

CONFERENCE REPORT ON H.R. 831,
PERMANENT EXTENSION OF THE
HEALTH INSURANCE DEDUCTION
FOR THE SELF-EMPLOYED

Mr. ARCHER. Mr. Speaker, I call up the conference report on the bill (H.R. 831) to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting non-recognition of gain on sales and exchanges effectuating policies of the Federal Communications Commissions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see Proceedings of the House Wednesday, March 29, 1995, at page H3909.)

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes, and the gentleman from New York [Mr. RANGEL] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

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

Mr. Speaker, H.R. 831 represents a model of how quickly the Congress can act when important interests are at stake. I salute our Senate colleagues for their expeditious consideration of this legislation and for the improvements they made in it in the process.

The House-passed version of H.R. 831 would have retroactively restored the deduction for 25 percent of the health insurance costs of the self-employed and made the deduction permanent. The Senate amendment increased the permanent deduction to 30 percent beginning this year. The conference agreement follows the Senate amendment by providing for a permanent 30-percent deduction for the self-employed's health insurance costs—a level upon which the House Ways and Means Committee hopes to build even further later this year.

As a result of our quick action on H.R. 831, millions of self-employed individuals will be able to avoid the time and expense of having to file amended 1994 tax returns. In addition, the cost of the deduction's permanent extension is fully funded by several provisions which will greatly improve our Nation's tax laws.

First, H.R. 831 repeals Internal Revenue Code section 1071, under which the Federal Communications Commission grants certificates deferring tax on the sale or exchange of broadcast facilities. When this provision was enacted in 1943, Congress intended it to apply to involuntary divestitures of radio properties that were sold to comply with new FCC rules prohibiting multiple ownership of radio stations in the same market.

This rationale no longer applies and repeal of section 1071 is long overdue.

The bill's other offset for the cost of the permanent 30-percent health insurance deduction for the self-employed is a modification of a proposal in the Clinton administration fiscal year 1996 budget to deny the Earned Income Tax Credit [EITC] to persons with more than \$2,500 of taxable interest and dividend income. The conference agreement provides that individuals with more than \$2,350 of investment income, including interest, dividends and net income from rents and royalties would not be eligible for the EITC. We agree with the Administration's view that the EITC should be targeted to families with the greatest need.

The conference agreement also includes a provision directing the Joint Committee on Taxation to conduct a study of issues contained in a dropped Senate provision dealing with the taxation of individuals who give up their U.S. citizenship.

Chairman PACKWOOD and I issued a joint statement yesterday which said that if—following the Joint Committee study—the committees decide to pursue legislation, the effective date of such legislation might be as early as February 6, the date the President proposed similar legislation in his fiscal year 1996 budget.

In closing, let me reiterate, not only does H.R. 831 provide for a permanent 30-percent deduction for the health insurance costs of the self-employed, but it also makes several other needed changes to our Tax Code. I urge my colleagues' support for this important legislation.

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

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

Mr. Speaker, I rise in support of the conference report. I agree with the chairman that providing this incentive for self-employees, millions of people who we want to make certain that they have adequate health insurance, is very important, the Congress has promised it, and the Congress is now fulfilling that promise. We do regret that, while we have taken care of the employers, that we did not see fit to take care of the employees who do not have health insurance. Yes, we had to pay for this, and it seemed to us that, as relates to the earned income tax credit, as given to us by the President, that we could have and should have indexed such income allowing the poor of the working people to be able to receive the amounts of income from interest and dividends and still qualify for the earned income tax credit. We do believe that such income should have been indexed, and we have the assurances of the Chair and colleagues in the Senate that this would be revisited.

Also I am greatly disappointed that in the rush to fund this well-deserved tax deduction that a Federal Communication Commission minority preference section 1071 was used as a vehicle to wipe out any incentives that could be there so that minorities would

own and participate in radio, television, and cable television. It seemed to me that, if there was one case which was used as a target, and the Viacom sale transaction and deal was one, that the committee should have had hearings, that the full committee should have found out exactly what went wrong and that we should have corrected it, as we do with so many other areas that we find in the Tax Code, and we should not have found a need to retroactively go on after one deal, and certainly, if we did not do that, then there is absolutely no reason to see why we wiped out the entire program without hearings instead of trying to find out how we could have improved it.

As has been said many times on the floor, that when we went into conference we had the opportunity to discuss and to push for abolishing another loophole that only the richest of Americans have been able to find, and we just could not find the guts and the courage to grab this and to close it. Some of the proponents of leaving this alone at this time have said that to deny an American citizen who has gained wealth the opportunity to renounce that citizenship and not to pay taxes would somehow violate civil rights. I think I heard someone saying that we have a lot of Cuban-Americans that have come here and become millionaires, may one day want to return to Cuba, and they will be denied that. There may be a lot of reasons why people would not want to close the loophole that allows Americans that have enjoyed all of the freedoms of a free market system, all of the education, and input and training of the American work force, all of the benefits of having one of the lowest tax rates in industrial countries, there may be reasons why we do not want to look at this and to close this loophole.

But I know one thing, that the American people, no matter what complaints they have, there is one thing that we value more than anything else in life, and that is being an American. We may have our disputes politically, we may have our differences as groups and cultures, we even may have our difference as it relates to economic classes, but money has never been a reason why any American would think that they would renounce the most precious gift that we have, and that is our citizenship. I would hope that one day we will just publish the names of people that America has given so much to and that they care so little about that citizenship that they would flee in order to avoid taxes.

Having said that, we cannot hold these people hostage, as we have held those that have been involved in the FCC hostage, and it is abundantly clear that our major obligation and the reason for the legislation in the first place was not to raise revenue, but to give assistance to self-employers who need this incentive in order to be able to deduct the expenses of health insurance

and also in recognizing that we are working within a very short timeframe as to time to file income tax returns are upon us.

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

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. BUNNING].

(Mr. BUNNING of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. BUNNING of Kentucky. Mr. Speaker, I rise in the strongest support of this conference report. It is about time Congress finally got this done.

Ever since the provision in the Tax Code that allows the self-employed to deduct 25 percent of their health insurance costs lapsed at the end of 1993, these people and their families have been in limbo. They did not know if Congress was going to ever get around to addressing the problem or was just going to leave them to slowly twist in the wind for a little while longer.

Well, for once, Congress has done the right thing.

This bill not only extends the 25 percent deduction for 1994, it raises this level to 30 percent deductibility for 1995 and beyond. Best of all, this extension is permanent.

No excuses, no temporary extensions, no gimmicks. Just a simple permanent extension. Period.

And, for good measure, there is even \$10 million left over from the financing mechanism for this bill for the next 5 years. Over 10 years, this figure rises to almost \$1 billion. This is just a drop in the budget deficit bucket, but every little bit helps.

