

H. Res. 256

In the House of Representatives, U.S.,

July 22 (legislative day, July 21), 1999.

Resolved, That upon adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in section 3 of this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment in the nature of a substitute printed

in part B of House Report 106–246, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 2488, notwithstanding the operation of the previous question, the Chairman of the Committee of the Whole may postpone further consideration of the bill until the following legislative day, when consideration shall resume at a time designated by the Speaker.

SEC. 3. The amendments specified in section 1 of this resolution are as follows:

Page 10, strike the table after line 18 and insert the following:

| “For taxable years beginning in calendar year— | The applicable percentage is— |
|---|--|
| 2001 through 2003 | 1.0 |
| 2004 | 2.5 |
| 2005 through 2007 | 5.0 |
| 2008 | 7.5 |
| 2009 and thereafter | 10.0. |

- 1 In the case of taxable years beginning in calendar
- 2 year 2001, the rounding referred to in the preceding
- 3 sentence shall be to the next highest tenth.

1 “(9) POST-2001 RATE REDUCTIONS CONTIN-
2 GENT ON NO INCREASE IN INTEREST ON TOTAL
3 UNITED STATES DEBT.—

4 “(A) IN GENERAL.—In the case of taxable
5 years beginning after December 31, 2001, para-
6 graph (8) shall apply only to taxable years be-
7 ginning after the first debt reduction calendar
8 year.

9 “(B) DELAY OF FURTHER RATE REDUC-
10 TIONS IF INCREASE IN INTEREST ON TOTAL
11 UNITED STATES DEBT.—For each calendar year
12 after 2000 which is not a debt reduction cal-
13 endar year, the table in paragraph (8) shall be
14 applied for each subsequent calendar year by
15 substituting the calendar year which is 1 year
16 later. The preceding sentence shall cease to
17 apply after the earliest calendar year with re-
18 spect to which the applicable percentage under
19 paragraph (8) is 10 percent (after the applica-
20 tion of the preceding sentence).

21 “(C) DEBT REDUCTION CALENDAR
22 YEAR.—For purposes of this paragraph, the
23 term ‘debt reduction calendar year’ means any
24 calendar year after 2000 if, for the 12-month
25 period ending on July 31 of such calendar year,

1 the interest expense on the total United States
 2 debt is not greater than such interest expense
 3 for the 12-month period ending on July 31 of
 4 the preceding calendar year.

5 “(D) TOTAL UNITED STATES DEBT.—For
 6 purposes of this paragraph, the term ‘total
 7 United States debt’ means obligations which
 8 are subject to the public debt limit in section
 9 3101 of title 31, United States Code.”.

Page 16, line 24, strike “2007” and insert “2008”.

Page 17, line 7, strike “2002” and insert “2004”.

Page 17, line 8, strike “2008” and insert “2009”.

Page 17, strike the table after line 13 and insert the
 following new table:

| “For taxable years beginning in calendar year— | The applicable percentage is— |
|---|--|
| 2005 | 80 |
| 2006 | 70 |
| 2007 | 60 |
| 2008 | 50.”. |

Page 18, lines 18 and 19, strike “2007” and insert
 “2008”.

Page 20, strike lines 1 through 6 and insert the fol-
 lowing:

1 “(A) in the case of any taxable year begin-
 2 ning in 2001 or 2002, \$50 (\$100 in the case
 3 of a joint return);

4 “(B) in the case of any taxable year begin-
 5 ning in 2003 or 2004, \$100 (\$200 in the case
 6 of a joint return); and

7 “(C) in the case of any taxable year begin-
 8 ning after 2004, \$200 (\$400 in the case of a
 9 joint return).

Page 38, strike line 24 and all that follows through
 page 40, line 17, and insert the following:

10 “(2) a tax of 30 percent of the net capital gain
 11 (or, if less, taxable income).

