles in the U.S. than any other automaker. We also continue to expand our ranks of high-tech engineering, research and IT jobs in the U.S. and each year, we invest nearly $7 billion in research and development, the vast majority of which is conducted in the United States. We believe these investments will not only enhance our products today, but lead to the innovation that transforms the future of transportation.

Your collective work and perseverance in driving tax reform is critical to America's continued leadership in today's globally competitive marketplace. We urge you to quickly pass this proposal and seize this generational opportunity to make tax reform a reality.

METLIFE.

''MetLife has been on the record since September in support of pro-growth tax reform. We argued that companies should set aside narrow self-interest and support any tax package that boosts growth and jobs. The conference report on the Tax Cuts and Jobs Act of 2017 meets that test and we urge its enactment.''

COALITION LETTER.

On behalf of the undersigned organizations and our millions of members from across the country, we write in support of the Conference Report to H.R. 1, the Tax Cuts and Jobs Act (TCJA). With passage of this historic legislation, Congress will finally deliver on the promise of fundamental tax reform. TCJA will encourage economic growth, simplify the tax code, and provide American families and individuals with much-needed tax relief.

On the individual side of the code, it will provide immediate financial benefits to American households by cutting rates across the board, doubling the standard deduction, and expanding the child tax credit. It will simplify the tax code so that more than 90 percent of filers will be able to avoid the complicated and burdensome process of itemization.

For businesses, the TCJA drops the corporate rate from 35 percent to a far more competitive 21 percent, which is below the average for industrialized nations. Corporations and small businesses alike would see lower rates and reduced burdens. It also creates a modern, territorial system of taxation that ends the competitive disadvantage that U.S. businesses face internationally. These changes will encourage more entrepreneurship, increase wages, create jobs, and lead to more investment in the domestic economy.

With these changes and more, lawmakers are casting a vision for the future of this country; one that empowers individuals, families and businesses to invest and succeed in the American dream.

The Conference Report to H.R. 1 is a pro-growth, pro-family, and pro-worker legislative proposal. We encourage all Members of Congress to support its passage.

Pete Sepp, National Taxpayers Union, James L. Martin, 60 Plus Association, Lisa B. Nelson, ALEC Action, Corry Bliss, American Action Network, Phil Kerpen, American Commitment, Daniel Schneider, American Conservative Union, Tom Giovanetti, Americans for a Strong Economy, Grover Norquist, Americans for Tax Reform, Dan Weber, Association of Mature American Citizens (AMAC).

Norm Singleton, Campaign for Liberty, Andrew F. Quinlan, Center for Freedom and Prosperity, Jeffrey Mazzella, Center for Individual Freedom, Olivia Grady, Center for Worker Freedom, David McIntosh, Club for Growth, Matthew Kandrach, Consumer Action for a Strong Economy (CASE), Tom Schatz, Council for Citizens Against Government Waste, Katie McAuliffe, Digital Liberty, Timothy Head, Faith & Freedom Coalition, Alex Ayers, Family Business Coalition.

Annette Meeks, Freedom Foundation of Minnesota, Jason Pye, FreedomWorks, Michael A. Needham, Heritage Action for America, Mario Lopez, Hispanic Leadership Fund, Heather R. Higgins, Independent Women's Voice, Tom Giovanetti, Institute for a Policy Innovation, Thomas W. Carroll, Invest in Education Coalition, J. Robert McClure, The James Madison Institute, Brett Healy, The John K. MacIver Institute for Public Policy.

Michael Steel, Middle Class Growth Initiative, Jerry Taylor, Niskanen Center, Lorenzo Montanari, Property Rights Alliance, Paul Gessing, Rio Grande Foundation, Karen Kerrigan, Small Business & Entrepreneurship Council, David Williams, Taxpayers Protection Alliance, Jenny Beth Martin, Tea Party Patriots Citizens Fund, Amy Kremer, Women for Trump.

AMERICANS FOR TAX REFORM.

LETTER NO. 2

NORQUIST STATEMENT ON CONFERENCE REPORT FOR TAX CUTS AND JOBS ACT

''A floor wax AND a delicious dessert topping that will create millions of American jobs and simplify and lower taxes on Americans''

ATR president Grover Norquist praised the conference report for Tax Cuts and Jobs Act as follows:

''In December 1975 Saturday Night Live unveiled ''Shimmer'' which was a floor wax AND a dessert topping. [See the video here]

''Today in December 2017 Republicans will enact the Tax Cuts and Jobs Act. The bill is a floor wax and a delicious dessert topping: it will create millions of American jobs AND simplify and lower taxes on Americans.

''It reduces taxes on American corporations AND small businesses.

''It simplifies the tax code so most Americans can file on a postcard AND offers tax relief for Americans at every income level.

''It will increase take-home pay AND grow the economy.

''It will end the Obamacare mandate tax paid by millions of Americans—80% of whom earn less than $50,000—AND it will free up oil in Alaska.''

LETTER NO. 2

KEY VOTE: ATR URGES ''YES'' VOTE ON CONFERENCE REPORT TO H.R. 1, THE TAX CUTS AND JOBS ACT

The Tax Cuts and Jobs Act will create millions of American jobs and higher wages AND simplify and lower taxes on Americans at every income level.

ATR Urges a YES vote.

Later this week, members of the House and Senate will vote on the conference report to H.R. 1, the Tax Cuts and Jobs Act. ATR urges a YES vote on this pro-growth, pro-family legislation.

This legislation offers tax reduction and simplification for families, individuals, small businesses, and corporations. Over the next decade, the Tax Cuts and Jobs Act reduces taxes by $5.5 trillion and eliminates $4 trillion worth of distortionary credits and deductions.

H.R. 1 simplifies the tax code so most Americans can file on a postcard and offers tax relief for Americans at every income level. Under this plan, a family of four with the nationwide median income of $73,000 will receive a tax cut of $2,059.

The Tax Cuts and Jobs Act will also grow the economy leading to increased take-home pay and the creation of new or better jobs for families across the country.

In addition, the Tax Cuts and Jobs Act ends the Obamacare mandate tax paid by millions of Americans—80% of whom earn less than $50,000—and allows responsible production of oil in Alaska.

By voting YES on the Tax Cuts and Jobs Act, members of the House and Senate have a rare opportunity to reform the broken tax code and offer relief to families and businesses across the country. All Senators and Congressmen should vote for H.R. 1.

NATIONAL TAXPAYERS UNION.

NATIONAL TAXPAYERS UNION VOTE ALERT

NTU strongly urges all Members of Congress to vote ''YES'' on the Conference Report to H.R. 1, the ''Tax Cuts and Jobs Act.'' This legislation would overhaul our nation's broken tax code, stimulate economic growth, and provide struggling American families with much-needed tax relief. Tax reform is our nation's highest fiscal priority. For too long, our tax code has held back our economy and placed a heavy burden on American workers and job creators. H.R. 1 will make U.S. businesses significantly more competitive by lowering the corporate tax rate from 35 percent to 21 percent, shifting to a territorial system of taxation, and incentivizing capital investment into the economy. All of these changes will benefit American workers from across the economic spectrum by increasing wages and creating new jobs.

Additionally, H.R. 1 will ease the burden of taxation by doubling the standard deduction so that over 90 percent of filers can avoid the complicated process of itemization. It will provide immediate benefits to families via a 100 percent increase in the child tax credit and lower rates on taxable income across the board. Under H.R. 1, a typical family of four will be able to earn just over $56,000 before having to pay a penny in federal income taxes, expanding what is known as the ''zero percent tax bracket.'' Americans need tax reform and tax relief. H.R. 1 delivers on both counts.

Roll call votes on H.R. 1 will be heavily weighted in our annual Rating of Congress

and a ''YES'' vote will be considered the pro-taxpayer position.