I am also, pleased, Mr. Speaker, that in this conference report we were able to repeal the FCC Minority Tax Certificate Program. This is one of the few sections in our Tax Code that conditions tax benefits according to race, and he sooner that we can get rid of all of them the better. This is a step on the road toward a neutral, colorblind Tax Code and Mr. ARCHER, the chairman of the Ways and Means Committee, deserves our commendation for his determination to strip the FCC certificate provision out of the Code. I am proud to serve on his committee.

Mr. Speaker, I also feel constrained to point out that we were only able to pass this needed legislation after the electoral earthquake of last November made this Congress a Republican one.

All during 1994, we heard all sorts of hemming and hawing from the Democratic leadership about how they wanted to help the self-employed and how unfair it was that this deduction had expired.

But, when push came to shove, the Democrats did not deliver for the self-employed. We heard all sorts of rhetoric about how we had to pass radical health care reform, and how this would help the self-employed an everybody else as well.

But, when the Clinton health care proposal collapsed and the Democrats in Congress refused to pass anything at all, the self-employed got left out in the cold.

They were taken hostage during the health care reform debate, and after the debate fizzled their interests were simply left for dead.

Mr. Speaker, Republicans know that increasingly it is small business and self-employed workers who are driving the American economic engine. It is in our Nation's best interest to help them, and passing this conference report is the least that we can do for them.

Frankly, I view passage of this bill as just the first step in the process. Other businesses get to deduct 100 percent of their employees' health insurance costs, and I do not see any reason why the self-employed should be treated any differently.

I look forward to the day when the Congress will level the playing field and pass legislation to fully deduct this cost just like every other American business.

The conference report deserves the support of this House, Mr. Speaker. It is about time that Congress got something right and I urge my colleagues to vote for the measure before us today.

Mr. ARCHER. Mr. Speaker, I yield 4½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], chairman of the Subcommittee on Oversight of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I think it should be made clear that there is no other nation in the world that imposes a tax such as that contained in the Senate bill and supported by my Democrat colleagues as part of the motion to recommit, and, when a nation makes the decision to oppose a unique and extraordinarily broadly burdensome tax, even if it is on a small group, it sends a message to all those choosing to invest that investing in America could be hazardous to their interests.

Now let me just go into this a little bit more because I think it is important that we operate from the facts, and I think it will be clear that this is not about idea. It simply needs to be done in a very much more specific, targeted and well written manner.

There are only two countries that impose an exit tax. One is Canada and one is Australia. Australia imposes a tax only on those assets that are non-Australian. No security is required. We are going to impose a tax on absolutely everything, assets, world income and assets worldwide, and not only are we going to require them to pay up, but, if they do not, if they take the deferral plan, we are going to charge them interest compounded daily. We are going to charge them interest on their obligation whether or not they have any way of selling their property and realizing the resources that they would need to pay their tax.

There is simply no precedent for this in any other country. In Canada, for instance, they are allowed to defer their tax. They must provide some security, but they do not have to pay any interest, and furthermore, they are only taxed on the accrued gain on any asset when the asset is sold.

So, other countries looking at the same issue of people giving up their citizenship who leave the country, the citizens of that country wanting to be able to gain the legitimate tax obliga-

tion, tax debt, of that citizen who is foregoing their citizenship, they have solved this problem in ways that are fair and equitable. We can do that, too.

For example, we had testimony in the hearing that it would be grossly unfair to force people to pay taxes on the underlying value of a trust when they had no power to either sell their interest in that trust or relinquish their interest in that trust. By imposing a tax on people that they literally cannot pay, we have the effect through that of imposing an exit tax because we require people to pay money that they literally have no way of coming up with.

Let me read to my colleagues from the testimony of Rabbi Jack Moline because it shows, when tax policy becomes irrational when it imposes a burden on people that there is absolutely no way that they can assume, we do create a human rights violation because we, through that tax burden, prohibit them from exercising their right to leave the country.

□ 1245

Rabbi Jack Moline:

I respectfully ask the Members of the House of Representatives to reject the tax on citizens who choose to renounce their United States citizenship.

I have spent many years struggling with foreign governments on behalf of Jews wishing to leave oppressive societies for the freedom afforded by our country and others. I traveled to the Soviet Union in 1978 for the purposes of meeting Jews who wanted to emigrate, but were denied that opportunity on the basis of legal technicalities and, most onerously, excessive taxes placed on their request to emigrate. Their stories were heart-breaking; indeed, many members of this committee remember well their own advocacy on behalf of refuseniks.

Outrageous exit taxes that a person has no way of generating the resources to pay have traditionally been a way of denying people the right to emigrate. Now, I have absolutely no opposition to and I fully support going after the 12 and 24 people that are manipulating this in a way that they renounce their citizenship, get the benefits, but then stay in the country and do their business.

And we will be able to amend this bill, given the work of those interested in it and their willingness to report back to us on how we do that, but we cannot amend it in time to provide the right for self-employed people to deduct their health care premiums. In other words, we cannot do this in the time frame, in the time we have left before April 15th.

So I assure you that I think the goal of the President's proposal is a proper one. This is not a good bill. It will impose onerous taxes. It is an exit tax. It will create human rights violations. And no other Nation in the entire world imposes this kind of tax.

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

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

It should be noted that the class of people that we are talking about already have an exemption, for a single person, of \$5 million of their accumulated assets and \$10 million for a married couple.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. MATSUI, a hard-working member of the Committee on Ways and Means.

Mr. MATSUI. Mr. Speaker, I would like to thank the distinguished gentleman from New York for this time.

You know, I am still a little puzzled because I do not know how we are relating this issue to the issue of the Soviet Jews emigrating out of the Soviet Union during the 1970's. We are talking about, as Mr. RANGEL said, people that make or have assets in excess of \$5 to \$10 million. In fact, before this even kicks in, one has to have at least \$1.2 million worth of capital gains. And so I do not know how we are talking.

It is somewhat outrageous because here we are talking about Soviet Jews who are being denied the right to leave the Soviet Union during the height of the cold war. And we are talking about 25 families, like the Dart family, the Campbell Soup family, who do not go to a country where there is more freedom than the United States. They go to the Bahamas because they want to avoid taxes.

So I do not know how we can possibly equate this. It is just not a rational discussion.

I might also further say, you know, we do have to get this issue of the self-employed deduction on health insurance done. We should have done that earlier this year, but we are doing it now. But I would suggest what we should do is work today, tonight, Friday. We are off Friday. We are not in session Friday. Why do we not work today, tonight, and Friday and get this issue done?