12 “(b) CROSS REFERENCES.—For computation of the
 13 alternative tax—

14 “(1) in the case of life insurance companies, see
 15 section 801(a)(2);

16 “(2) in the case of regulated investment compa-
 17 nies and their shareholders, see section 852(b)(3)(A)
 18 and (D); and

19 “(3) in the case of real estate investment
 20 trusts, see section 857(b)(3)(A).”.

21 (b) TECHNICAL AMENDMENTS.—

1 (1) Paragraphs (1) and (2) of section 1445(e)
 2 are each amended by striking “35 percent” and in-
 3 serting “30 percent”.

4 (2)(A) The second sentence of section
 5 7518(g)(6)(A) is amended by striking “34 percent”
 6 and inserting “30 percent”.

7 (B) The second sentence of section
 8 607(h)(6)(A) of the Merchant Marine Act, 1936, is
 9 amended by striking “34 percent” and inserting “30
 10 percent”.

11 (c) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as provided in para-
 13 graph (2), the amendments made by this section
 14 shall apply to taxable years beginning after Decem-
 15 ber 31, 2004.

16 (2) WITHHOLDING.—The amendment made by
 17 subsection (b)(1) shall apply to amounts paid after
 18 December 31, 2004.

Page 41, strike line 16 and all that follows through
 the end of the page and insert the following:

19 “(2) CORPORATIONS FOR TAXABLE YEARS BE-
 20 GINNING AFTER 2004.—In the case of a corporation
 21 for any taxable year beginning after 2004 and before
 22 2009, the limitation under paragraph (1) shall be in-
 23 creased by the applicable percentage (determined in

1 accordance with the following table) of the tentative
 2 minimum tax for the taxable year.

| “For taxable years beginning in calendar year— | The applicable percentage is— |
|---|--|
| 2005 | 20 |
| 2006 | 30 |
| 2007 | 40 |
| 2008 | 50. |

Page 42, line 17, strike “2002” and insert “2004”.

Page 42, line 24, strike “2007” and insert “2008”.

Page 85, strike line 20 and all that follows through
 page 88, line 7, and insert the following new section:

3 **SEC. 611. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT**
 4 **TAX RATES.**

5 (a) MAXIMUM RATE OF TAX REDUCED TO 50 PER-
 6 CENT.—

7 (1) IN GENERAL.—The table contained in sec-
 8 tion 2001(c)(1) is amended by striking the 2 highest
 9 brackets and inserting the following:

“Over \$2,500,000 \$1,025,800, plus 50% of the excess
 over \$2,500,000.”.

10 (2) PHASE-IN OF REDUCED RATE.—Subsection
 11 (c) of section 2001 is amended by adding at the end
 12 the following new paragraph:

13 “(3) PHASE-IN OF REDUCED RATE.—In the
 14 case of decedents dying, and gifts made, during
 15 2001, the last item in the table contained in para-

1 graph (1) shall be applied by substituting ‘53%’ for
 2 ‘50%’.”.

3 (b) REPEAL OF PHASEOUT OF GRADUATED
 4 RATES.—Subsection (c) of section 2001 is amended by
 5 striking paragraph (2) and redesignating paragraph (3),
 6 as added by subsection (a), as paragraph (2).

7 (c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—
 8 Subsection (c) of section 2001, as so amended, is amended
 9 by adding at the end the following new paragraph:

10 “(3) PHASEDOWN OF TAX.—In the case of es-
 11 tates of decedents dying, and gifts made, during any
 12 calendar year after 2004 and before 2009—

13 “(A) IN GENERAL.—Except as provided in
 14 subparagraph (C), the tentative tax under this
 15 subsection shall be determined by using a table
 16 prescribed by the Secretary (in lieu of using the
 17 table contained in paragraph (1)) which is the
 18 same as such table; except that—

19 “(i) each of the rates of tax shall be
 20 reduced by the number of percentage
 21 points determined under subparagraph
 22 (B); and

23 “(ii) the amounts setting forth the tax
 24 shall be adjusted to the extent necessary to
 25 reflect the adjustments under clause (i).

