

placed on them by the Federal Government.

The Government is burdening seniors with tax rates as high as any millionaire could pay. I read in the paper the other day that the new top marginal tax bracket for some retirees is 51.8 percent.

The Government is burdening them with disincentives to work and contribute beyond retirement age. Current law requires that seniors between the ages of 65 and 69 lose \$1 in Social Security benefits for every \$3 they earn above \$11,280.

Most important, the Government has been burdening them with policies that say no. Policies that just don't make sense.

Where is the common sense in a national policy that says don't plan and don't save for your retirement years. Don't continue to work and contribute to society past age 65. Don't expand your long-term-care insurance.

These policies just don't make sense.

It's time the naysaying of the Federal Government stopped. It's time Congress stood up and said yes to our seniors.

Yes to lifting the earnings limit to \$30,000. Yes to repealing the 1993 tax hike on Social Security benefits. Yes to providing tax breaks for long-term-care insurance.

There was no good reason to increase the Social Security tax on benefits in 1993. It was unfair to single out Social Security for a 35-percent tax increase. We are going to repeal it.

It is bad policy to hold older American's earned income to \$11,000 a year.

The earning limit is an antiquated policy that punishes older Americans for being productive citizens. Many older Americans must work to make ends meet. Senior citizens have a wealth of knowledge and experience to share.

The time has come to stop punishing senior citizens. The time has come to recognize hard work, savings, and contributions to society. The time has come and it is now.

We are going to move forward with the Senior Citizen's Equity Act by passing the Tax Fairness and Deficit Reduction Act tomorrow.

REPUBLICAN TAX BILL BENEFITS WEALTHY

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from Georgia [Mr. BISHOP] is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, as the 100 days come to an end, I want to compliment our friends on the other side of the aisle for the positive things that have happened, including, for example, the enactment of measures to put Congress under the same laws that we impose on others and to restrict unfunded mandates on the States and on communities

Unfortunately, though, these bright moments have been too few and too far between. All too soon, the 100 days became excessively partisan and very extreme. In too many instances, the Contract With America became a means of lining the pockets of the wealthy at the expense of the poor and middle-income working families. It became a flamboyant, circus-like, promotional vehicle worthy of P.T. Barnum at his best. And yes, tomorrow the circus does come to town.

As we consider the Republican tax bill and the offsetting spending cuts, just consider who the winners really are. The wealthiest 10 percent of our population get 47 percent of the benefits. The wealthiest 5 percent get 36 percent of the benefits. The wealthiest 1 percent get 20 percent of the benefits. This causes a revenue loss of \$178 billion in the first 5 years, and \$458 billion in the second 5 years.

Is this loss of revenue going to reduce the deficit? No. Is this loss of revenue going to balance the budget? No. It is going to the rich.

Who is going to pay for it? I will tell you who is going to pay for it: hungry children who are cut from school lunches, mothers and infants who depend on WIC for healthy births and early childhood development, promising students who cannot afford higher education without student loans, older citizens whose lives depend on heating assistance.

These are spending cuts, Mr. Speaker, but they do not go to balance the budget as Republicans claim they want to do with spending cuts. No. Instead, they choose to take money from children, from mothers, from students and from the elderly and give it to the wealthy 10 percent of our population.

This is a tax bill that robs the poor and working families to pay the rich. This is a tax bill that hoodwinks the American people. This is a tax bill that is immoral. This is a tax bill that ought to be sent to purgatory.

REPUBLICAN TAX BILL BENEFITS REAL PEOPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. HASTERT] is recognized for 5 minutes.

Mr. HASTERT. Mr. Speaker, it is interesting to hear my colleague from the other side of the aisle talk about immorality and how tax breaks go to the rich.

But let me talk a few minutes about what this tax bill will do for people, real people, people who are 65 years of age. And because they have never been very wealthy all their lives or never had great jobs all their lives they do not have big pensions, and they do not have a lot of income coming in from other types of investments, investments in rents and other things. But, lo and behold, people who have to work, people who have to work to make ends meet, people who have to

work to pay the taxes on their homes that they live in and, heaven forbid, maybe even buy a new car someday, real people like your mother and father and your grandparents, people in your lives that you know every day, day in and day out.

What happened with the 1933 tax bill is something called the earnings test on Social Security. The earnings test on Social Security says once you earn \$11,280, you have to pay \$1 out of every \$3 in penalty that you make on your Social Security.