And, frankly, what we could do, which is astonishing, but just as Senator DOLE and Senator DASCHLE have said in their letter they sent to Mr. MOYNIHAN, Mr. GIBBONS, and Mr. ARCHER of March 24 of this year, what we could do is use some of these revenues that we can gain from this expatriate issue and increase the amount of deduction for the self-employed.

Right now, they are going to get 25 percent for this last year. They are going to get 30 percent in the future years. Why do we not make it 30 percent now and 35 or maybe 40 percent in the future? We can give them a bigger bang for the buck if we just take care of this little thing. Why are we protecting these 24 people that I consider disloyal for wanting to leave the United States for only tax purposes?

I might say, this issue is not an issue that we just talked about and brought up in the last week or 2 or 3 weeks or a month. This issue has been going on.

Steve Shay, a lot of you know him that works on the tax writing committee, Steve Shay, the Assistant Secretary of Treasury under Ronald

Reagan in the mid-1980's, said that he was working on this issue because he knew that it was going to be a problem in the future because a lot of tax attorneys, New York and elsewhere, were finding the opportunity now to find a way to avoid taxation.

This is a recent phenomena over the last 6 or 7 years. That is why we have not done it in the past. But Steve Shay brought this to the attention of a lot of people.

Forbes Magazine last year wrote a major piece on the number of people that are taking advantage of this. Forbes Magazine is not a liberal magazine. It is a very, very business-oriented magazine. They said, this is outrageous; they are taking advantage of the Tax Code.

I might also point out, and I am going to do this again because people really have to understand this, I received talking points from New York lawyers who refused to tell me who they are representing. By the way, they refused to tell me who they are representing. New York lawyers who said these are talking points. They gave me seven talking points to use to support dropping this provision from the conference. And he says, this will destroy Jackson-Vanik. He said that this is a human rights issue. These are the seven points on this document.

And then he had the nerve when I turned the page to talk about Soviet citizenship, equating this provision with Soviet citizenship. I just have to say that that is kind of overstepping a bound. There is an issue of patriotism. Anybody that compares the United States with the former Soviet Union, that to me is outrageous. And any thought of that in this country on the floor of the House is unpatriotic.

Frankly, we should use the revenues, the \$3.6 billion that we are talking about, the \$3.6 billion over the next 10 years, to give these self-employed people that are paying their own insurance a little bigger bang. Instead of giving them 25, let us give them 35 or 40 percent.

And let me just conclude by making one last observation. This is not a human rights issue. I received a letter from a professor at law at Harvard University, the Bemis Professor of Law, Professor Vagts, who said this has to be taken care of. It is not a human rights issue. It has no relation to Jackson-Vanik.

This is an issue where people are avoiding taxation. This is an issue where people are cheating the American public and using it in a way that they are being unpatriotic in getting rid of their citizenship. This is an outrageous situation that has to be dealt with immediately.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I just want to make clear that in the hearing it was Rabbi Jack Moline, it was Bob Turner who was on the Senate staff when they wrote the Jackson-Vanik amendment

that brought up the issue that this would function as an exit tax. And, in fact, CBO's estimates are not based on how much money they think anyone will pay as a result of this tax. The estimates are based on keeping those people here and the assumption that they will therefore continue to pay taxes as American citizens.

So if you do not think that everybody is seeing this as a way of preventing people from leaving, frankly, the testimony was all in support of this is an exit tax. Even the administration's estimates are based on that assumption.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Kansas [Mrs. MEYERS].

(Mrs. MEYERS of Kansas asked and was given permission to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Speaker, I rise today as chairman of the Committee on Small Business in strong support of this issue. I rise in support of the conference report to H.R. 831 which will retroactively restore the deductibility of health insurance costs for self-employed individuals at 25 percent and make that deduction permanent at 30 percent. I thank the Committee on Ways and Means very much for having done this in a timely fashion.

There is evidence that the 25-percent deduction allows hundreds of thousands of business owners to purchase health insurance, those who otherwise would not be able to afford it. According to a 1993 National Association for the Self-Employed study, without at least the 25-percent deduction, the uninsured population in this country would increase by 412,000 people. So this is important not just to small business people, but it is an important factor in health care in this country.

The ability to deduct health insurance costs is clearly one of the most pressing economic needs of America's self-employed. Self-employed individuals comprise over 15 million of the Nation's small businesses. These individuals are independent, gainfully employed, pay taxes, and create many new jobs and innovations and, are a great part of our Nation's economic future.

In closing, I would like to thank the Committee on Ways and Means for their leadership and dedication on this important issue for the Nation's small businessmen and women.

In addition, I would like to say how pleased I am we are going from no deduction to a deductible 25 and forward with a permanent 30-percent. Small business, because of lower cash flow, really needs this ability to plan, and having to do this year by year was very difficult for them. Hopefully, in the not-too-distant future we can give hard-working, self-employed Americans the 100 percent self-insurance tax deduction which they deserve.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from

Michigan [Mr. LEVIN] a distinguished member of the Committee on Ways and Means.

Mr. LEVIN. Mr. Speaker, let the record be clear. The issue is not the deduction of insurance for the self-employed. We are for it. In fact, we want to raise it. Thirty percent is too low. Why not use the proceeds from taxing people who leave, who renounce their citizenship solely to avoid taxes, to boost the 30 percent to 35 percent? That is the issue.

Now, we have gotten two kinds of arguments. One is the human rights issue. I do not understand it. People who are trying to leave the Soviet Union, Jews, Christians, and others, were trying to leave to get freedom. The people involved here, the 12 to 24 are renouncing their citizenship to avoid paying U.S. taxes. That is what the issue is.

They have got all the freedom in the world. They want an extra freedom that other Americans do not have; middle income, low income, and other wealthy people. They want the freedom to avoid paying U.S. taxes. And they come back here, they keep a home here; they keep a boat here. The home is not taxed; their pension is not taxed. They want it both ways.

Then the gentlewoman from Connecticut [Mrs. JOHNSON] says, well, wait a minute, there is a problem here as to the 12 and 24. Well, fix it. Fix it now. This has been around for quite a while.

The President proposed something. Why are you resisting? Who are you protecting? I do not understand it. But then I said, all right, well, we do not want class warfare. I do not want class warfare. I want class equity. Class equity, that is all we want.

You state a point which is so true. You draw the 100 percent wrong conclusion. Most of the money picked up here will come from people who decide not to renounce their citizenship. That makes it clear they are renouncing their citizenship for one reason, as an artifice to avoid paying U.S. taxes.

My suggestion to the majority is be straight with the American people. Do not try to create a smoke screen. When you say there is a defect, fix it. Do not make excuses.

The working people of this country want one thing in terms of taxes; fair taxation; everybody pay their fair share. These 12 to 24 families are not paying their fair share. This is a fair share provision. Let us stand by it.