CONGRATULATING CAPTAIN JOHN LUNA ON HIS RETIREMENT FROM THE GRAPEVINE POLICE DEPARTMENT

HON. KENNY MARCHANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. MARCHANT. Mr. Speaker, I rise today to recognize and congratulate Captain John Luna on his well-earned retirement from the Grapevine Police Department in Grapevine, Texas, after thirty-two years of dedicated service as a law enforcement officer.

John's esteemed career began when he joined the police department of San Marcos, Texas, in 1985. John's service to the City of San Marcos continued for over ten years when, in 1996, he began his career with the City of Grapevine.

Since joining the department, John has honorably served his community and built a reputation as a hardworking and respected officer. Throughout his career in Grapevine, John received 29 letters of commendation, recognizing his professionalism and service to the community. He has served as a Field Training Officer, Police Instructor, Detective, Grapevine SWAT Team Hostage Negotiator, Honor Guard Member, and a Public Information Officer.

John's dedication as a public servant is apparent in his pursuit of continued education and trainings to help provide a better service to his community. He completed his basic, intermediate, advanced, and master's police certifications, accumulating over 3,968 hours of police in-service trainings. Furthermore, John is a 2009 graduate of the 236th session of the F.B.I. National Academy, which is a professional course of study for U.S. and international law enforcement managers who are nominated by their agency heads because of demonstrated leadership qualities.

John's contributions to the law enforcement operations in the City of Grapevine have helped to ensure countless officers have been superbly trained and prepared for the challenges they face in their everyday duties as police officers. His legacy will leave a lasting mark on the City of Grapevine and the Grapevine Police Department for years to come.

Mr. Speaker, it is a pleasure to recognize the exceptional efforts John has contributed to the City of Grapevine. I ask all of my distinguished colleagues to join me in recognizing Captain John Luna and his many years of service and wishing him the best in his retirement.

HONORING THE MESSIAH COLLEGE MEN'S SOCCER TEAM FOR WINNING THE NCAA DIVISION III NATIONAL CHAMPIONSHIP

HON. SCOTT PERRY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. PERRY. Mr. Speaker, today I extend sincere congratulations to the Messiah College Men's Soccer Team for winning the NCAA Division III National Championship. This is the 11th time the Messiah Falcons earned the title, ''National Champions.''

The Falcons defeated the North Park Vikings in a 2–1 victory on December 2, 2017. The win completed a 24–2 campaign for the Falcons that matched their team record for single-season wins, while also making Messiah 11–for–11 in title game appearances.

The dedication and perseverance of these student athletes should inspire everyone. I extend my congratulations as well to head coach Brad McCarty, and the school officials, family and friends who supported these young men on their incredible journey.

On behalf of Pennsylvania's Fourth Congressional District, I commend and congratulate the Messiah College Men's Soccer Team on the hard work and determination that led to their National Championship.

TRIBUTE TO VICKIE AND GENE PEEL

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Vickie and Gene Peel of Perry, Iowa, on the very special occasion of their 50th wedding anniversary. They celebrated their anniversary on November 25th, 2017.

Vickie and Gene's lifelong commitment to each other and their family truly embodies our Iowa values. As they reflect on their 50th anniversary, may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 50th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them both nothing but continued success.

ST. FRANCES XAVIER CABRINI (MOTHER CABRINI)

HON. ED PERLMUTTER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. PERLMUTTER. Mr. Speaker, I rise today to recognize the life and missionary work of St. Frances Xavier Cabrini (Mother Cabrini) and commemorate the 100th anniversary of her passing.

Mother Cabrini came to Denver, Colorado in 1902 to help Italian Immigrants who worked in the mines and on the railroad. She opened the Queen of Heaven Orphanage to care for girls ages 2 through 15 at 48th & Federal Blvd. which remained open from 1905 to 1967. Mother Cabrini believed the girls in the orphanage would benefit from trips out of the city so she purchased 900 acres of land in Mount Vernon Canyon to serve as a summer camp for the girls from the Queen of Heaven Orphanage. The summer camp in Mount Vernon Canyon was said to have no source of water on the property. Mother Cabrini told her Sisters who accompanied her to foothills, ''move that rock and you will find water clean enough to drink.'' The spring of water from that location still flows today. Many have given testimony to the water's impact in helping their suffering and ailments.

Mother Cabrini was canonized America's first citizen saint in 1946 and was also named the Patroness of Immigrants. In total, she opened 67 schools, orphanages and hospitals in her relatively short lifetime. The Missionary Sisters of the Sacred Heart of Jesus, the religious order founded by Mother Cabrini, have served and ministered to the people of Colorado since 1902.

Mother Cabrini died 100 years ago on December 22, 1917. Throughout her life she cared for the poorest of the poor and immigrants in need. Her life and legacy have been celebrated during this centenary year throughout the world.

I extend my deepest gratitude in recognition of all that Mother Cabrini accomplished in her time in Colorado. I am grateful for the continuous dedication the Mother Cabrini Shrine offers the community in her memory.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from the U.S. Chamber of Commerce, Business Roundtable, National Association of Manufacturers, National Federation of Independent Business, and the Alliance for Competitive Taxation:

U.S. CHAMBERS OF COMMERCE.

TO THE MEMBERS OF THE UNITED STATES CONGRESS: The U.S. Chamber of Commerce urges Congress to complete its final step to enact comprehensive, pro-growth tax reform legislation and pass the conference report to accompany H.R. 1, the Tax Cuts and Jobs Act. The Chamber will include votes related to this legislation in our How They Voted scorecard. By passing the conference report, Congress would unleash resources for businesses large and small to hire new workers, expand facilities, and purchase new equipment. Bringing about tax reform would help ensure that these investments are made here in the United States, and these investments would lead to higher wages and catalyze broad economic growth.

Moreover, H.R. 1 would provide additional growth by allowing for environmentally-sensitive oil and gas production in an area in northern Alaska set aside by Congress for energy exploration in 1980.

The Chamber applauds the work of the conferees for reporting a strong pro-growth tax reform bill. The members of the Finance and Ways and Means Committees from this and previous congresses also deserve much credit for their work during this multi-year effort.

Tax reform is a big engine that will power a growing economy for years to come. Only one step remains for Congress to keep its commitment to approving pro-growth, comprehensive tax reform legislation.

BUSINESS ROUNDTABLE.

BUSINESS ROUNDTABLE STATEMENT IN SUPPORT OF THE CONFERENCE REPORT ON PRO-GROWTH TAX REFORM

WASHINGTON, DC.—Business Roundtable today issued the following statement in support of the conference report on H.R. 1, the Tax Cuts and Jobs Act of 2017:

''This bill represents a remarkable, once-in-a-generation achievement by the House and Senate. Business leaders applaud the conference committee for coming to an agreement that will promote U.S. competitiveness and spur economic growth. This agreement results from years of serious policy work and debate that produced legislation the President can now sign into law. Business Roundtable strongly endorses this conference report and urges both chambers to pass it without delay.''

NATIONAL ASSOCIATION OF MANUFACTURERS.

LETTER NO. 1

NAM ON TAX CUTS AND JOBS ACT: HISTORIC PROGRESS FOR MANUFACTURERS

TIMMONS: ''MANUFACTURERS WILL INVEST IN THEIR COMPANIES AND WORKERS.''

WASHINGTON, DC.—National Association of Manufacturers (NAM) President and CEO Jay Timmons released the following statement on the Tax Cuts and Jobs Act conference report:

''America will be better off than we are today once this tax reform bill becomes law. This legislation represents historic progress for manufacturers and for all Americans. As manufacturers across our country have said many times, tax reform done right will empower us to create more well-paying jobs and invest and build more right here in America. According to the NAM's latest Manufacturers' Outlook Survey, a pro-growth tax code will encourage manufacturers to increase capital spending, expand their businesses and hire more workers—and nearly half will increase employee wages and benefits.