So when you add up all your taxes and all your tax liabilities, if you are a senior and you are 66 years of age and you have to work to keep your family together and maybe pay your taxes on your home and maybe groceries and things like that, all of a sudden you are paying a marginal tax of 56 percent, twice the amount that millionaires pay.

But you know in the tax bill that our friends on the other side of the aisle talk so vehemently about, there is some real relief for seniors that have to work, that have to take care of their families, that want to live a life like everybody else, that want to be productive.

Mr. Speaker, what happens there is that seniors get a break with this tax bill, that we raise over the next 5 years the earnings test to \$4,000 a year, and so in 5 years you can earn \$30,000, not a lot of money in our day and age but enough for sustenance to keep a family together and not pay that penalty on your Social Security.

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Now we think this is a fair bill. The President thought it was certainly something fair because he included it in his campaign report. But let me talk to you a little bit about some real people, real people who live in my district and probably in your district and across this country:

Betty Bourgeau: Betty entered the work force at age 50 when her husband left her and her children. She worked two part-time minimum wage jobs at a department store and for a security company. She then became a teacher's aide for a HeadStart program, went back to school and became qualified to be a HeadStart lead teacher. However, Betty quit teaching HeadStart, the job she loved, when she began taking Social Security. She would lose most of her benefits with both jobs. Her department store job included health care benefits she needed, so she remained employed there.

Betty has received several "Employee of the Year" awards at the department store over the years, accompanied by pay raises. However, when she takes the raises, she must reduce her hours or lose more of her benefits to Social Security. This puts her in a particularly difficult situation because her health benefits are predicated on working a certain number of hours for the department store. Regulating her

hours is also difficult during the busy holiday season at the end of the year. The store needs her more during these times, but she loses most of her benefits if her work puts her further over the Social Security limit.

Now that type of a situation happens time and time again. Why do we penalize? Why do our friends on the other side of the aisle want to penalize working seniors? Why do they want to vote no on this type of legislation?

Let us look at Mary Lou Livingston from Springfield, IL: Mary Lou was divorced 19 years ago and has worked ever since. She has no pension or retirement plan to draw from. She had to pay the Social Security Administration back \$549 in 1991, \$281 in 1992, \$935 in 1993 and \$730 in 1994 for earnings exceeding the Social Security earnings limit. During those years, her average Social Security check was \$288 per month. In 1994, Mary Lou cut back her hours to try to avoid the penalty, but still had to pay some money back. Mary Lou supplements her grocery bill each month through the Share Program sponsored by Catholic Charities. This program allows her to pay \$14 per month and receive \$35 worth of groceries.

Mary Lou works as an information receptionist at the Visitors Center of the Lincoln Home National Historic Site in Springfield, IL. She has worked there for nearly 12 years and has received numerous complimentary letters for her job performance. She was also featured as a staff star of the Springfield Bureau of Tourism.

Here is a person who needs to work, needs to have the tax relief that the tax bill that we will vote on the rule tomorrow will give her, but yet there are some who want to demagogue the issue and talk about how all these benefits go to the rich when, in fact, they go to real people, real people who really need them.

Mr. BILIRAKIS. Mr. Speaker, I want to take this opportunity to express my strong support for increasing the Social Security earnings test and eliminating taxes on Social Security recipients.

With regard to the Social Security earnings test, currently, older Americans between the ages of 65 and 69 lose, \$1 in Social Security benefits for every \$3 they earn above \$11,160.

I have consistently cosponsored legislation to repeal the limitation placed on the outside earnings of Social Security benefit recipients. Current law, in my opinion, punishes seniors who choose to remain productive beyond age 64.

The Senior Citizen's Equity Act, which I strongly support, raises to \$30,000 the amount which seniors can earn before losing Social Security benefits. I believe this is a necessary step—we should be encouraging rather than penalizing productive, experienced people who want to work.

I also strongly support repealing President Clinton's Social Security benefits tax—in fact, one of the primary reasons I voted against President Clinton's 1993 tax package was due

to the additional tax burden it placed on Social Security beneficiaries.

I am pleased that the Contract With America includes provisions to repeal this unfair benefits tax.

Since I was first elected to Congress, I have always fought to protect the social contract represented by Federal retirement programs, including Social Security. As a Member of Congress who represents one of the largest concentrations of older Americans in the Nation, I am committed to continue this battle to protect the benefits of our seniors.

Therefore, I will be supporting the Tax Fairness and Deficit Reduction Act of 1995 when it is voted upon by the House of Representatives this week.