□ 1300

Mrs. JOHNSON of Connecticut. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, what a precious heritage we have as Americans. Each day people from around the world are willing to be crammed into the cargo holds of cargo ships, to crawl

through sewers, to swim across the Rio Grande River, all to share in a little piece of the American dream. And most of the people I know swell with pride at the thought of being an American citizen, while many, many more want to join us.

And yet there are those who head the other direction, a privileged few who, after consulting with their accountants and consulting with their financial planners and consulting with their tax lawyers, decide that it is better to put cash over country. That is what this debate is all about.

Every opportunity throughout this Congress, a pattern has emerged. The Gingrichites want to put those at the top of the economic ladder in first place and to keep them there. Last week they did not mind coming along and cutting out school lunch. But this week they say, for the billionaires, do not touch the caviar, even if we have to renounce our American citizenship in order to keep it.

This pattern of protection of the plutocrats is what the Contract on America is all about. You will remember they had a line-item veto that they even printed in TV Guide. And it covered not only spending but it covered tax loopholes. But as soon as the special interests started whining about the tax loopholes, they snipped that part out of TV Guide and out of the contract and went on and passed the other part.

They have had repeated opportunities on this floor to channel the savings from welfare reform, from rescissions into deficit reduction. But, no, they have got to finance a tax cut for those at the top of the economic ladder.

Today we stand here with them, once again, putting billionaires first, even billionaires who renounce their citizenship.

Meanwhile, there are Members of this House who are lining up to protect this flag. They say we need to go back and rewrite our Constitution, it is so important to protect our flag. I say to those Members, is it not a form of flag desecration when people burn their American citizenship and burn the American taxpayer at the same time?

Class warfare they tell us? I do not think people who defile this flag by rejecting their American citizenship have any class at all.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. THOMAS].

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, these folks just do not get it. Actually, I realize they do get it. I just want everybody else to understand the game they are playing.

You wrap yourself in the flag, play the games with class warfare in terms of millionaires and billionaires. But let us not get so far away from reality that people who are listening to this

debate really believe what you are saying is the way things are.

No. 1, we have a law on the books, current law it is called, which says that if you try to renounce your citizenship for purposes of tax evasion, you are violating the law. All of the rhetoric on your side, including the gentleman from Texas who just spoke, falls under current law. The gentleman from Hawaii, in repeatedly excoriating people who would refuse their citizenship for pecuniary reasons, say we have current law that handles that.

The problem is, repeat, the problem is the current law does not work very well. We have conceded this. The Senate has conceded this. Any rational person looking at this area of the law has conceded this.

What the Senate said the other night was, we probably acted too hastily in adopting Senator BRADLEY's amendment, which was not the Clinton proposal, to apply evenly on citizens and noncitizens and we ought to take a little closer look at the subject. Coming out of the conference committee is an agreement, repeat, an agreement between the Senate and the House as part of the provision that we are going to vote on and pass shortly.

It says, in order to examine fully the issues presented by the Treasury Department's proposal, the Clinton proposal, not the poorly executed Bradley proposition which the Senate adopted, but the Clinton administration's proposal. It pains me a little bit to say this, but the administration's proposal is far better. It is the one that we should use as the underlying structure of focus on.

We have included a requirement to direct the staff of the Joint Committee on Taxation to provide a comprehensive study due June 1, 1995. This is on a fast track. We want to look at it as soon as possible.

Among the issues to be considered, one, the effectiveness and enforceability of current law with respect to the tax treatment of expatriation. The enforceability and the effectiveness of current law. Treasury has testified they offered this proposal because current law is not working well. We have said we are going to create a study by June 1 to examine the effectiveness of current law.

You folks want to attach an ill-advised structure now, without knowing where we need to go and what we need to do.

But beyond that, the conferees want to know the current level of expatriation for tax avoidance purposes. The gentlewoman from Connecticut held an Oversight Committee hearing and asked a direct question of Treasury, how many folks are involved in this.

Virtually every one of you have come to the floor on your side and mentioned a number. That number was not supported by the Treasury Department. The fact of the matter is, we do not know how many people are affected by

this. This study, due June 1, will provide us with the specifics so that we can actually make a decision on an informed basis instead of an impassioned basis.

You folks are trying to move people by emotion. What we in the majority would like to do would be to move people by reason. Obviously, our hope is that reason prevails rather than your emotion.

Second, we want to determine whether or not any restrictions imposed by any constitutional requirement dealing with the Federal income tax would apply to realized gains.

Now, as the Committee on Ways and Means, we have a responsibility in terms of the Tax Code and the Constitution. We do not want to act with emotion. We want to act on the advisement of those people who are knowledgeable in the area about whether or not in restricting someone's right to deal with their own finances affects the Constitution. On and on and on, for 11 points, we will look at due June 1.

If you are rational, if you are honest, you will wait for the report.

Mr. RANGEL. Mr. Speaker, nobody in this House has ever challenged the eloquence of the gentleman from California, but when you get to the bottom line, we have a whole lot of billionaire bums rejecting their citizenship to avoid paying taxes.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], a member of the Committee on Ways and Means.

Mrs. KENNELLY. Mr. Speaker, I voted for this legislation when it left the House and will support this conference report. I have been a long-time advocate for the deductibility of health insurance coverage for the self-employed, and believe once this bill is passed we should begin our efforts to increase the deduction even more.

However, I am quite concerned that the conferees dropped a Senate provision that would require American citizens who renounce their citizenship to pay capital gains on the appreciated value of some of their assets, mostly on stocks and bonds.

Every year a dozen or more multi-millionaires renounce their citizenship as a tax dodge. These people received the protection and benefits of the American Government while they were citizens. In fact, they thrived under our system of government. Is it too much to ask that when they renounce their citizenship as a tax dodge, we reduce the benefit by asking them to pay capital gains on the appreciated value of their holdings?

Having said that, Mr. Speaker, I think it is critically important that we enact this deduction for health insurance for the self-employed and I urge my colleagues to do so.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume, simply to say that most of the debate today has been taken on an issue that is irrelevant to this conference report.

It was not in the House bill. It is not in the conference report. And yet the Democrats want to continue to drag out something that they can try to get emotional about.

We should proceed expeditiously to give this badly needed deductibility for the self-employed for their health insurance and leave the debate on these other nonissues in this conference report to the appropriate time when they will be under consideration later this year.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BAKER].

(Mr. BAKER of California asked and was given permission to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, it is very interesting, as we move into this debate, one of the last issues of the contract for the first 100 days, that if you listen to this debate would you swear we were talking about the Tax Reform Act of 1995. Throw in the kitchen sink, let us get those expatriates and go, go, go.