''While this bill is good news, we can never quit looking at what other countries are doing every single day to take away our mantle of economic leadership. The NAM has fought for years—decades, really—for even lower rates than provided in this legislation for manufacturers of all sizes, especially small manufacturers organized as pass-through entities. We will not let up. We will work to ensure this legislation functions as intended.

''We will continue our fight and will rally manufacturing workers and their families to encourage more progress in the years ahead. Today, we're calling for our government to produce a comprehensive study every three years to compare how the U.S. tax code stacks up with our competitors around the world. The last time true tax reform was enacted was in 1986, 31 years ago. If we wait until 2048 to revisit the tax code, we will no doubt discover that we have fallen significantly behind once again. For the future of every manufacturing worker in America, our elected leaders must constantly strive to ensure our country's business climate is far better than merely average. Manufacturers and the NAM will never stop leading that fight.''

LETTER NO. 2

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States, representing manufacturers in every industrial sector and in all 50 states, urges you to support the Conference Report to H.R. 1, the Tax Cuts and Jobs Act.

American workers need bold tax reform to not just raise their job prospects but to improve their lives. For years, manufacturing workers have sought an updated tax code that spurs economic growth and global competitiveness. Instead, they have a system that holds our nation back due to high tax rates on our small manufacturers, the backbone of our economy, and hinders large manufacturing enterprises that provide livelihoods for millions of families. Manufacturers are saddled with arcane rules for taxing international income and significant compliance burdens that exacerbate our competitive disadvantage. We are counting on you to lift up these hardworking men and women.

The Conference Report to H.R. 1 takes the important steps toward addressing five key elements that NAM members believe will set the stage for manufacturing growth: a lower corporate rate, reduced burdens on business income earned by pass-through entities, a territorial tax system, robust incentives for capital equipment purchases and retention of tax incentives for research and development. While this bill could go even further to address these key areas that promote added economic growth, it still provides the opportunity to strengthen the manufacturing economy. With this vote, you have the ability to improve manufacturers' global competitiveness, grow the economy, spur investment and create more well-paying manufacturing jobs. For every $1.00 spent in manufacturing an additional $1.89 is added to the economy. In 2015, the average manufacturing worker earned nearly $82,000 per year in salary and benefits. In short, passing historic tax reform will lead to better jobs, better wages and better opportunities for more people to achieve their American Dream. The NAM's Key Vote Advisory Committee has indicated that votes on the Conference Report to H.R. 1, including procedural motions, may be considered for designation as Key Manufacturing Votes in the 115th Congress. Thank you for your consideration.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS.

LETTER NO. 1

National Federation of Independent Business says this is the tax relief that small business needs, urges quick passage

The National Federation of Independent Business (NFIB) issued the following statement today on behalf of President and CEO Juanita Duggan on the Tax Cuts and Jobs Act, released today by the conference committee:

''We are very pleased by the tax bill reported out of conference today, and we are grateful to leaders in the House and Senate for following through on their promise to cut taxes on small businesses.

''Tax relief is the number-one priority for small businesses, which represent half the economy and half the GDP. This bill will allow millions of small business owners to keep and reinvest more of their money, so they can grow and create jobs. We urge both chambers to pass the bill quickly, so it can be signed into law before the end of the year.''

LETTER NO. 2

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I am writing in support of the Tax Cuts and Jobs Act conference report. This legislation will provide much needed tax relief to America's job-creating small businesses. This will be considered an NFIB Key Vote for the 115th Congress.

Small business is the engine of the economy, and tax reform should provide substantial relief to all small businesses so they can reinvest their money, grow, and create jobs. Ninety-nine percent of all American businesses are small businesses; the average NFIB member has just 10 employees. Taken in sum, however, small businesses create half of all private-sector jobs in the U.S. and contribute half the nation's gross domestic product.

Three-quarters of America's small employers are structured as pass-through entities, meaning their owners are taxed at the individual rate as opposed to the corporate rate. Crucially, the conference report creates a new 20% deduction for pass-through income of small businesses. Further, it allows all types of small businesses—regardless of industry segment—to benefit from this deduction.

NFIB supports passage of the Tax Cuts and Jobs Act conference report and will consider it an NFIB Key Vote for the 115th Congress.

Thank you for your consideration. We look forward to working with you to protect small business.

ALLIANCE FOR COMPETITIVE TAXATION.

ALLIANCE FOR COMPETITIVE TAXATION APPLAUDS SENATE AND HOUSE LEADERS FOR ADVANCING TAX REFORM

WASHINGTON.—The Alliance for Competitive Taxation (ACT), a coalition of leading American businesses that employ millions of American workers, issued the following statement on the Conference Report of the Tax Cuts and Jobs Act:

''We applaud leaders in the U.S. Senate and U.S. House for reaching an agreement on the Tax Cuts and Jobs Act Conference Report. This pro-growth tax reform bill is a major step in leveling the playing field for American businesses competing in world markets and will create opportunities for American workers.

''We urge members of the Senate and House to swiftly pass this historic legislation that will strengthen our economy, promote investment in the U.S. and create American jobs.

''We are committed to working with Congress and the Administration beyond final passage of this legislation to ensure that tax reform achieves the desired goal of benefiting American workers and promoting U.S. competitiveness and economic growth.''

REMEMBERING CHIEF IRVING POWLESS, JR.

HON. JOHN KATKO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. KATKO. Mr Speaker, I rise today to honor the life of Onondaga Nation Chief Irving Powless, Jr.

Chief Powless was born in Syracuse, the son of Chief Irving Powless, Sr. and Cecelia Powless, both active members within the Onondaga Nation. As chief of the Beaver Clan of the Onondaga Nation, Chief Powless, Jr. established a reputation for his quick wit, enthusiasm, and ability to ease stressful situations. He served as secretary of the Onondaga Council of Chiefs for more than 30 years and was a respected leader throughout Central New York. Chief Powless was an expert on treaty rights, and throughout his life, tirelessly advocated for the rights of the Onondaga Nation and the Haudenosaunee peoples.

Chief Powless' love for his people and for their history never faltered over the course of his life. He was an avid historian, and spent time as a lecturer, author, and teacher. Beyond his role as a scholar, Chief Powless was

an avid hunter, lacrosse player, and environmental advocate. He worked to obtain a new health center for the Onondaga Nation School, and to return sacred objects from museums to the Onondaga people. He published several books, including, "Who are These People Anyway?"

It is my honor to recognize the life and legacy of this great leader in our community. May Chief Irving Powless, Jr. name and legacy forever be remembered in the RECORD. Rest peacefully.

HEZBOLLAH'S ILLICIT ACTIVITIES

HON. TED POE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. POE of Texas. Mr. Speaker, a recent report reveals that the Obama White House, in a desperate attempt to appease the Ayatollahs in Iran, let Hezbollah off the hook. The report outlines how the DEA was on to Hezbollah's illicit network of drug and arms trafficking, money laundering and other criminal activities, yet the Obama administration stalled or blocked any prosecutions that would have disrupted the terror group's nefarious activities so that Iran would agree to the nuclear deal. This stunning revelation adds more evidence to why the JCPOA was a bad deal.

For years Hezbollah built an extensive network in Latin America to raise money for its terrorist activities. Addressing Hezbollah's illicit activities across the globe, but in particular the Western Hemisphere, has been a top priority for Congress for many years.

