

are working harder and longer to pay their taxes. For many Americans the current tax system is in effect a death sentence.

Who among us thinks that we are undertaxed? How many of us think that we should be paying more of our hard-earned tax dollars to the Federal Government? We are taxed on every dime we make, every purchase we make, every phone call we place, every gallon of gas we pump, every home we sell. We are even taxed when we die. The people of central New Jersey have told me that they are tired of paying more and more each year. They have told me to go to Washington and work for real tax relief.

Mr. Speaker, the time that is spent to pay the tax bill is time that could be better spent. It is time that a mother or father could be spending with their child. It is a time that a small business man or woman could be drumming up new customers. Imagine that you found a new job where you were told to come to work at 9 in the morning but you would not start getting paid until 11:45. Would you want that job? Yet that is the part of every day that every average American worker spends to pay their taxes. It was not until May 7 last year that the average American worker was able to stop working for Uncle Sam.

I have made it a top priority of mine to help ease the burden of taxes on the individuals, families and businesses of this country. On my first day as a Member of Congress, I introduced legislation, H.R. 245, that will ease the burden for those families or individuals trying to sell their house or buy new equipment for a small business.

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The legislation reduces the capital gains tax by 50 percent and seeks to eventually end it entirely.

H.R. 245 also aims at keeping family owned businesses and farms in the family. It raises the estate tax exemption so that a son or daughter can build on a business that was started by their mother or father. This obtrusive death tax brings in only a small amount of revenue into the Government and, yet, can have devastating effects on a family or a family business.

Oftentimes a business or farm that has been part of a family for generations is forced to be sold just to pay the tax bill. Approximately 75 percent of businesses in this country are family owned and 78 percent of the founders of those businesses intend to pass their business down to their children, but currently only 30 percent of businesses ever make it to a second generation.

Many parents work their entire life to hand down something to their children to make their lives better. Under the current system, the Government steps in and destroys a lifetime of work. That is wrong, and for many it will end with the passage of H.R. 245.

Just yesterday I, along with the chairman of the Committee on Small

Business, the gentleman from Missouri [Mr. TALENT], introduced another piece of legislation, H.R. 955, that will help to keep the entrepreneurial spirit of this country alive.

The Family Freedom Home Office Deduction Act of 1997 will make it easier for the 14,000,000 home-based business owners to deduct the expenses of their home office. Small businesses are the single greatest creators of jobs in this country and, frankly, in the future. The advent of fax machines, Internet and teleconferencing have changed the face of business. No longer are businesses confined to large office buildings.

More and more people are working out of their homes. Each of us knows people in our district who work from their homes: consultants, salespeople, lawyers, doctors, accountants. Many of the people that we deal with each day, sometimes unbeknownst to us, are working out of their home. Whether it is the father who wants to be there for his children or the mother who works as a consultant, working from home has become increasingly appealing. Seventy percent of all home-based businesses are started by women. The Tax Code should reflect the modern business environment of our country.

America has always been the home of the entrepreneur. This legislation is one step in equipping small businesses with the tools it needs to continue being the fastest growing sector and job producers in our economy.

Providing every American with tax relief is not a partisan issue. Our job here in Congress is to represent the people of America and work to make their lives better. Passing tax relief is good for our future and the time to act is now.

WEST VIRGINIA TO RECEIVE FEDERAL DISASTER RELIEF

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, there are times to say thank you, and as the flood waters are receding but not gone from West Virginia, it is time to say thank you to the National Guard, the hundreds of men and women who have been on duty for many, many days. It is time to say thank you to the emergency services personnel, the State and county office of emergency services, the volunteer fire departments all across our State. The many volunteers, the Red Cross and the Salvation Army.

We are still pulling out the mud, still feeding people in shelters, still trying to clean out homes, still trying to clean off roads, and that work is going to go on for a long time, but a lot of people have made the loss of life minimal and have safeguarded much life and properties because of their efforts. So to these people we owe a great deal of thanks.