What this really is, is trying to restore a tax deductibility for the self-employed so that they can afford to buy health insurance, something the liberal Democrats told us last year was extremely important. It was so important we were going to turn health insurance on its head and turn it over to government.

Fortunately, the people thought better and contacted their Representatives and it died a much deserved death. But part of that extending benefits to the self-employed is this deductibility.

The red herring today is expatriates. If you cannot fix everything that is wrong in the Tax Act, why should we allow the self-employed to have deductibility for their health insurance? The same thing occurred when we took on the food nutrition programs. Amazing to find we had 16 administrative overheads, 16 audits. We went out to the schools and audited them 16 times. Did the right apple go to the right child.

We wanted to reduce that overhead so we were, of course, charged with starving the elderly and the children.

I want to give thanks to the gentlewoman from Connecticut [Mrs. JOHNSON], who has, like a terrier, hung onto this issue to restore the deductibility for the self-employed and not to chase the red herrings, whether they be last night's debate on term limits, turned into, well, if you like term limits so much, why do not you make them retroactive, knowing that that would kill the bill in the Senate. The red herring here is the expatriate issue that will never see the light of day when it goes to the Senate until, as the gentleman from California [Mr. THOMAS] says, we get a study on what the depth of that problem is.

Do you see people at the border leaving with suitcases full of money, leaving America to live in Latin American

sanctuary. They are lined up at the airports. We ought to send people out to count them and we will find out what the problem is.

We are going to restore deductibility for the self-employed because they deserve it. My thanks to the gentlewoman from Connecticut, Mrs. NANCY JOHNSON, who is going to bring it up to 100 percent very shortly.

Mr. RANGEL. Mr. Speaker, I would like to agree with my chairman that the issue today is really how we can better provide incentives for the self-employed. I think if we review the record of exchange here, you will find that it has been the other side that has been trying to defend this tax policy that is repugnant to everything that decent Americans believe in.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, I thank the gentleman from New York for yielding time to me. I simply say that I rise to support the conference committee as it relates to the deduction for the self-employed. We are here to address the concerns of Americans and health needs are an important concern.

But let me just simply say to you, I hope my colleagues, the Republicans, will take up their own cry and work on something where people are leaving this country allegedly under the pretense that maybe they have been politically persecuted. I have not heard that, but they are taking their billions of dollars, some \$3.6 billion over 10 years, the needs of which are needed here in the United States of America, but more importantly, under the pretense of human rights and civil rights.

□ 1315

Where are the human rights and civil rights, for I do think they are taking bags of money across the State lines and the U.S. lines without any political prosecution or persecution.

I would simply say that the gentleman from New York [Mr. RANGEL] had a very good point about the slash-and-burn policy that is eliminating affirmative action in trying to diversify the media in this Nation. He raised a very good point about why not hearings.

If I could, if the Speaker would allow me to inquire of the distinguished gentleman from New York about this whole idea of the VIACOM deal that we would all admit we want to reform and make better, but now we are cutting off the opportunities for those who lift up the Constitution and want to be able to spread diversity throughout this Nation, I simply ask the gentleman if he would comment, why did not we fix this problem with VIACOM as opposed to slashing and burning and

taking it out and again cutting affirmative action, which has been a wonderful tool in this Nation.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Ms. JACKSON-LEE. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I would like to respond by saying the leadership on the other side had decided that it was not really the VIACOM issue that they wanted to eliminate, but they wanted the Tax Code to be colorblind, and I am still working on that explanation.

Ms. JACKSON-LEE. I hope we can fix that problem. I thank the gentleman. I hope as I heard my colleagues on the other side of the aisle, Republicans, say that they are prepared to fix the problem dealing with billionaires running to our country's lines.

I would hope they would take up the inquiry of the gentleman from California. Let us fix this in the next 24 hours or 48 hours. Let us work on Friday and make sure we pass out a bill, which I am going to support because of the deduction on the single owners, but we need to fix this bill and make it a better bill.

Mr. RANGEL. Mr. Speaker, I think the gentleman has hit the point on the head. We Democrats want to fix it right now and our Republican friends would prefer to study it.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I would say to my friends, including my neighbor from Houston, TX, and my friend, the gentleman from New York, CHARLIE RANGEL, we have fixed the Tax Code. It is now colorblind. There is no reference in the Tax Code anymore to any special preference based on the color of skin, race, or creed.

Mr. Speaker, I yield 2 minutes to our colleague and my neighbor to the north, the gentleman from Dallas, TX, Mr. SAM JOHNSON, a member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, the gentleman from Houston said health care is important. Let us fix it. That is what this bill does. We do not want to pick on an issue that does not have any relevance to this particular issue which is fixing health care.

Mr. Speaker, I would like to commend the chairman of the committee for his leadership and commitment in bringing the bill to the floor in an expedited fashion, because things are about to expire. By doing so the committee ensured that the self-employed will be able to enjoy a permanent deduction of 30 percent to pay for their health insurance costs in the years to come, and 25 percent this year.

We must help small business survive in America and I guess the Democrats just want to help the wealthy because they want big corporations to have 100-percent deductions, and small guys to have nothing. It was unfortunate that this deduction was allowed to expire in

the past, and equally unfortunate that we are not able to allow a full 100-percent deduction for our small guys, too. We know the self-employed need the same benefits as big business, I believe.

Past legislation has been unfriendly toward business and the passage of this bill is one step in a new and better direction. We need to recognize the barriers to success that are placed in the paths of self-employed and do what we can to eliminate them. We need a level playing field for both small business and big business. Again, I thank the Chairman and urge all my colleagues to support the passage of this important bill.

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

Mr. Speaker, let me once again agree with my chairman that he was able and had the political power and the votes to effectively make the Tax Code colorblind so that minorities would not have the same opportunity to purchase stations.

I do hope that with this political power he and I can work together to make this country as colorblind as the Tax Code.

Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Ms. DELAURO].

Ms. DELAURO. I thank the gentleman for yielding time to me.

Mr. Speaker, the health care tax deduction for the self-employed is critically important to small businesses in my district and across this country. It is crucial that Congress move to extend the deduction and increase it. That is what is right about this legislation.

What is wrong with the legislation is that once again House Republicans fail to ask billionaire tax-evaders to pay their share of taxes. The view that the super-rich billionaires can renounce their U.S. citizenship, the country that allowed them to make their fortune, in order to provide themselves with a tax loophole really is wrong and it is a sad commentary that Republicans today would condone and defend that kind of action.

To my colleague who said we need to have a comprehensive study of this issue, where was their comprehensive study of the school lunch program, of cutting the funding for severely disabled children, of saying to the pregnant women in this country that we cannot provide you with some help to avoid a low-birthweight baby.