Through hearings and legislation we have exposed the direct ties between Hezbollah and criminal groups in the region that allowed Hezbollah to amass nearly $1 billion annually. Yet the U.S. failed to take sufficient action to disrupt this massive flow of money, drugs, and arms that have made Hezbollah the most powerful terrorist group in the world.

In 2014, a GAO review noted that only two of 12 requirements that were mandated by the Countering Iran in the Western Hemisphere Act were being addressed. Meanwhile, Hezbollah's activity in our hemisphere increased. In June 2017, an individual with alleged ties to the terrorist group was arrested in Paraguay and extradited to the U.S. That same month, another individual was arrested for attempting to provide support to Hezbollah in targeting the U.S. and Israeli embassies in Panama. These events followed the 2014 arrest of a Hezbollah operative in Peru, an Iranian-linked assassination attempt on the Saudi Ambassador in Washington in 2011, and the deadly terrorist attacks against two Jewish targets in Argentina in the 1990s. Moreover, the special prosecutor who uncovered Iran and Hezbollah's role in the Argentina attacks was murdered in 2015.

Together with my colleagues, Chairman Cook of the Western Hemisphere Subcommittee and Chairman Ros-Lehtinen of the Middle East and North Africa Subcommittee, I have sent a letter to President Trump urging him to address the shortfalls that occurred under the Obama administration in terms of dismantling Hezbollah's illicit activities. We, in the House, have provided the tools necessary to pursue Hezbollah, passing H.R. 3329, the Hezbellah International Financing Prevention Amendments Act, which includes Section 105 mandating a U.S. strategy to address Iran and Hezbollah's networks in the Western Hemisphere and requiring the alignment of U.S. actions with our regional partners. We are prepared to do more to make up for years of negligence under the Obama White House that allowed these killers to go unbothered. And that's just the way it is.

TRIBUTE TO THE CUMBERLAND TELEPHONE COMPANY

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate the Cumberland Telephone Company of Cumberland, Iowa. This year marks the 120th year of operations for the telecommunications company, which opened its doors in 1897.

The company was originally named the Briscoe-Cumberland Telephone Company. Briscoe was a small mining town located in Adams County, Iowa. Today, the Cumberland Telephone Company is a full-service communications company offering internet, local and long distance phone service, and fiber-to-the-home packages for their customers. It also provides wireless internet services throughout the Cumberland exchange.

Mr. Speaker, I commend and congratulate the Cumberland Telephone Company and its staff for providing cutting-edge telecommunication services to the Cumberland community and Southwest Iowa for the past 120 years. I urge my colleagues in the United States Congress to join me in congratulating Cumberland Telephone Company for their numerous achievements in the communications industry and in wishing them all nothing but continued success.

REMEMBERING POTA VALLAS

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. PRICE of North Carolina. Mr. Speaker, I rise today to honor the life and legacy of Pota Vurnakes Vallas, who died last week at the age of 109, surrounded by her family. A loving wife, mother and grandmother, pioneering businesswoman, and public-spirited citizen, Mrs. Vallas was one of the Fourth District's oldest residents and the matriarch of Raleigh's Greek community. Lisa and I extend our condolences to her family and her many friends and admirers in the Greek community and beyond.

Mrs. Vallas was born in 1908 in the small village of Krissfa, Greece, the eldest of ten children. In 1924 her father, Gus Vurnakes, became the first Greek immigrant to settle in Raleigh and Pota soon followed. Gus opened a fruit and soda stop in downtown Raleigh and Pota assisted him, delivering ice cream and chocolates on a horse-drawn wagon to homes and businesses in Raleigh.

In 1927, she married fellow immigrant George Vallas and began raising her family. She and George were stalwart members of the community, helping to establish a Greek Orthodox Church in downtown Raleigh. Eventually George and Pota donated the land upon which Holy Trinity Greek Orthodox Church stands today.

George and Pota lost their home and business in the Great Depression. To provide for her young family, she applied to work for the Singer Sewing Company in 1931 and quickly emerged as a talented salesperson and manager. Her dream of owning her own business finally came to fruition in 1944 when she bought the distributorship of the National Sewing Machine Company and opened National Art Interiors, one of the first interior decorating businesses in Raleigh. Pota's store became a landmark for the finest furniture and fabric companies, furnishing many homes and businesses throughout the state. She ran the business with her daughters and other family members until retiring at the age of 94 in 2002.

In addition to managing a thriving company, Mrs. Vallas served on the Boards of First Citizens Bank and the North Carolina Community Foundation. She was a lifelong member of the Holy Trinity Greek Orthodox Church and a member of Philoptochos. She was honored with the Saint Michael's Award, the highest recognition for a layperson, for her years of dedicated service by the Greek Orthodox Diocese of America.

Mrs. Vallas was one of my most memorable constituents. I often saw her at Raleigh's Greek Festival and treasure the memory of delivering a birthday letter from President Obama to her on one such occasion. She was quick with a smile and an encouraging word. She was a woman of great energy and faith, an indomitable spirit. She leaves behind a community that she loved and that loved her in return. We join with that community in mourning her passing and honoring her exemplary life.

TRIBUTE TO SHIRLEY AND BILL KOENIG

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Shirley and Bill Koenig of Underwood, Iowa on the very special occasion of their 60th wedding anniversary. They celebrated their anniversary on October 26, 2017 and were married in Treynor, Iowa in 1957.

Shirley and Bill's lifelong commitment to each other and their family truly embodies Iowa values. As they reflect on their 60th anniversary may their commitment grow even stronger, as they continue to love, cherish, and honor one another for many years to come.

Mr. Speaker, I commend this great couple on their 60th year together and I wish them many more. I ask that my colleagues in the United States House of Representatives join me in congratulating them on this momentous occasion and in wishing them nothing but the best.

GREGORY SMITH

HON. ED PERLMUTTER

OF COLORADO

Wednesday, December 20, 2017

Mr. PERLMUTTER. Mr. Speaker, I rise today to posthumously recognize and honor Gregory Smith for his service and dedication to the State of Colorado. Greg had a remarkable career and served the citizens of Colorado for more than 15 years.

Greg served five years as Executive Director of the Public Employees Retirement Association (PERA). He joined PERA as General Counsel in 2002 and in 2009 he was promoted to Chief Operating Officer. Greg was known for his extensive knowledge of the public pension system and had a passion for ensuring retirement security for hundreds of thousands of Colorado public employees. In addition, Greg served on several national industry boards, including the National Institute of Retirement Security, the Council of Institutional Investors, the National Council on Teacher Retirement and the National Association of Public Pension Attorneys. Greg was also a former president of the Denver Mile High Rotary Club. Greg will be missed by PERA members and the community he served.

I extend my deepest appreciation to Gregory Smith for his service and dedication to the citizens of Colorado. His positive impacts will be felt for many years to come.

CONFERENCE REPORT ON H.R. 1, TAX CUTS AND JOBS ACT

SPEECH OF

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 19, 2017

Mr. BRADY of Texas. Mr. Speaker, I include in the RECORD letters from the Real Estate Roundtable, National Association of Home Builders, Financial Services Roundtable, American Bankers Association, RATE Coalition, and the National Milk Producers Federation:

REAL ESTATE ROUNDTABLE.

TAX BILL WILL SPUR ECONOMIC GROWTH: REAL ESTATE ROUNDTABLE

WASHINGTON, DC.—Real Estate Roundtable President and Chief Executive Officer Jeffrey DeBoer today commended congressional policymakers on reconciling differences between the Senate and House versions of the Tax Cuts and Jobs Act (H.R. 1)—historic tax legislation that faces a final vote in both chambers next week. DeBoer stated: ''Today's agreement by Senate and House leaders on the final details of the Tax Cuts and Jobs Act is a significant effort to encourage capital formation and investment in all types of businesses. New investment incentives in this bill should spur economic growth and boost job creation throughout the United States. We applaud the dedicated efforts of congressional lawmakers and Administration officials who brought this legislation to fruition.