Governor Underwood has done an excellent job coordinating all these different resources, and as we finish the first stage in our State in flood recovery, we now enter the second stage. That second stage begins today with the Governor requesting Federal disaster assistance for a number of our counties. In seeking partial declaration of Federal assistance, Cabell, Kanawha, Wirt, and Wetzel Counties would be the first ones under a partial declaration. And it must be pointed out that this is a partial declaration; that because the flood waters are still receding in some areas, we do not know the full amount of damage in those areas and it will take a day or two more to assess that.

But other counties will be added to the disaster declaration made by the Federal Government. I can assure people of that, having personally contacted the Federal Emergency Management Agency myself, having met with the Vice President and the head of FEMA yesterday in Huntington, having sent a letter directly to the President of the United States, as well as the head of FEMA, having been in close contact with Governor Underwood, the OES staff and, of course, the Federal officials.

The partial declaration will name some counties and then others will be added very, very quickly. No one should be worried that they will be left out in this regard. Simply because a county is not named does not mean it will not be under the Federal disaster declaration. Indeed, it will probably follow in the next couple of days.

When the county is named, the people in that county, Mr. Speaker, will have access to a toll free number and they can call that number, which goes directly to the Federal Emergency Management Agency, and then they can start beginning to receive the assistance they need and applying for the assistance they need in housing, in unemployment, crisis counseling, tax relief, small business loans and the many other areas that are so necessary to help the thousands of West Virginians get back on their feet.

We have had 9,000 residences affected by this flood, Mr. Speaker, and the damage is beyond comprehension.

Mr. Speaker, I think it is important also to emphasize that as the first stage begins to end, and as the National Guard and others begin to return to their normal duties, now the second stage begins, and that is the Federal assistance, and there will be others there to assist as well. My staff will be visiting many of these areas. I will, of course, be working closely with the Governor's staff and others. So no one will be left alone.

Switching topics, Mr. Speaker, turning to the eastern panhandle for a second, the eastern panhandle on Monday is going to host the first of a series called Project Europe Forums. I am delighted the men and women of the eastern panhandle have taken this on.

Heading up Project Europe in the steering committee, I know how much

we can gain in West Virginia from marketing our goods in the European Union. So on Monday, in Martinsburg, at the Holiday Inn, we will be holding the first of Project Europe functions in which we bring together representatives of the German Embassy, the United States Department of Commerce, the West Virginia Development Office and other West Virginia businesses that have already cracked the European market and to work with our other West Virginia businesses that maybe want to increase their opportunities or indeed want to get into the European market for the first time.

Seventy-five percent of foreign investment in West Virginia is European. Over a billion dollars worth of goods sold from West Virginia goes to the European Union. So I know, Mr. Speaker, that this is going to be a valuable undertaking, and I am delighted the eastern panhandle, and Martinsburg in particular, will host our first Project Europe seminar on Monday.

SUPPORT COMPREHENSIVE TAX REFORM

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

Mr. GIBBONS. Mr. Speaker, I rise today in support of comprehensive tax reform. My personal belief is that we should completely scrap the current Tax Code and replace it with one that is fairer, flatter and simpler. While I am not certain of which tax reform proposal is best for our country, I am certain that our current system is desperately in need of reform.

April 15, millions of Americans will struggle with the current Tax Code in a desperate attempt to comply with the rules and regulations and their obligation to this country. Since enactment, the Internal Revenue Act of 1954, the income tax code has grown from 744,000 words in 1955 to 5,577,000 words in 1994. This represents a growth rate of 625 percent for that 40-year period.

The Code has been revised well over 400 times through major tax enactments and public laws. The Tax Code has become so overly complicated that the average American taxpayer finds it extremely difficult, if not impossible, to comply.

I understand that major reform does not come about overnight and there are significant steps we can take in the interim to help ease the tax burden for the hard working men and women of this country. The first is a reduction of the capital gains tax. The capital gains tax represents a significant disincentive for investment in this country and stifles economic growth. Its reduction would help unlock stagnant investment and allow our economy to thrive.