The comprehensive study exists for the richest people in this Nation, for the billionaires and for the expatriates. What Members ought to be doing is standing up here and providing working, middle-class families with the opportunity to have a comprehensive study and not deny them what belongs to them. Stand up and fight for working middle-class Americans and not for the super-rich expatriates.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN], one of our respected Members.

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I just say that listening to the debate this afternoon, some of my colleagues may be confused. This debate actually is not about soaking billionaires, soaking rich people. This is an issue that has been out there for a long time.

Certainly when both parties, when both Houses of Congress and the administration were with the other party they could have solved this problem. We are willing to solve the problem. We do not think this is the right time or place to do it. It has not been subject to any hearings. It was not even part of the House legislation. It was not even on the floor of this House, something that ended up in conference on the Senate side.

However, that is not the issue here today. The issue here is providing access to health care for the self-employed. It is something I would think that all of us could get together on. I am certainly pleased to tell my constituents who happen to be self-employed that we are doing two things here that they have been asking for. One is fairness and the second is predictability in tax policy, both very important.

How in the world can you run a business when you cannot plan for the future? Is it fair to have an automatic unfair disadvantage between the self-employed and corporations? Those are the two things we are trying to get at here. This bill ensures fairness for those who have taken the risk and pursued the American dream by working for themselves. It helps them to provide jobs for others.

I am talking about farmers, small business people, shopkeepers, plumbers, and so on. These people are self-employed if corporations can deduct their full health care costs, it is only fair the self-employed should be able to do so as well.

Second, this bill is about predictability by permanently reinstating the deduction, so that small businesses can plan. They are no longer left guessing about whether or not they can deduct their health care insurance. That is a very important part of this. At a time when we are trying to make sure as many people as possible can get on the health care rolls, it really makes sense for us to take out this current disincentive for the 3.2 million people in America who are self-employed.

Rather than proposing a government takeover of health care, we are doing what makes sense, we are trying to give the American people what they want, the ability to help themselves.

In Ohio alone, Mr. Speaker, this bill will make health care more affordable for more than 50,000 farm families, not to mention the self-employed plumber, the mom and pop grocery store owners, and others. I am particularly pleased to see we are doing it before April 15, so people can get this on their tax returns this year.

I looked forward to working with the gentlewomen from Connecticut, Mrs. KENNELLY and Mrs. JOHNSON, and others to expand beyond 30 percent, so it is even closer to major corporations.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to my friend, the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, these United States of America almost uniquely in the world, provide both economic opportunity and security. You can make money here and you can keep it. That is good, and we want to keep it that way. There are a lot of people here who are successful.

Now we have a loophole in the tax law that allows some few people, the most successful, billionaires, people who have \$1.2 million in capital gains or more, the opportunity to escape their tax obligations by renouncing their citizenship.

The Senate in its wisdom fixed that. They provided that in this bill that loophole would be closed. Those reckless Socialists over in the Senate were wise enough to fix that loophole, but the GINGRICH crowd in this House took that fix out; \$3.6 billion worth of tax cheating over the course of 10 years. You can buy a lot of school lunches and a lot of health care with \$3.6 billion.

Let me tell the Members, they had better fix this.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. HINCHEY. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, I would ask, is the gentleman aware of how conference committees work?

Mr. HINCHEY. Yes, I am.

Mr. ARCHER. Is the gentleman aware that the House has no ability to take anything out? Is the gentleman aware of that?

Mr. HINCHEY. Let me say this, Mr. Speaker, the Senate wanted this in the bill, and the conferees in this House wanted it dropped out. That was the gentleman's activity. That was his contribution to this conference report. He dropped out that provision which would have closed the loophole. That was his contribution.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, the gentleman from Texas raised this issue, but there was only one offer made. It was made by the House. I have a copy of the House offer on 831. The House offer does not have this provision in it, so it had to emanate from the House. You took it out. That is what happened. You took it out.

I read the transcript of the conference report, and it basically said you took it out. The gentleman would not agree, but you took it out.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I would simply say to both gentlemen on the other side of the aisle, I do not know how many con-

ferences they have been to, but there is no way for one House to take something out of another House's provision in a conference. The other House must recede. The other House must say "We do not care about this provision, we are willing to disregard it and to drop it out."

There is never, ever any power in a conference committee of one House to take away something that is in another House's bill, never. The gentlemen are just ill-advised. The Senate decided that they had great concern about this provision in the bill and they dropped it. They did not insist on it. We have no power to force them to drop it.

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

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

Mr. Speaker, maybe they have changed the rules, but I always thought that when the Senate presented something to us that they had an opportunity as conferees either to accept it or to reject it. I thought when we look at a Senate offer, we have the opportunity to do it. The gentleman saw fit to reject this provision that was in the Senate and because of his powerful persuasive personality, they agreed to it, but the rejection formally was made by the House under the gentleman's leadership to the Senate.

Mr. Speaker, I yield 1 minute to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, I am very glad this has been cleared up. This is not a House Republican position. The desire to allow billionaires to leave the country and renounce their citizenship is a Republican Party position. That goes through both houses.

Let it be explicitly clear, the gentleman from Texas [Mr. ARCHER] has made it clear, this is not something that was done just at the behest of the House. The entire Republican Party is now on record favoring billionaires escaping this country, not paying their taxes, while we have immigrants coming into this country desiring citizenship that ask only the opportunity to become Americans and pay taxes.

My name was invoked by the gentleman from California [Mr. THOMAS], and I appreciate his friendship. He said I am emotional on this issue. I think I am. He is quite right, I am emotional about being an American. I am proud to be an American. He said and others have said, "Why are you bringing this up in this bill? It is irrelevant." No, it is not.

Mr. Speaker, I hope those who are listening in understand this bill has to be paid for and we are paying for it by taking the opportunity of minorities and women to participate in communications and allowing millionaires to get away. That is how it could have been paid for.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, the gentleman from Hawaii [Mr. ABERCROMBIE] always speaks with great emotion and I am sure great genuineness and conviction, but the reality speaks very different than his words, because on this conference report, and I have the signature sheet here, this was agreed to 100 percent on the Senate side with only one exception. It was signed and agreed to by CAROL MOSELEY-BRAUN, Democrat from Illinois; MAX BAUCUS, Democrat from Montana; DANIEL PATRICK MOYNIHAN, Democrat from New York. They all signed this. They all agreed that they wanted to give up this provision, so it is very clear that it was not simply a Republican decision.

Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. HANCOCK].

□ 1330

Mr. HANCOCK. I thank the gentleman the chairman of the Committee on Ways and Means for yielding me the time.

Mr. Speaker, this actually is getting to be a little bit amusing. Here we are talking to a minority party that became a minority, and you have been in charge of the tax law for 40 years. Forty years. Now, all of a sudden you are expecting us on our side of the aisle to fix the mess that you all have created in less than 90 days. The situation exists, and this situation will be addressed.