In addition to reducing the tax rate for American corporations to make them more globally competitive, the legislation also encourages capital formation and investment by ushering in a new tax regime focused on businesses conducted in pass-through format such as partnerships and Subchapter S corporations. These pass-through entities are the backbone of the American economy, representing over 60 percent of all business income and creating more than 60 percent of all jobs in America over the past 25 years.''

Mr. DeBoer added:

''We anticipate that many provisions in the bill, including the pass-through tax regime, will require the immediate focus and attention of the Treasury Department to draft interpretative regulations. This process will be critical in maintaining needed guardrails to prevent abuse, but also to make certain the new rules function as efficiently as possible and result in robust economic activity.

The Act also ensures that commercial real estate development and ownership continues to be taxed on an economic basis, thereby avoiding significant market distortions that could harm local communities and lender portfolios.''

NATIONAL ASSOCIATION OF HOME BUILDERS.

LETTER NO. 1

NAHB SUPPORTS FINAL TAX BILL

WASHINGTON,DEC. 16.—Granger MacDonald, chairman of the National Association of Home Builders (NAHB) and a home builder and developer from Kerrville, Texas, issued the following statement regarding the final House-Senate conference report on tax reform legislation:

''NAHB fully supports the final conference report on tax reform legislation and commends the work of House-Senate conferees. This comprehensive overhaul of the nation's tax code will help middle-class families, maintain the nation's commitment to affordable housing and ensure that small businesses are treated fairly relative to large corporations. Lower tax rates and a fair tax code will spur economic growth and increase competitiveness, and that is good for housing. We urge the House and Senate to move quickly to pass this legislation.''

LETTER NO. 2

On behalf of the approximately 140,000 members of the National Association of Home Builders (NAHB), I am writing to express strong support for the conference report to H.R. 1, the Tax Cuts and Jobs Act. NAHB commends the work of the House and Senate conferees to deliver a final bill that will spur greater economic growth. Due to the importance of this legislation to our economy, NAHB has designated support of H.R. 1 as a key vote.

This comprehensive overhaul of the nation's tax code provides tax relief to middleclass families, maintains the nation's commitment to affordable housing, and ensures that small businesses are treated fairly relative to large corporations. Lower tax rates and a fairer tax code will spur economic growth and increase competitiveness, and that is good for housing. Housing not only equals jobs, but jobs mean more demand for housing.

By passing this bill, housing can be a key engine for the job growth we all seek. After all, the housing sector—representing roughly one-sixth of the U.S. economy—is operating at only two-thirds of its potential capacity. There is tremendous potential in unlocking and unleashing housing to lead the country to greater economic growth.

Again, NAHB has designated passage of H.R. 1 as a key vote, and we urge the House and Senate to move quickly to pass this legislation. Thank you for considering our views.

FINANCIAL SERVICES ROUNDTABLE.

FSR URGES CONGRESS TO PASS CONFERENCE TAX REFORM PACKAGE

WASHINGTON, DECEMBER 15, 2017.—The Financial Services Roundtable (FSR) today came out in support of the conference committee report on tax reform and urged Congress to quickly pass its tax reform bill to help boost economic opportunity for all Americans. ''Tax reform will help deliver expanded opportunity for individuals and American businesses of all sizes,'' said FSR CEO Tim Pawlenty. ''Congress should quickly move tax reform over the finish line and enable America to go on economic offense.'' FSR believes the outcome of the conference committee report will help drive more jobs and long-term investment that benefits American workers and their families. With a near 35% rate, the U.S. has one of the highest corporate tax rates in the industrialized world. These reforms will finally put our country on a more competitive footing for business and investment from around the globe.

AMERICAN BANKERS ASSOCIATION.

ABA STATEMENT ON TAX REFORM LEGISLATION

(By Rob Nichols, ABA president and CEO)

''We congratulate the House and Senate conference committee for reaching a final agreement on comprehensive tax reform. Committee members have moved the nation another step closer to the first major overhaul of the tax code in more than three decades.

''ABA believes the significant reforms included in this legislation will help grow the economy and create jobs. We particularly applaud the provisions that significantly lower tax rates for all types of businesses beginning in 2018. Banks currently have one of the highest effective tax rates of any industry, and these important changes will allow our members to better serve their customers and the broader economy.

''While there is much to like in the bill, lawmakers missed an opportunity to reform the outdated, unfair and unreasonable tax advantages enjoyed by credit unions and the Farm Credit System. Congress should treat businesses providing the same services the same way, and that is not happening today. We will continue to argue for a level playing field until Congress ends this inequity.

''We still believe this legislation as a whole will benefit our members, their customers, and the country. As a result, ABA supports the conference report and encourages members of the House and Senate, and ultimately President Trump, to enact it into law as soon as possible.''

The American Bankers Association is the voice of the nation's $17 trillion banking industry, which is composed of small, midsize, regional and large banks that together employ more than 2 million people, safeguard $13 trillion in deposits and extend more than $9 trillion in loans.

RATE COALITION.

RATE COALITION STATEMENT ON THE TAX CUTS AND JOBS ACT CONFERENCE REPORT

The Reforming America's Taxes Equitably (RATE) Coalition—whose affiliated companies represent over 30 million employees in all 50 states—released the following statement on the Tax Cuts and Jobs Act Conference Report:

''We are proud of the diligence with which this Administration and this Congress have worked to craft historic tax reform. We are equally proud to fully support the end result of those efforts: The Tax Cuts and Jobs Act Conference Report. A critical fix to our broken tax system—one that punishes job-creating businesses of all sizes with the highest

corporate rate in the industrialized world—the TCJA Conference Report would help our economy grasp the growth that's well within its reach. Provisions similar to those included in this Conference Report have been projected to boost GDP, create new jobs, lift after-tax income for middle-class families, and encourage greater investment in our country. The RATE Coalition strongly urges Senators and Representatives to deliver those wins for American workers by sending this legislation to President Trump's desk for signature as swiftly as possible.''

NATIONAL MILK PRODUCERS FEDERATION.

NMPF STATEMENT ON TAX REFORM LEGISLATION FROM JIM MULHERN, PRESIDENT AND CEO, NMPF

ARLINGTON, VA—''National Milk has worked closely with House and Senate members on the tax reform conference package to achieve a positive outcome for dairy farmers and their cooperatives, and we're pleased that conferees have completed work on a package that should provide important relief. The final compromise to address the loss of the Section 199 deduction will help protect farmer-owned businesses from a major tax increase at a time when America's farm sector is struggling with low commodity prices and reduced incomes.

''America's dairy farmers, who overwhelmingly rely on cooperatives to market their milk, appreciate the determined efforts by Sens. John Hoeven (R–ND) and John Thune (R–SD), as well as multiple House members, including Agriculture Committee Chairman Mike Conaway (R–TX), to seek a fair and reasonable solution to this challenge. Their efforts will help prevent a higher tax bill for cooperatives and avert the loss of economic activity in rural communities that these businesses help generate. We're also grateful for the numerous senators on both sides of the aisle who elevated this issue during the debate.

''At issue is the loss of the benefit that both farmers and cooperative businesses enjoy from the Section 199 deduction, also known as the Domestic Production Activities Deduction (DPAD). This important provision of the tax code applies to proceeds from agricultural products marketed through cooperatives, making the Section 199 an important means of reducing taxation for farmers and cooperatives alike. Cooperatives pass the vast majority of the benefit—nearly $2 billion nationwide—directly to their farmer owners, then reinvest the remainder in infrastructure improvements for the marketing and processing of food products.