Second, I would like to eliminate altogether the estate tax. The death tax, as it is called, is one of the worst provisions in the Tax Code. This tax penalizes hard working families who work so

hard to provide financial security to their children and grandchildren. It often forces businesses and business owners, farmers as well, to liquidate their businesses just to pay this tax.

If Congress is serious about easing the tax burden and making our tax system more equitable, capital gains and estate taxes are a good place to start.

OUR COUNTRY NEEDS SWEEPING TAX REFORM

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

Mr. COOK. Mr. Speaker, I believe the most compassionate and practical thing that this Congress can do is to give the American people tax laws that make sense and tax relief that is meaningful. Our country desperately needs sweeping tax reform. Our people need tax laws they can understand. They need a method of taxation that is fair and reasonable.

Our tax laws now are so complicated that even the IRS cannot explain them. I think it is ludicrous the IRS sends out 8 billion pages of forms and instructions each year. Our tax system is too complicated, and our taxes are simply too high.

Mr. Speaker, I am proud to join the growing number of congressional Members calling for sweeping tax reform and meaningful tax relief.

We lost the fight this year to give the American people the term limits the majority said they wanted, and it appears from this week that we may be losing the fight to give the American people the balanced budget amendment that they have been wanting and feel they can build their future on. But let us not lose this fight. Let the 105th Congress be remembered for slaying the dragon that terrorized previous Congresses.

I have been a long-time advocate of the flat tax. I support the Freedom and Fairness Restoration Act of the gentleman from Texas [Mr. ARMEY]. A flat tax is simple. I like Mr. ARMEY's suggestion that Americans ought to be able to file their taxes on a form the size of a postcard.

A flat tax treats everyone equally and fairly. It will spur the economy and encourage people to save and invest. The Freedom and Fairness Restoration Act will also give Americans desperately needed tax relief, providing a reasonable tax cut while raising nearly as much money as the current system. But more than this, I think a flat tax can reform our entire political system.

Congress has used the American Tax Code as a tool for social engineering, and that is not right. Behaviors are rewarded or punished through a little tinkering here and a little tinkering there of the Tax Code. I believe that is a cynical and improper use of our power. Americans pay taxes to support a government created to serve them,

not to a government created to control them.

Mr. Speaker, we never enjoy paying our taxes. The millions of American families struggling to make ends meet will never be eager to give their precious dollars to the Federal Government. But if we have the courage to act, these families can say for the first time that they now understand the tax laws that they are obeying. They can say for the first time that they know their tax burden is not heavier for them than for the family down the street or those across town. They can say for the first time that the American tax system is simple, fair, and just.

DEATH TAX IS PARTICULARLY METTLESOME

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

Mr. SHIMKUS. Mr. Speaker, it is no secret that the Tax Code hurts our economy. We all know that Americans who try to save get penalized and that most Americans need a tax attorney to help them file their returns.

I want to speak briefly, however, on a part of the Tax Code that is particularly mettlesome to constituents in my district: The death tax, which was first enacted in 1916 on estates larger than \$50,000, which in today's dollars would be about \$720,000 at a top tax rate of 10 percent.

Today, under the tax and spend policies of the past, this tax has grown to include estates valued as low as \$600,000 with a top tax rate of 55 percent.

The goal of this tax is to prevent families from amassing huge estates and to promote wealth redistribution. That may sound like a good goal on paper, but in practice this tax does not have that effect. In fact, the estate tax hurts middle class, family owned businesses and farms by making it harder for the business to be passed on to the next generation.

Back in my district, in Illinois, the Buesinger family, from Christian County, have recently found out how terrible this tax can be.

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After Glen Buesinger, Sr. passed away, his three sons and wife were left to manage the farm. The family almost lost their farm and is still hurting from the costs, aggravation, and frustration this tax has placed on them.

The rich in this country, at which this law is aimed, simply evade this tax legally by using complex estate planning techniques and tricky lawyers. Since many of these techniques are costly and require long lead times to implement, those with the largest estates have the greatest ability to engage in this practice. A disproportionate burden of the death tax falls on those with recently acquired assets, such as farmers and small business owners.