Does anybody on that side of the aisle think that the world is envious of our tax law? If you think they are, you have got another think coming. They are not envious.

They are envious of the fact that we have freedom in this country, we have opportunity in this country. We will remove the incentive for people to give up their citizenship to avoid the payment of taxes. That is going to happen. But you are talking about giving us 90 days to correct 40 years of what has occurred through the monstrosity we have created in our tax law.

The difficult, we do immediately. In 90 days, we have passed 8 of the 10 items that the Republicans promised under the Contract With America. The impossible is going to take a little time. It may be impossible to fix our income tax law without just getting rid of it and starting over. It will be addressed, but this is not the vehicle to address it with. This is not the time to address it. This is the time to debate it, make the issue and then we will remove the incentive for people to give up their citizenship because of a monstrosity that we have created that we call the Federal Income Tax Code.

Mr. RANGEL. Mr. Speaker, I would like to tell the gentleman my chairman, I signed as a Democrat and I would sign that conference report again, and I encourage Democrats to sign it. That conference report was to provide tax incentives for the self-employed, and I agreed with you in the beginning, I agree with you now. That is

what we are talking about and that is what Republicans and Democrats support.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. I thank the gentleman from New York [Mr. RANGEL] for yielding me this time.

Mr. Speaker, let me follow up on the point of the conference committee to provide help for the self-employed to extend the 25 percent. It is very important that we extend and provide for the 25 percent deduction for this year. The self-employed are at a disadvantage. They are 1.5 times more likely to be without insurance because of our current tax law. When we changed the tax law in 1986 to provide the self-employed this 25 percent deduction, we found that we got 400,000 more self-employed individuals insured. But I am disappointed we did not go further. Let me explain.

The Republicans came to us early in this session and asked for our cooperation to extend for this year only the 25 percent and that we could move that quickly. We agreed. Along with the gentleman from Massachusetts [Mr. NEAL], I introduced legislation that would expand the 25 percent starting next year to 80 percent, more comparable to what businesses are able to deduct on their insurance premiums. We were told that we could not consider that in this House. The Committee on Rules refused to make our amendment in order, even though we had a way to pay for it. We were told that we were only going to deal with the 25 percent. The bill goes over to the Senate and it is improved to 30 percent after this year, so a self-employed individual will be able to deduct 30 percent starting next year. That is good, but it is not enough. It should be comparable to what a company can deduct on their insurance. We never had the chance on this side to deal with that issue.

I am amazed as to why we were not given that opportunity. The amendment that the gentleman from Massachusetts [Mr. NEAL] and I sought to put in order was paid for and increased the amount that the self-employed could deduct starting next year to 80 percent. Although I will support this conference committee, I hope the chairman of the Committee on Ways and Means will revisit this issue so that we can provide for the self-employed fairness and comparability to those who work for companies.

The SPEAKER pro tempore (Mr. GOODLATTE). Members are advised that the gentleman from New York [Mr. RANGEL] has 2 minutes remaining, and the gentleman from Texas [Mr. ARCHER] has 5 minutes remaining. The gentleman from Texas has the right to close.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would like to say that I think we are here today to do a service that the Congress has promised to

do, and, that is, to give our self-employed people an opportunity to deduct their expenses, at least 30 percent of it, for health insurance. I hope that those that are not on the floor really do not believe that signing a conference report whether you are Democrat or Republican to support what we were there to do means that we should forever remain silent on how we have done it. Today we have had so many opportunities to review a situation that exists in our tax law that whether you are a Republican or a Democrat, you know it is wrong, it is unpatriotic, it is immoral for someone to enjoy all of the benefits of the United States and renounce their citizenship and then run off to some foreign island to enjoy it. But at least we have agreed and we have taken this opportunity that we are going to do something about it. If we did not do anything at all about it in 40 years, it does not mean that it should not be done. The treasurer says something should be done now and it really ought to be done now. But since my friends would prefer a study, what we have to do is just deal with what is before us today. I think we can all go home proud of the fact that we have given something that really is deserved, the opportunity for a large segment of our population, millions of people who have that entrepreneurship that go out there every day to provide jobs, to be able to get some tax benefits for insurance. I hope the day would soon come without another study that my Republican friends would say that those people who are employed by the self-employed should be provided the same type of incentive.

Mr. ARCHER. Mr. Speaker, I yield myself the balance of my time.

First, I want to compliment the gentleman from New York for his cooperation in getting this conference report expeditiously to the floor of the House and his concern on a bipartisan basis for getting this tax deductibility to the self-employed for their health insurance. We reach hands across the aisle in doing the right thing for working people of this country. It is my hope that we will be able to increase this 30 percent to a higher percentage before this Congress adjourns.

When we began this process shortly after we were sworn in, we recognized that the self-employed were left hanging because this provision for deductibility of 25 percent expired on January 1 of last year. I expressed publicly the commitment to this Nation that we would retroactively take care of that so that by April 15, Americans who were self-employed that expected to get this 25-percent deductibility would be able to file their returns with that knowledge. Unfortunately, I am sure many have already filed and will have to file an amended return. That is unfortunate. But at least we are doing it before April 15. And those who have not filed certainly can with a degree of certainty know that they can now file and take it on their return because I be-

lieve there is no doubt that the President will sign this into law. Of course that still has to occur. Not only were we able to retroactively take care of this 25 percent for last year, but we were able as a result of the conference committee to increase that to 30 percent for this year and future years and we were able to do all of this on a permanent basis.

I would say to my friend from Maryland who is an extremely articulate, thoughtful, and constructive contributor to the effort of the Committee on Ways and Means, that his desire to get it to 80 percent was certainly well-intentioned. Unfortunately, it would not have been permanent. It would have been subject to a sunset. Once again, we would have left this uncertainty out there.

We need to work on a permanent basis to get this percentage up. But for here and now, this is a good bill. It is paid for, it does not increase the deficit, and I am delighted that it does have strong bipartisan support as shown by those Members of the conference committee who signed the conference report. I urge its adoption.

Miss COLLINS of Michigan. Mr. Speaker, I rise in solid opposition to H.R. 831, a cynical piece of legislation which links a health care provision to the destruction of opportunities for minority ownership in the broadcast industry.

The need for more minority-owned broadcast stations is clear. On one hand, African-Americans account for over 12 percent of the U.S. population. On the other hand, minorities own less than 3 percent of all radio and television stations.

The results of such white domination of the airwaves have been clear for a long time. Study after study has proven the existence of discrimination against minorities on television. Study after study has documented the persistent stereotyping, vilification, and humiliation of African-Americans in the industry. Yet, whenever media executives are confronted with the facts, they always talk about ratings, market share, and profits.