''The final tax package released on Friday repeals the DPAD, but the legislation allows cooperative members to claim a new 20-percent deduction on payments from a farmer cooperative. Cooperatives would also be able to claim the 20-percent deduction on gross income less payments to patrons, limited to the greater of 50 percent of wages or 25 percent of wages plus 2.5 percent of the cooperative's investment in property. This favorable treatment for gross income will help minimize any potential increase in the tax burden on farmer-owned cooperatives.

''NMPF believes that this provision, plus components of the bill that increase exemption levels from the federal estate tax, enhance depreciation and expensing opportunities for producers, and preserve farmers' ability to deduct interest expenses, should help farmers and cooperatives alike. The fix offered by Sens. Hoeven and Thune recognizes that farmer cooperatives play an indispensable role in our nation's economy and need to be treated fairly in the final tax legislation.''

TRIBUTE TO THE LIFE OF MICHAEL IRA WIESNER

HON. DAVID SCHWEIKERT

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. SCHWEIKERT. Mr. Speaker, I rise today in honor and tribute to Michael Ira Wiesner, who passed away April 19, 2015. This past May 30 Michael's family, loved ones, and community celebrated what would have been Michael's 70th birthday.

Michael was a wonderful husband to his wife Beth, and a great role model and confidant to his children: Amy, Adam, Ben, Ana, and Ashley. Michael had great love for his family and always supported everyone in their journeys to grow and learn. Throughout his life, Michael enjoyed playing golf and spending time in Vermont and always shared his interests with his wife and children.

I am proud to honor the life and legacy of Michael Ira Wiesner for his remarkable character, love of country, and care for his family—which includes his wife Beth Wiesner, Oliver Schwab, my Chief of Staff, his wife Ana Schwab, Ashley Ellis, Amy Wiesner, Adam Wiesner, and Ben Wiesner.

TRIBUTE TO GERALD KIRKE

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Gerald Kirke of Des Moines, Iowa, for his induction into the 2017 Iowa Business Hall of Fame.

The Greater Des Moines Committee founded the Iowa Business Hall of Fame in 1975 to honor Iowans who have helped to enhance the state's business climate. Gerald is the Chairman and CEO of Kirke Financial Services, L.L.C., an investment, real estate and consulting firm he founded in 1999. His other business ventures over his long career include owning a company that manufactured patient fixation and tumor targeting software, a carbon fiber composite manufacturing plan, and an entertainment company that operates three casinos in Iowa.

Mr. Speaker, I congratulate Gerald on his induction into the 2017 Iowa Business Hall of Fame and commend him for his dedication to our great state. It is with great pride that I recognize him today and I ask that my colleagues in the United States House of Representatives join me in congratulating him for this outstanding achievement and in wishing him nothing but continued success.

IN RECOGNITION OF FALCON STEEL AMERICA

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. BRADY of Texas. Mr. Speaker, today I rise to recognize Falcon Steel America and its employees for their efforts to aid in the recovery and relief of Montgomery County in the aftermath of Hurricane Harvey.

In 1963, Falcon Steel America was founded as a small steel shop in Haltom City, TX. Since its creation, Falcon Steel has grown to be considered one of the most dependable suppliers of structural steel in Texas. Additionally, Falcon Steel serves as the only producer of high-voltage, steel-lattice towers in the United States.

On August 25, 2017, Hurricane Harvey made landfall in Texas, carrying its wind, rains, and flooding across the state and devastating homes and families throughout the greater Houston community.

As the flood waters receded, donations of food, water, clothing, toys, and necessities came pouring into the community from across the United States. To coordinate the distribution of these supplies, Falcon Steel America partnered with Interfaith of The Woodlands and hundreds of local volunteers to organize a massive distribution center in its Conroe factory. With over 225,000 square feet of life-saving supplies, Falcon Steel's willingness to donate its facilities allowed thousands of affected residents to receive much needed assistance. This effort has now become known as one of the largest distribution efforts Montgomery County has ever witnessed.

Falcon Steel's core values of ethical behavior, excellence, and teamwork were reflected in their actions after Hurricane Harvey. Through its willingness to come to the aid of our community, Falcon Steel provided an outlet for thousands of local residents to receive life-saving assistance.

On December 21, 2017, Falcon Steel will complete the renovation of its new manufacturing facility in Conroe, TX. I am proud to join the entire Eighth Congressional District of Texas to congratulate Falcon Steel on this achievement and thank them for their continued commitment to serving our community.

TRIBUTE TO ROLLING HILLS BANK AND TRUST

HON. DAVID YOUNG

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. YOUNG of Iowa. Mr. Speaker, I rise today to recognize and congratulate Rolling Hills Bank and Trust of Anita, Iowa, for celebrating over 140 years in business. Founded in July of 1876, Rolling Hills Bank has remained dedicated to family traditions and committed to making its community better. Their motto is: ''A Homeowned Hometown Bank Investing in People.''

Originally named the Anita State Bank, its name was changed in 1989 to Rolling Hills Bank and Trust. They have seen a lot during their time in operation, helping customers through the Great Depression and the Farm Crisis of the 1980s. The bank has expanded with branches in Iowa, Minnesota, and Wyoming. Bank officials are committed especially to helping students and families in agriculture through their Heifer program. Each year, they purchase ten heifers then select students to raise them so they can experience the responsibility of raising the heifers, maintaining records, and the cost associated with it. After five years, the students pay back the bank in

cash or with bred heifers that are passed on to the next year's recipients.

Mr. Speaker, I commend and congratulate Rolling Hills Bank and Trust for their many years of dedicated and devoted service to their customers. It is with great pride that I recognize them today. I ask that my colleagues in the United States House of Representatives join me in applauding their accomplishments and in wishing them all nothing but continued success.

RECOGNIZING MR. DARRELL SUPAK

HON. JOHN J. FASO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. FASO. Mr. Speaker, it is with great respect and admiration that I rise today to recognize the illustrious career of Mr. Darrell Supak on the occasion of his retirement. Mr. Supak is retiring after twenty-five years of exemplary service to Granite Associates, LP in Liberty, New York.

I cherish the commitment of those distinct individuals who have tirelessly devoted themselves to their community, and Mr. Supak is no exception. Mr. Supak exemplifies compassion and leadership as a dedicated man of faith, an advocate for the arts, and a fierce defender of health care. A valued member of his community, Mr. Supak's regular involvement with numerous organizations and projects to further the causes he believes in, as well as to safeguard the wellbeing of his friends and neighbors, has set a high standard for others to follow.

As a graduate of Texas A&M University's ROTC program and a retired U.S. Army Colonel, Mr. Supak is a fervent patriot, actively committed to supporting his fellow veterans. I am fortunate to have him, a man of great wisdom and experience, as a longtime member of our Congressional District's U.S. service academy panel.

A true testament to his steadfast loyalty to country and community, Mr. Supak has received countless civil and military awards and decorations, including the prestigious Walter A. Rhulen Award for Business, Community and Humanity from the Sullivan County Partnership for Economic Development.

Mr. Supak's legacy of hard work and philanthropy is a source of inspiration, instilling the values of determination, confidence, and civility in his community. I am grateful for Mr. Supak's years of dedicated service to the 19th District and to New York state. I wish Mr. Supak continued happiness as he embarks on this new chapter, and I am confident that even in retirement he will continue to be actively involved in service to our nation.

RECOGNIZING THE LIFE AND SERVICE OF OFFICER FREDDIE CRAWFORD

HON. CHARLIE CRIST

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. CRIST. Mr. Speaker, I rise today to honor the life and public service of retired St. Petersburg Police Officer Freddie Crawford, one of the ''Courageous 12,'' who put his career and life on the line in the fight against discrimination and segregation.