1 “(B) PERCENTAGE POINTS OF REDUC-
 2 TION.—

| “For calendar year: | The number of percentage points is: |
|----------------------------|--|
| 2003 | 1.0 |
| 2004 | 2.0 |
| 2005 | 3.0 |
| 2006 | 4.0 |
| 2007 | 5.5 |
| 2008 | 7.5. |

3 “(C) COORDINATION WITH INCOME TAX
 4 RATES.—The reductions under subparagraph
 5 (A)—

6 “(i) shall not reduce any rate under
 7 paragraph (1) below the lowest rate in sec-
 8 tion 1(c); and

9 “(ii) shall not reduce the highest rate
 10 under paragraph (1) below the highest rate
 11 in section 1(c).

12 “(D) COORDINATION WITH CREDIT FOR
 13 STATE DEATH TAXES.—Rules similar to the
 14 rules of subparagraph (A) shall apply to the
 15 table contained in section 2011(b) except that
 16 the Secretary shall prescribe percentage point
 17 reductions which maintain the proportionate re-
 18 lationship (as in effect before any reduction
 19 under this paragraph) between the credit under
 20 section 2011 and the tax rates under subsection
 21 (c).”.

1 (d) EFFECTIVE DATES.—

2 (1) SUBSECTIONS (a) AND (b).—The amend-
 3 ments made by subsections (a) and (b) shall apply
 4 to estates of decedents dying, and gifts made, after
 5 December 31, 2000.

6 (2) SUBSECTION (c).—The amendment made by
 7 subsection (c) shall apply to estates of decedents
 8 dying, and gifts made, after December 31, 2004.

Page 278, strike line 1 and all that follows through
 page 282, line 6.

Page 334, strike line 6 and all that follows through
 page 336, line 13.

Page 345, strike line 10 and all that follows through
 page 349, line 15.

Page 358, after line 2, insert the following new sec-
 tion:

9 **SEC. 1264. TREATMENT OF MULTIEMPLOYER PLANS UNDER**
 10 **SECTION 415.**

11 (a) IN GENERAL.—Paragraph (11) of section 415(b)
 12 (relating to limitation for defined benefit plans) is amend-
 13 ed to read as follows:

14 “(11) SPECIAL LIMITATION RULE FOR GOVERN-
 15 MENTAL AND MULTIEMPLOYER PLANS.—In the case
 16 of a governmental plan (as defined in section

1 414(d)) or a multiemployer plan (as defined in sec-
 2 tion 414(f)), subparagraph (B) of paragraph (1)
 3 shall not apply.”.

4 (b) EFFECTIVE DATE.—The amendment made by
 5 this section shall apply to years beginning after December
 6 31, 2000.

At the end of the bill insert the following new titles:

7 **TITLE XVII—COMMITMENT TO**
 8 **DEBT REDUCTION**

9 **SEC. 1701. COMMITMENT TO DEBT REDUCTION.**

10 (a) FINDINGS.—The Congress finds that—

11 (1) the national debt of the United States held
 12 by the public is \$3.619 trillion as of fiscal year
 13 1999;

14 (2) the Federal budget is projected to produce
 15 a surplus each year in the next 10 fiscal years; and

16 (3) refunding taxes and reducing the national
 17 debt held by the public will assure continued eco-
 18 nomic growth and financial freedom for future gen-
 19 erations.

20 (b) SENSE OF THE CONGRESS.—It is the sense of
 21 the Congress that the national debt held by the public
 22 shall be reduced from \$3.619 trillion to a level below \$1.61
 23 trillion by fiscal year 2009.

1 **TITLE XVIII—BUDGETARY**
2 **TREATMENT**

3 **SEC. 1801. EXCLUSION OF EFFECTS OF THIS ACT FROM**
4 **PAYGO SCORECARD.**

5 Upon the enactment of this Act, the Director of the
6 Office of Management and Budget shall not make any es-
7 timate of changes in direct spending outlays and receipts
8 under section 252(d) of the Balanced Budget and Emer-
9 gency Deficit Control Act of 1985 resulting from the en-
10 actment of this Act.

 Conform the section numbering and the table of con-
tents accordingly.

Attest:

Clerk.