The only way to end the negative portrayals is by enhancing minority ownership of broadcast stations. This bill does precisely the opposite, and I won't be a part of it.

Mr. NEAL. Mr. Speaker, I support this legislation. It is important that we act quickly to restore the deduction for health insurance costs of self-employed individuals. This legislation reinstates the deduction to 25 percent and would increase the deduction to 30 percent for 1995 and thereafter.

We are fast approaching the tax filing deadline for 1994 and we need to enact this legislation promptly. Taxpayers have been uncertain about this provision since it expired on December 31, 1993.

I am pleased that Congress is taking action to increase this deduction to 30 percent and making this deduction permanent. This will provide taxpayers with certainty. However, I am concerned by increasing the deduction to 30 percent and making it permanent Congress will not have a chance to address this issue and increase the deduction.

On the first day of this session, I introduced legislation to make permanent the 25-percent

deduction and to gradually increase the deduction to 100 percent. This legislation phases in the 100-percent deduction over a period of 4 years. Several bills have been introduced on this issue and it has broad support.

During the committee markup, Mr. CARDIN and I offered an amendment to restore the deduction for 1994 and to increase the deduction to 80 percent for 1995 and 1996. This amendment failed by a vote along party lines.

The deduction of health care costs is an extremely important issue for the self-employed. One quarter of self-employed Americans—3.1 million farmers and craftsmen, professionals, and small business proprietors—have no health insurance. The self-employed are 1½ times more likely to lack essential health care coverage.

We have to do more than increase the deduction to 30 percent. Major health care reform proposals included a provision to allow self-employed workers a 100-percent deduction. The Tax Code should encourage the self-employed to purchase health insurance. This deduction allows businesses to spend more on health care. There are approximately 41 million medically uninsured individuals in the United States. An individual's employment should not determine the tax treatment of their health insurance.

Since I joined the Ways and Means Committee, I have tried to make permanent the deduction of health care costs for the self-employed. It was the first tax issue I undertook as a member of the committee.

Small businesses and the self-employed are the engine of economic growth for our economy. The ranks of the self-employed include the likes of farmers, craftsmen, shopkeepers, day laborers, ranchers as well as accountants, lawyers, and doctors who practice either in partnerships or as sole practitioners. As you can see, this provision affects a wide variety of individuals.

Businesses can deduct the full cost of any health insurance provided to employees. Similar treatment has never been available to the self-employed. Businesses on the average, contribute and fully deduct 80 percent of the total cost of employee health insurance premiums. We should at least consider increasing the deduction for the self-employed to at least 80 percent.

I urge you to support this legislation today and to consider readdressing this issue during this session of Congress. We can do better than 30 percent.

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

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM JOHNSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

REPUBLICAN CONTRACT WITH AMERICA

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

Mr. BOEHNER. Mr. Speaker, Republicans in the House continue to make good on their campaign promises outlined in our Contract With America.

We outlined eight major reforms that we would bring to the House on the opening day and we have accomplished those reforms and many more.

Over these last 86 days, Republicans in the House have brought forward 9 of our 10 bills, meeting our commitment in the contract. Next week we will bring forward the 10th bill, and that bill will be a tax bill to reduce taxes on working families, will cut spending, and help reduce the budget deficit.

Republicans are continuing to work hard, we are keeping our promises, and working hard for the American people who sent us here to change the way Washington does its business. We are attempting to do that.

Next week's bill will reduce taxes on middle-income families, it will reduce taxes on senior citizens and raise the earnings limit on them so those senior citizens can work above the limits that are imposed on them today.

□ 1345

Furthermore, we will reduce capital gains taxes in America to free up capital so that people in America will have a better opportunity at better high-paying jobs.

This is our Contract With America; we are proud to bring it to you, and thank you for your support in helping us move the significant legislation through this new Congress.

TAX CUTS: WHO WILL BENEFIT?

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

Mr. WISE. Mr. Speaker, in responding to the gentleman from Ohio, it is true we are about in the 86th day of the contract for America, a lot of things have happened, and I think we ought to talk for just a moment about this tax cut package because it is kind of like walking in the car lot. And you heard the description of it, it sounds pretty good, it is shiny and glistens; better look under the hood, check the trunk, kick the tires because you may have some problems.

If you are middle income, depending on what your income status is, if you are \$200,000 you are in great shape, you are going to be able to take full advantage of this tax cut. But if you are under \$13,000 a year you are out of luck.

Who are we trying to help around here? If you are the average West Virginia family, income of \$22,000 to \$24,000 a year, not much in store for you. If you are \$100,000, though, 51 percent of the tax benefits are going to go to you; if you are \$75,000 it is around 65

percent, you will like the capital gains tax cut.

If you are over \$100,000 the average amount you will be getting back will be \$1,200; if you are somewhere around \$30,000 a year it is \$26.05, Department of Treasury statistics.

So this is what is on the floor next week. And of course, where would this tax cut go, how do you pay for it? You pay for it by cutting other programs, and so those cuts do not go to reducing the deficit, which in my town meetings is what two-thirds of the people are saying that they want done.

You give a tax cut basically to the privileged few, and you cut the very programs that help the bulk of Americans. School lunch, school breakfast, welfare reform, so many of the other cuts, rescission programs, summer jobs program that put young people to work, those are the programs being cut.

So, Mr. Speaker, I would just urge Members to look very closely at this last item of the contract. If it is the diadem in the crown of the contract, it has a lot of tarnish to it, and it is going to be important to debate it fully next week.

CAMPAIGN TO PROTECT SANE GUN LAWS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous material.)

The SPEAKER pro tempore (Mr. GOODLATTE). Without objection, the gentlewoman from Colorado is recognized for 1 minute.

There was no objection.

Mrs. SCHROEDER. Mr. Speaker, today is a very tragic day because it is the 14th anniversary of the shooting of President Reagan and his press secretary, Jim Brady. And tomorrow is going to mark the beginning of a campaign to protect sane gun laws by 82 national organizations representing 88 million Americans.

Why are these organizations mobilizing? Tomorrow they will speak for themselves, but they are beginning their congressional campaign tomorrow to make sure, to make sure that Federal gun laws that make sense will not be repealed after the 100-day contract period is finished.

Mr. Speaker, I will include for the RECORD at this point an article from Newsweek magazine calling on pulling the trigger on guns.

This article, I think, is a very important one, and tells why these many, many organizations and Americans are very, very frightened, that some of the important gains we made after this tragedy that happened 14 years ago are apparently about to be assaulted and repealed in May of this year, right here in this very House.

So, I hope that everybody thinks about it. When you look at the Brady bill we know that last year it stopped