The Courageous 12 were the first African Americans employed by the St. Petersburg Police Department, who bravely served the residents of the city for many years. In the face of constant threats in the field and discrimination within their department, these 12 officers withstood both professional and physical risk to keep the peace and ensure equality and justice in their communities.

In the early 1960s, Officer Crawford and his fellow black police officers serving on St. Petersburg's police force were only permitted to police black neighborhoods. The segregation of authority even went so far as to mark patrol cars with a 'C' for ''colored'' to designate that it was a black officer inside. Officer Crawford and his colleagues attempted to express their grievances to the Chief of Police on multiple occasions, only to be ignored and swept aside. After persevering through years of segregation in both his civilian and professional life, Officer Crawford and his colleagues in the Courageous 12 took their fight to the judicial system. Despite the personal and professional risk, Officer Crawford and his fellow officers sued the city of St. Petersburg in 1965.

Baker vs. the City of St. Petersburg did not initially receive a favorable ruling for the Courageous 12. But in 1968, a federal appeals court overturned the decision. In one year's time, Officer Crawford was patrolling a primarily white area in North-East St. Petersburg. The monumental efforts by Officer Crawford and his colleagues would inspire black officers in nearby areas, creating a domino effect of positive change in communities throughout the Tampa Bay region.

Even after retiring from the St. Petersburg Police Department, Freddie Crawford continued his efforts to address and eradicate segregation. He went to work for the Community Relations Services division at the U.S. Department of Justice where he used his experience with conflict resolution to resolve racial tensions in various communities across the country.

Mr. Speaker, please join me once again in commemorating Officer Freddie Crawford's life, and thanking him for his contribution to the cause of justice. He leaves behind a legacy of tireless dedication to equality and serves as an inspiration to the city of St. Petersburg and to our country.

TRIBUTE TO REGGIE GREENE

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 20, 2017

Mr. BRADY of Texas. Mr Speaker, I rise today to celebrate the life of Reginald Greene, a longtime and outstanding staffer for the Committee on Ways and Means, who passed away on December 11, 2017.

Known around the halls of the Ways and Means Committee as simply ''Reggie,'' for four decades he held job titles ranging from staff assistant to documents clerk. But around the committee he was really Mr. Everything. He could make out-of-print documents appear out of thin air, and whether it was manning the doors, handling special requests, or enforcing committee procedures, you name it, Reggie did it.

No one was fiercer than Reggie in protecting our committee and making sure that everyone respected its rules and procedures. Reggie never condoned sloppiness and always frowned on carelessness. He could be stern with staff—and more than a few Members—if they strayed from the rules. And he could silence disorderly conduct in our hearing room with a single look. So much so that you might think that the Ways and Means hearing room was really Reggie's hearing room—and you would be right. There he was both respected and feared by staff, lobbyists, and even Members when they entered his domain. Any photographer who stayed too long, or Member or staffer who dared to cross the dais without proper attire, or drink from a can of soda with the logo visible to the cameras—a little-known violation of our committee's rules—would soon hear about it.

But underneath his outer tough-guy demeanor, Reggie was also a friendly and warm soul with a generous laugh. He would always encourage children visiting the committee hearing room to sit in the chairman's chair for a once-in-a-lifetime photo opportunity. Reggie had so many friends on the Hill, and he created a network of relationships to get our work done. He always had a kind word or joke at the ready when you needed it. His humor was dry, and legendary. If you asked him if he needed anything, he would say ''a million bucks and a hot tub for my office.'' At times like this, if you asked him when he thought Congress would complete its work for the year, he would say ''not soon enough.''

More than anything, Reggie's career celebrated his deep love for the Ways and Means Committee, its traditions, and its enormous responsibilities to the American people. That is a love he surely inherited from his father, who preceded him on the committee staff. And like the proud grandfather he was at home, Reggie also prided himself on helping raise the next generation of staffers to share in and carry on his profound respect for the committee. Whether through a gentle tug on the elbow or a low whisper, young staffers might get that day's lesson in committee decorum, history, or tradition.

On behalf of the entire Committee on Ways and Means, I offer our sincerest condolences to the Greene family on Reggie's passing. And I thank them for sharing Reggie with us for so many years of outstanding service to the committee, its Members, and our great country.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate of February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place and purpose of the meetings, when scheduled and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily

Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, December 21, 2017 may be found in the Daily Digest of today's RECORD.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S8153–8186

Measures Introduced: Five bills and two resolutions were introduced, as follows: S. 2255–2259, and S. Res. 362–363. **Page S8181**

Measures Reported:

S. 1827, to extend funding for the Children's Health Insurance Program, with an amendment in the nature of a substitute. (S. Rept. No. 115–197)

S. 1333, to provide for rental assistance for homeless or at-risk Indian veterans, with an amendment in the nature of a substitute. (S. Rept. No. 115–198) **Page S8181**

Measures Passed:

Freedom of the Press: Senate agreed to S. Res. 150, recognizing threats to freedom of the press and expression around the world and reaffirming freedom of the press as a priority in efforts of the United States Government to promote democracy and good governance. **Page S8154**

San Antonio Rose 75th Anniversary: Committee on Armed Services was discharged from further consideration of S. Res. 326, recognizing the crew of the San Antonio Rose, B–17F, who sacrificed their lives during World War II, and honoring their memory during the week of the 75th anniversary of that tragic event, and the resolution was then agreed to. **Page S8154**

National Ernie Pyle Day: Committee on the Judiciary was discharged from further consideration of S. Res. 345, designating August 3, 2018, as ''National Ernie Pyle Day'', and the resolution was then agreed to. **Page S8154**

USS Jacksonville: Senate agreed to S. Res. 362, recognizing the service of the Los Angeles-class attack submarine the USS Jacksonville and the crew of the USS Jacksonville, who served the United States with valor and bravery. **Page S8154**

Alex Diekmann Peak Designation Act: Senate passed S. 117, to designate a mountain peak in the State of Montana as ''Alex Diekmann Peak'', after agreeing to the committee amendment. **Pages S8184–85**

East Rosebud Wild and Scenic Rivers Act: Senate passed S. 501, to amend the Wild and Scenic Rivers Act to designate certain segments of East Rosebud Creek in Carbon County, Montana, as components of the Wild and Scenic Rivers System. **Page S8185**

Rood Nomination-Agreement: A unanimous-consent-time agreement was reached providing that at a time to be determined by the Majority Leader, in consultation with the Democratic Leader, on January 3, 2018, Senate begin consideration of the nomination of John C. Rood, of Arizona, to be Under Secretary of Defense for Policy; that there be 30 minutes of debate, equally divided in the usual form, and that following the use or yielding back of time, Senate vote on confirmation of the nomination, with no intervening action or debate, and that no further motions be in order; provided further that notwithstanding Rule XXXI of the Standing Rules of the Senate, the nomination be held in status quo into the second session of the 115th Congress. **Page S8183**

Nominations Confirmed: Senate confirmed the following nominations:

Bruce D. Jette, of Virginia, to be an Assistant Secretary of the Army.

James E. McPherson, of Virginia, to be General Counsel of the Department of the Army.

Randall G. Schriver, of Virginia, to be an Assistant Secretary of Defense.

Thomas Harker, of Virginia, to be an Assistant Secretary of the Navy.

John P. Roth, of Virginia, to be an Assistant Secretary of the Air Force. **Page S8185**

Duane A. Kees, of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of four years.

Stephen R. McAllister, of Kansas, to be United States Attorney for the District of Kansas for the term of four years.

Ronald A. Parsons, Jr., of South Dakota, to be United States Attorney for the District of South Dakota for the term of four years.

Ryan K. Patrick, of Texas, to be United States Attorney for the Southern District of Texas for the term of four years.