Mr. GOSS. Mr. Speaker, tomorrow the House will take up the last item in our Contract With America." The passage of H.R. 1215 will reverse the tax-and-spend mentality of recent Congresses, and finally give the American taxpayer some long-overdue relief from the highest Federal tax burden in our country's history. Not only does our bill provide much-needed tax relief for working families, it includes several badly needed, and long-overdue relief measures for our Nation's seniors. I'm especially proud of the fact that our bill provides several carefully crafted provisions to help seniors with the ever-looming, and potentially devastating cost of long-term health care. Our bill will allow seniors to deduct the cost of long-term care insurance premiums and the cost of any substantial long-term care expenses. Adopting these changes will end the tax codes' current discrimination against seniors, and make the tax treatment of long-term care costs similar to that currently provided for employer-provided health insurance and out-of-pocket medical expenses. Not only is this fair—but it is a good idea. These provisions will help seniors provide for their own future health needs while enabling them to maintain their independence and dignity in the event they are saddled with a costly, long-term care episode. Rather than compel millions of seniors to spend down their life savings to qualify for medicaid benefits, as our current laws do, these provisions help seniors preserve their savings while helping themselves. We've also provided a tax credit for families who care for a loved one at home. This will help families stay together, and again, help prevent older Americans from having to suffer, unnecessarily, from the cost and isolation of institutional care. H.R. 1215 also includes several other provisions to provide seniors immediate economic help. First, we've committed to repealing the ill-conceived new tax on social security benefits—imposed by the 1993 Clinton tax bill. This tax is really a double tax on retirees' past earnings. While proponents of this tax like to label it a tax on the wealthy, in reality it applies to any recipient earning over \$34,000 a year or to any couple with a combined income over \$44,000. This is hardly what most people would consider wealth. And I would contend this is hardly a lavish amount of income for seniors facing today's health care costs. Worst of all, these income thresholds are not indexed for inflation, so over time, as people's earnings rise, more and more seniors will find that they are wealthy as defined by the Clinton tax bill, and be subject to this confiscatory tax. Given all these facts, I think the case for repealing this tax is clear. Finally, H.R. 1215 would provide

immediate relief to thousands of Social Security recipients who are currently penalized by the un-American application of the Social Security earnings test limit. Today when a senior between the ages of 65 and 69 earns more than \$11,280 a year in wages, we start confiscating a third of that person's Social Security benefits. This puts seniors living on fixed incomes in a terrible dilemma—if they find their benefits are inadequate to live on, and they try to supplement their incomes by returning to work, they face marginal tax penalties of nearly 50 percent. Worst of all, because the limit doesn't apply to dividend income, capital gains, or other nonwage earnings, it disproportionately impacts those seniors who need the additional income from working. Not only does this discourage people from trying to be responsible and take care of their own needs, it deprives our entire economy of the accumulated knowledge of an entire generation of older workers. By raising the earnings limit to \$30,000 per year, our bill takes an important step toward ending this nonsense of the vast majority of seniors who need or want to return to work, and return us to a policy which again respects our traditional American ethics of hard work and self-reliance. Mr. Speaker, these reforms constitute the bulk of our Contract With America's seniors. They deserve the full support of this House tomorrow when we take up H.R. 1215.

TAX CUTS—JUST WHEN WE ARE BEGINNING TO MAKE PROGRESS ON THE DEFICIT

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from Massachusetts [Mr. MEEHAN] is recognized for 5 minutes.

Mr. MEEHAN. Mr. Speaker, I rise this evening to talk about the budget deficit, and I have heard comments made back and forth about demagogic conversation, speeches. I ran for Congress because I felt that the Federal budget deficit was out of control and threatening future generations of Americans. We are paying \$240 billion a year in interest on the national debt. If you look at projections of Federal spending from now until the year 2002, and 2005 and beyond, it is not easy to see that we are going to bankrupt future generations of Americans. Long-term economic growth will be impossible if we do not get our Federal budget deficit under control, and we must have the courage to act and the courage to make tough choices. Getting the Federal budget deficit under control is not about easy choices, and hear all the talk about tax cuts; those are the easy choices.

I had a plan when I got to Congress, my own plan to actually balance the budget. It was not easy to put together. It was put together through a combination of increases in revenues, in cuts, in spending. I have been committed to cutting the deficit since I got to Congress. It is why I got the fourth highest rating in the country from the Concord Coalition on deficit reduction. I believe that the future growth of this country