Michael B. Stuart, of West Virginia, to be United States Attorney for the Southern District of West Virginia for the term of four years. **Page S8183**

44 Air Force nominations in the rank of general.

2 Army nominations in the rank of general.

2 Navy nominations in the rank of admiral.

Routine lists in the Air Force, Army, and Navy. **Pages S8183–84**

Nominations Received: Senate received the following nominations:

Susan Paradise Baxter, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania.

Joel M. Carson III, of New Mexico, to be United States Circuit Judge for the Tenth Circuit.

Colm F. Connolly, of Delaware, to be United States District Judge for the District of Delaware.

Kari A. Dooley, of Connecticut, to be United States District Judge for the District of Connecticut.

Gordon P. Giampietro, of Wisconsin, to be United States District Judge for the Eastern District of Wisconsin.

Marilyn Jean Horan, of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania.

Chad F. Kenney, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

Maryellen Noreika, of Delaware, to be United States District Judge for the District of Delaware. **Page S8185**

Messages from the House: **Page S8181**

Measures Referred: **Page S8181**

Additional Cosponsors: **Pages S8181–82**

Statements on Introduced Bills/Resolutions: **Pages S8182–83**

Additional Statements: **Pages S8179–80**

Authorities for Committees to Meet: **Page S8183**

Adjournment: Senate convened at 11 a.m. and adjourned at 6:04 p.m., until 10 a.m. on Thursday, December 21, 2017. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S8185.)

Committee Meetings

(Committees not listed did not meet)

FREIGHT MOVEMENT

Committee on Environment and Public Works: Subcommittee on Transportation and Infrastructure concluded a hearing to examine freight movement, after receiving testimony from David Thomas, Maryland Department of Transportation Port Administration Deputy Executive Director, Baltimore; Tim Parker, Waterways Council, Inc., Tuscaloosa, Alabama; Chris Spear, American Trucking Associations, Arlington, Virginia; and Mark Policinski, Ohio-Kentucky-Indiana Regional Council of Governments, Cincinnati, on behalf of the Coalition for America's Gateways and Trade Corridors.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 16 public bills, H.R. 4690–4705; and 1 resolution, and H. Res. 669 were introduced. **Pages H10344–45**

Additional Cosponsors: **Page H10346**

Report Filed: A report was filed today as follows:

H. Res. 668, providing for consideration of the Senate amendment to the bill (H.R. 1) to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (H. Rept. 115–476). **Page H10249**

Speaker: Read a letter from the Speaker wherein he appointed Representative Rogers (KY) to act as Speaker pro tempore for today. **Page H10249**

Recess: The House recessed at 9:11 a.m. and reconvened at 10 a.m. **Page H10250**

Journal: The House agreed to the Speaker's approval of the Journal by a yea-and-nay vote of 217 yeas to 194 nays with two answering "present", Roll No. 703. **Pages H10250, H10330–31**

Committee Election: The House agreed to H. Res. 669, electing a Member to a certain standing committee of the House of Representatives. **Page H10261**

Tax Cuts and Jobs Act: The House agreed to the motion to concur in the Senate amendment to H.R.

1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, by a yea-and-nay vote of 224 yeas to 201 nays, Roll No. 699. **Pages H10252–H10312**

H. Res. 668, the rule providing for consideration of the Senate amendment to the bill (H.R. 1) was agreed to by a yea-and-nay vote of 232 yeas to 190 nays, Roll No. 698, after the previous question was ordered by a yea-and-nay vote of 234 yeas to 188 nays, Roll No. 697. **Pages H10252–61**

Suspension—Proceedings Resumed: The House agreed to suspend the rules and pass the following measure:

Consideration began Monday, December 18th.

United States and Israel Space Cooperation Act: H.R. 1159, amended, to provide for continuing cooperation between the National Aeronautics and Space Administration and the Israel Space Agency, by a ⅔ yea-and-nay vote of 411 yeas with none voting "nay", Roll No. 700. **Pages H10312–13**

Recess: The House recessed at 2:21 p.m. and reconvened at 6:08 p.m. **Page H10329**

Motion to Fix Next Convening Time: Agreed by voice vote to the Yoder motion that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow, December 21. **Page H10329**

Corporate Governance Reform and Transparency Act of 2017: The House passed H.R. 4015, to improve the quality of proxy advisory firms for the protection of investors and the U.S. economy, and in the public interest, by fostering accountability, transparency, responsiveness, and competition in the proxy advisory firm industry, by a yea-and-nay vote of 238 yeas to 182 nays, Roll No. 702. **Pages H10313–30**

Rejected the Sarbanes motion to recommit the bill to the Committee on Financial Services with instructions to report the same back to the House forthwith with amendments, by a yea-and-nay vote of 189 yeas to 231 nays, Roll No. 701. **Pages H10328–30**

Pursuant to the Rule, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–46 shall be considered as adopted. **Pages H10313–29**

H. Res. 657, the rule providing for consideration of the bills (H.R. 2396) and (H.R. 4015) was agreed to Wednesday, December 13th.

Recess: The House recessed at 8:42 p.m. and reconvened at 10:44 p.m. **Page H10343**

Senate Message: Message received from the Senate by the Clerk and subsequently presented to the House today appears on page H10251 .

Quorum Calls Votes: Seven yea-and-nay votes developed during the proceedings of today and appear on pages H10260, H10261, H10312, H10313, H10329–30, H10330, H10331. There were no quorum calls.

Adjournment: The House met at 9 a.m. and adjourned at 10:45 p.m.

Committee Meetings

SENATE AMENDMENT TO AN ACT TO PROVIDE FOR RECONCILIATION PURSUANT TO TITLES II AND V OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2018

Committee on Rules: Full Committee held a hearing on the Senate amendment to H.R. 1, an Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 [Tax Cuts and Jobs Act]. The Committee granted, by record vote of 8–4, a rule providing for the consideration of the Senate amendment to H.R. 1. The rule makes in order a motion offered by the chair of the Committee on Ways and Means or his designee that the House concur in the Senate amendment to H.R. 1. The rule waives all points of order against consideration of the motion. The rule provides that the Senate amendment and the motion shall be considered as read. The rule provides 20 minutes of debate on the motion equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means. The rule provides that clause 5(b) of rule XXI shall not apply to the motion.

Joint Meetings

No joint committee meetings were held.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST, *p. D1324)*

H.R. 228, to amend the Indian Employment, Training and Related Services Demonstration Act of 1992 to facilitate the ability of Indian tribes to integrate the employment, training, and related services from diverse Federal sources. Signed on December 18, 2017. (Public Law 115–93)

S. 371, to make technical changes and other improvements to the Department of State Authorities Act, Fiscal Year 2017. Signed on December 18, 2017. (Public Law 115–94)

COMMITTEE MEETINGS FOR THURSDAY, DECEMBER 21, 2017

(Committee meetings are open unless otherwise indicated)

Senate

No meetings/hearings scheduled.

House

Committee on Rules, Full Committee, hearing on H.R. 4667, making further supplemental appropriations for the fiscal year ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and calendar year 2017 wildfires, and for other purposes; and continue hearing on the Senate amendment to H.R. 1370, the ''Department of Homeland Security Blue Campaign Authorization Act of 2017'' [Further Continuing Resolution], 8 a.m., H–313 Capitol.

Next Meeting of the **SENATE**

10 a.m., Thursday, December 21

Senate Chamber

Program for Thursday: Senate will be in a period of morning business.

Next Meeting of the **HOUSE OF REPRESENTATIVES**

9 a.m., Thursday, December 21

House Chamber

Program for Thursday: To be announced.

Extensions of Remarks, as inserted in this issue

HOUSE

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